DEPARTMENT OF DEFENSE APPROPRIATIONS FOR 2014

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRTEENTH CONGRESS

FIRST SESSION

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DEPARTMENT OF DEFENSE APPROPRIATIONS FOR 2014

WEDNESDAY, APRIL 24, 2013.

DEFENSE HEALTH PROGRAM

WITNESSES

DR. JONATHAN WOODSON, ASSISTANT SECRETARY OF DEFENSE FOR HEALTH AFFAIRS AND DIRECTOR OF TRICARE MANAGEMENT ACTIVITY

LIEUTENANT GENERAL PATRICIA D. HOROHO, SURGEON GENERAL OF THE ARMY

VICE ADMIRAL MATTHEW L. NATHAN, SURGEON GENERAL OF THE NAVY

LIEUTENANT GENERAL (DR.) THOMAS W. TRAVIS, SURGEON GENERAL OF THE AIR FORCE

OPENING STATEMENT OF CHAIRMAN YOUNG

Mr. YOUNG. The committee will come to order. As you might have noticed, the attendance is not really great right now because many of our members are chairmen of other subcommittees and there is a very busy schedule of hearings of other subcommittees as well today. So our attendance may not be as good as usual. But I think you will find it to be very interesting because every member on this subcommittee has a great interest in what it is that you all do.

So this morning the committee will hold an open hearing on the fiscal year 2014 budget request for the defense health program. We would like to welcome the Assistant Secretary of Defense for Health Affairs, Dr. Jonathan Woodson; the Surgeon General of the Army, Lieutenant General Patricia Horoho; the Surgeon General of the Navy, Vice Admiral Matthew Nathan; and the Surgeon General of the Air Force, Lieutenant General Thomas Travis.

I would also like to mention that while Dr. Woodson, General Horoho and Admiral Nathan are veterans at testifying before this subcommittee, General Travis is making his first appearance before us. And General, I think you will find that this committee is very supportive of the mission that you have and that all of the rest of you have. So this is not an adversarial committee, while on occasion we may have some very, very interesting and penetrating questions.

General TRAVIS. Thank you.

Mr. YOUNG. We are very interested in what you have to tell us. So many things have been happening that affect military medicine. Over the past year we all heard talk of fiscal cliffs, challenges, se-

questration, continuing resolutions, reductions, cuts and furloughs. It is sad that in the media these discussions have largely displaced the news of the actions of our brave servicemembers, because despite all of the economic turmoil we are facing our servicemen and women continue to unfailingly defend this Nation, and for that we will forever be grateful.

We remain committed to providing the very best in medical care to our servicemen and women who put their lives on the line for us each and every day.

However, as has been the case for the last several years the Department faces a tremendous challenge with the growing cost and long-term sustainability of the military health service system. Military health care costs have risen from $19 billion in the fiscal year 2001 to approximately $49 billion in the fiscal year 2014 budget request. However, this budget request assumes savings associated with several controversial TRICARE benefit cost sharing proposals that must ultimately be approved by Congress. We are interested to hear more about these proposals today.

Additionally, the subcommittee remains concerned about continued high numbers of suicides and the ability of the Department to provide mental health counseling, and readjustment support for our servicemembers returning from deployments. It is imperative for the Department to get to the heart of the issues that servicemembers and their families face during and after deployments. The committee is anxious to hear about what progress the Department has made in the past year with regard to psychological health, traumatic brain injury and suicide prevention; and what this subcommittee can do to assist in making further advances in the coming fiscal year.

We are concerned about the tremendous backlog in the Veterans Administration of dealing with veterans claims. And I am wondering if there should be some delay or some other decision before the military medicine turns loose the wounded soldiers and turns them over to the VA system that is so far behind that it is just frankly terribly, terribly embarrassing. And I know that other members have the same experiences that I have in my district of people calling saying I can't get through to the VA, I can't get my case considered when their case needs to be considered. And that could possibly be the reason that we are having problems like suicides and PTSD and other issues that could be dealt with. So if you have any thoughts on whether the military medicine should keep soldiers in some cases longer before turning them over to the VA where they basically get lost or filed in a box someplace.

So anyway, welcome. We look forward to your testimony and to an informative question and answer session. Before we hear your testimony, I want to turn to my good friend and the ranking member, Mr. Pete Visclosky, for any opening comments that he would like to make.

Mr. VISCLOSKY. Chairman, thank you very much. I certainly want to associate myself with your remarks. Thank you for holding this hearing and thank our witnesses. We look forward to hearing from you. Thank you very much, Mr. Chairman.

Mr. YOUNG. The process, as you all know, we will hear your statements. You may consolidate those statements anyway that

you would like. The entire statement will be placed in the record, but in the interest of time if you wish to consolidate them that would be perfectly fine, and then we will hear from each of the four of you and then we will begin the questioning. Dr. Woodson, we will start with you.

SUMMARY STATEMENT OF DR. WOODSON

Dr. WOODSON. Thank you very much and good morning to everyone. Chairman Young, Ranking Member Visclosky, and members of the subcommittee, thank you for the opportunity to appear before you today.

The men and women who are serving in the Military Health System continue to perform on the battlefield and here at home with great skill and courage. The military health system's ability to simultaneously engage in combat and medical operations and support a comprehensive peacetime health system and respond to humanitarian crises around the world is unique among all military forces.

Mr. YOUNG. Excuse me, doctor, could you pull that microphone a little closer?

Dr. WOODSON. And as we all witnessed with the horrible and tragic events in Boston last week, we have also seen how the hard earned medical lessons of Afghanistan and Iraq have transposed themselves to the civilian environment with lifesaving practices that benefit all of American society.

The medical readiness of men and women in our Armed Forces remains at the center of our mission and our strategy. And that strategy is coupled with our mission of maintaining a ready medical force, a force of professionals that are well trained, engaged in ongoing clinical practice and supported by military hospitals and clinics that are operating at optimal capacity.

As we maintain our readiness support combat operations and deliver health care services to 9.6 million beneficiaries we must also be responsible for the budgets that we are given. In 2013, the Department and the Federal Government has encountered headwinds. Budget sequestration continues to present significant challenges to our system and would create potentially catastrophic affects if this approach to budget is sustained in 2014. In light of this the Department has proposed both internal and external reforms that are further expanding our joint engagement in almost every facet of our operations. Internally we are reforming how we are organized in the Military Health System. The overarching goal of this effort is to create an even more integrated health care system, better coordinating the delivery of services of the Army, Navy and Air Force medical facilities along with care provided by the Veterans Administration and private sector medical community.

We are charting a collaborative path forward to eliminate redundancies within the Military Health System, improve business practices and clinical outcomes, and effectively manage care for the servicemembers and their families. Externally the administration is one that is again asking the military retirees to pay more than they do today for health benefits that they have rightly earned and now receive, but proportionately less than when TRICARE was initiated.

In an era characterized by more limited resources we must make decisions, tough choices and determine tradeoffs among a series of important requirements, military operations, training, research and benefits, particularly the enormous and profound responsibility for lifelong care to our veterans who seek services and benefits for conditions related to military service.

Our proposals will slow the growth of retiree health benefit costs to the Department over time while keeping in place the comprehensive medical benefits that retirees receive and ensuring that this program is there for future generations. The proposals will not affect most active duty military families. Additionally our proposals exempt the most vulnerable within retired populations, to include families of servicemembers who died on active duty and families of servicemembers who are medically retired.

Many other challenges remain ahead for military medicine. We are working to mitigate the harmful effects of sequestration involving civilian personnel and cuts in vital military research. We continue to identify approaches to curb unnecessary utilization of health care services. We are increasing our emphasis on wellness and we are deepening our collaboration with the Department of Veterans Affairs.

I want to close by thanking the Congress and in particular this subcommittee for its long support of our programs and efforts to continuously improve military medicine. Thank you for allowing me to be here today and I look forward to your questions.

[The statement of Dr. Woodson follows:]

Prepared Statement

of

The Honorable Jonathan Woodson

Assistant Secretary of Defense for Health Affairs

REGARDING

THE MILITARY HEALTH SYSTEM OVERVIEW

BEFORE THE

HOUSE APPROPRIATIONS COMMITTEE

DEFENSE SUBCOMMITTEE

APRIL 24, 2013

Chairman Young, Ranking Member Visclosky and members of the Subcommittee, thank you for the opportunity to present the Department of Defense request for funding of medical programs for fiscal year 2014 and especially for the honor of representing the dedicated military and civilian professionals who comprise the greatest military health system in the world.

The military health system remains strong and effective in meeting its missions of ensuring medical readiness and delivering quality health services for 9.6 million eligible beneficiaries worldwide. The budget we have put forward is fully aligned with the larger strategic objectives of the Department.

The military health system continues to provide high quality health care and an ever-improving health care experience for all beneficiaries -- active duty, those who have retired from a career of military service and all of their family members. This budget supports the core values of the military health system and the MHS strategic plan: improved readiness, better health, better health care, and lower cost. We are committed to sustaining the superb battlefield medical care we have provided to our warriors and the world-class treatment and rehabilitation for those who bear the wounds of military conflicts. This budget also sustains the long-term medical research and development portfolio allowing us to continually improve our capability to reduce mortality from wounds, injuries and illness sustained on the battlefield.

We also recognize that the Budget Control Act of 2011 presents unique challenges to the Department. Our budget proposes a series of modest efforts that aim to re-balance the health cost shares borne by the government and the beneficiaries we serve. These proposals are phased in over several years, protect the most vulnerable in our military community, and still allow the

Department to deliver one of the most comprehensive health benefits offered by any employer in this country.

Here are some of the highlights of the budget request:

For Fiscal Year 2014, we are requesting $33.1 billion for the Defense Health Appropriation. Of this request, nearly $24 billion will support direct patient care activities in our military hospitals and clinics, as well as, care purchased from our civilian sector partners. This budget request will adequately fund our daily operations plus our research programs; and it provides sufficient resources to procure needed medical equipment. Compared to last year's budget, this request represents an increase of less than 2 percent.

We not only owe a debt of gratitude to the men and women who have sacrificed so much as they supported conflicts around the world, we owe it to them to provide cutting edge treatment that improves the quality of their lives as much as possible. This request sustains medical research for wounded, ill and injured service members by requesting $363 million for continued support of cutting edge research projects. Access to mental health care has improved significantly with the addition of many qualified providers; and this budget targets $21 million to further "embedded" behavioral health support in primary care settings both at home and on the battlefield. The budget also expands our commitment to promoting preventive health care and preserving access to numerous clinical preventive services and screenings at no cost to our beneficiaries.

In partnership with the Department of Veterans Affairs (VA), we remain steadfast in our commitment to improving the DoD disability evaluation system and, in particular, the processing times for disability claims. This budget request includes $67.8 million in additional resources to

aid in reducing processing times and the backlog of service members transitioning through the Integrated Disability Evaluation System. We continue to strengthen our relationship with the Department of Veterans Affairs in other ways as well. This budget fully funds the DoD portion of operations of the joint DoD and VA federal health care center in Chicago, Illinois, and continues significant investments in the development of an interoperable health record that will facilitate more efficient sharing of health care data between the two departments.

Congress has been extremely generous in granting us carryover authority each year. This has been an invaluable tool that provides needed flexibility to manage issues that emerge during the year of budget execution. Given the size of our program and the inherent uncertainty in medical usage and costs, and especially medical claims costs related to our TRICARE program, carryover authority allows us to better manage the financial volatility within our program. . That authority has been helpful to the Department, and we request that it be continued in FY 2014.

We are intently focused on ensuring the behavioral health of our service members and their families remains a top priority. Over the last several years, we have hired more behavioral health specialists, brought on Public Health Service medical professionals, expanded our TRICARE network, and expanded the ways by which our beneficiaries can access mental health services. An important element of our strategy has been to embed mental health specialists directly within military units, and this approach has helped us identify and intervene earlier with service members, and has also encouraged our service members to seek assistance when they need it.

Over the past three years the MHS has reengineered primary care by implementing the patient centered medical home (PCMH) model. Over 2.5 million DoD beneficiaries are now receiving care from patient centered medical homes that have met criteria consistent with Level 2 or 3 National Committee on Quality Assurance recognition. A recent study of DoD PCMH performance identified significant improvements in ER utilization, quality indicators and patient satisfaction at the most mature PCMH sites. Lessons learned from first generation implementation of the medical home in the MHS have shown advances such as enhanced patient communication using secure messaging, improved access through alternatives to traditional visits, and standardized workflows and documentation for common medical problems. In addition, the expansion of behavioral health, pharmacy and other services within the PCMH and the incorporation of on-site real time specialty consultation has enabled more and more comprehensive care to be done in primary care, reducing the need for external consultations and improving continuity of care.

A critical force multiplier to our health care delivery system is a robust and modern electronic health record (EHR). The Department has long been a national leader in developing and deploying a global, electronic health record. And, for the last three years, DoD and the Department of Veterans Affairs have been working closely to deliver on two fundamental tasks in the health care arena: One, integrate health data for an individual into a seamless, interoperable electronic health record, and two, simultaneously modernize both Departments' legacy health information systems.

We have made tangible progress on a number of critical elements necessary to achieve our vision of an integrated record. The most notable efforts include the following: (1) Beginning to create a joint health data dictionary – ensuring that we are using the same, precise language to

describe the health data elements and fields in our health record system; (2) moving VA data centers to the Defense Information System Agency, or DISA – an important step for efficiency in operations; (3) Selecting a single DoD-VA joint Single Sign On / Content Management solutions; (4) Implementing a joint Graphical User Interface – or GUI – that displays information from both DoD and VA systems. Initially rolled out in North Chicago, San Antonio and Hawaii health systems, this is an important interim step to make it easier for our staffs to view patient information no matter which health system a patient used.

These are important achievements that are necessary for the seamless sharing of information. The work that has already been accomplished is money well-spent. In February, the DoD and VA Secretaries approved the following actions:

1. Expand our existing "Blue Button" capability so that VA and DoD patients can securely download their medical record using industry standard formats by May 2013;
2. Ensure clinicians can see consolidated patient data through a common viewer at nine key sites by July 2013;
3. Complete the mapping of VA health data to the Health Data Dictionary by September 2013; and
4. Accelerate the "real-time" availability of VA data by December 2013.

We are also continuing our initiative to "move from healthcare to health." Operation Live Well is the overarching framework for a set of programs and services we are offering to our military community. Over the last year, I directed the convening of two "Deep Dive" initiatives where subject matter experts met and developed innovative approaches to address weight management and tobacco utilization. We are implementing small pilot programs, developed by our own people, in military communities around the country.

And, we are working closely with the Military Community and Family Policy Office on the Healthy Base Initiative – in which fourteen military installations and defense agency offices around the world will participate in highly customized local efforts to improve health and well-being. The specific initiatives will get underway in summer of this year. Although there are many actions we can take to improve readiness, health and cost control, no single item can have as broad an effect across all of our strategic aims as a measurable change in individual and community health behaviors.

The budget request also reflects our commitment to achieving greater efficiency in the operation of the military health system. You have asked that efficiency be a top priority for the military health system; I believe that we are achieving this goal.

Over the past several years we have introduced a series of measures that have cumulatively reduced government expenditures by billions of dollars. We have decreased administrative overhead at our headquarters (and will further streamline our headquarters operations in the coming years); we are increasing our joint purchasing of medical supplies and equipment; the establishment of federal ceiling prices for drugs has saved almost $800 million annually as well as encouraging the use of the less costly mail order pharmacy. We have aligned our payments to hospitals for outpatient services with Medicare, which when fully implemented in FY 2014 will yield annual savings of over $900 million. And, our ongoing efforts to combat fraud will continue to yield savings based on targeting improper billings by civilian providers.

Within military communities where we have existing military medical capacity, the Department has established an MHS modernization study – a collaborative effort of OSD/Health

Affairs and the Service Medical Departments -- to assess our current portfolio of hospitals and clinics and determine if infrastructure changes should be considered. We are also looking at ways to more fully utilize the available capacity of our larger hospitals and medical centers. We have begun work on better defining and measuring the readiness of the health care so that we can both maintain the capability that has been developed over the last ten years of war and tailor the number and composition of the team as the requirements for the health force change in response to the evolving national security environment. We expect to conclude our work in October 2013 in order to inform our FY2015 strategic effort and budget submission.

Along with the significant cumulative effects of these efficiencies, the Department will establish a Defense Health Agency to unify our governance procedures across the Office of the Secretary of Defense and the three military departments. These long sought changes, which have the full support of the civilian and military leadership of the Department, will produce a more integrated health system and establish more common clinical and business practices across the enterprise. The centerpiece of this reform is the establishment of shared services for ten, high profile and high cost components of our system: the TRICARE health plan, health facilities, health information technology, medical logistics, pharmacy, medical education and training, medical research and development, public health, resource management, and contracting.

We will also introduce a more integrated approach to health services delivery in our local health care markets. In those military communities served by more than one Service branch, we are providing enhanced authorities for designated senior military medical officials to direct resources and establishing unified business performance plans to ensure we further improve access, service and avoid unnecessary duplication.

In the National Capital Region, we will sustain and institutionalize the tremendous accomplishments that have produced a model for joint service excellence and teamwork, not only for our wounded warriors and their families, but for our nation. The Joint Task Force National Capital Medical Region (JTF CAPMED) will transition to a medical directorate within the Defense Health Agency, and we will similarly direct the development of a single, 5-year business plan encompassing all medical facilities in the NCR.

We are excited by the opportunity that these reforms provide us to continuously improve how we ensure readiness, sustain health, improve health care, and lower costs.

But in an era of declining resources, today's military health care system cannot be sustained for future generations without further reform. The budget before you includes proposals aimed at re-balancing beneficiary cost shares that have been largely untouched for almost two decades. The overwhelming majority of our proposals are targeted at modest and phased-in increases in cost shares for military retirees and their families.

According to the Defense Business Board, 17% of those who serve in the military complete a 20 year career of service. The average retirement age from military service is approximately 43 years. Some members may retire as young as 38 years of age, following 20 years of military service. We refer to retirees under the age of 65 as "working age retirees" because second careers are the norm for most retirees in their 40's or 50's. Prior to the significant rise of health care costs in the private sector, most retirees obtained health insurance from their post-military service employers. However, because TRICARE fees were shielded from the effects of health care inflation, many retirees relinquished employer provided insurance which has grown more expensive in recent years and chose TRICARE as their primary insurer

instead. This is one of many factors contributing to the growth in costs for health care in the Department of Defense.

Our proposal protects the most vulnerable in our military populations – survivors of service members who died on active duty, and medically retired individuals and their families – so they would see no increase in fees.

We must – and do -- sustain a robust health care benefit for retirees, which they have earned as a consequence of a career of service to our nation. These reforms, which have the full support of civilian and military leadership in the Department, are a means to achieve that goal. They would slow the growth in retiree health benefit costs to the Department over time, without compromising the robust medical benefits that retirees receive, and yield more than $9 billion in health care savings over the next five years to contribute to the readiness of our military forces.

The features of our proposals are as follows:

- TRICARE Prime enrollment fees. About half of military retirees elect to use TRICARE Prime – our model that closely manages care within a closed military and private sector network. In recent years, Congress allowed the Department to slightly raise the TRICARE Prime enrollment fee from $460 per year for a family (a level established in 1994) to its current level of $539 per year. Under the Administration's proposal, beginning in 2014 and phased-in through 2018, retirees under the age of 65 would experience an increase in the TRICARE Prime enrollment fee based on a percentage of his or her gross military retirement pay. These fees would include both floors, starting with the current fee for FY 2013 of $539 dollars per year for a family, and ceilings, which would raise enrollments fees to just $1226 per year for family coverage by 2018. A separate ceiling for flag officers would increase from the current fee for family coverage to $1,840 per year. After 2017 enrollment fees for retirees would be indexed to annual cost of living increases applied to military retired pay – a request that has been

made by the military and veteran organizations who represent many of our beneficiaries. Copayments for outpatient doctor visits would rise to $16, except for mental health services, which would remain at the current level of $12. All the other characteristics of TRICARE Prime would remain unchanged, including assignment of a primary care manager, free access to clinical preventive services and automatic claims filing by our contractors. Total out of pocket expenses would remain far below average civilian health care expenditures of nearly $6,000 per year.

- TRICARE Standard. The TRICARE Standard option is the Department's fee for service type plan, under which beneficiaries chose to pay higher out of pocket costs, including annual deductibles of $150 per individual and $300 per family, in return for maximum flexibility in the choice of their health care providers. TRICARE Extra provides Standard users with additional discounts if they chose a provider within our contractor networks. Currently, TRICARE Standard beneficiaries pay no premium or enrollment fee for health care. Beginning in 2014, the Department proposes to implement an annual enrollment fee beginning at $140 and rising incrementally to $250 by 2018; TRICARE's current annual deductibles would increase from $300 for a family to $580 for a family in FY 2018, still well below the average deductible in most health insurance plans.

- Catastrophic Cap. Retirees in TRICARE have an annual catastrophic cap on out of pocket medical expenses of $3,000, after which the Departments pays 100% of the allowable costs. We are proposing that beginning in FY 2014, that cap would be indexed to increases in the cost of living increase applied to military retired pay, and exclude enrollment fees.

- TRICARE For Life. TRICARE for Life is the benefit added by Congress in 2001 which provides wrap around supplemental coverage for our military/Medicare-eligible beneficiaries at no cost to military retirees who also and enroll in Medicare Part B. Comparable Medicare supplemental coverage for civilians costs about $2,100 per year per person. We propose implementation of modest annual enrollment fees for TRICARE for Life for new enrollees only beginning in 2014. TRICARE for Life enrollment fees would also be phased-in for individuals and families over a 4-year period, and will be based on a percentage of the beneficiary's military gross retired pay up to an annual fee

ceiling, with a separate, higher ceiling specifically for flag officers. Under this proposal, the ceiling cost would be $613 by 2018 for most families, and $818 for flag officers. After 2017, the ceilings would be indexed to the amount of the cost of living adjustment on military retired pay.

TRICARE Prime Fees – Linked to Gross Retired Pay, No Impact to ADFMs

Annual Enrollment Fees	FY 13	FY 14*	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23
Prime Annual Enrollment Fees											
Floor -- Current Fee inflated by COLA	$539	$548	$558	$569	$581	$594	$607	$620	$634	$648	$662
% of Gross Retired Pay -- 4% FY 2017	$539	2.95%	3.30%	3.65%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Ceiling -- After FY 2017 inflated by COLA)	$539	$750	$900	$1,050	$1,200	$1,226	$1,253	$1,281	$1,309	$1,338	$1,367
Flag Officer Ceiling -- $1,800	$539	$900	$1,200	$1,500	$1,800	$1,840	$1,880	$1,921	$1,964	$2,007	$2,051

TRICARE Standard/Extra Fees/Deductibles – Under 65 Retirees, No ADFM impact

Annual Enrollment Fees	Current	FY 14	FY 15	FY 16	FY 17	FY 18*	FY 19	FY 20	FY 21	FY 22	FY 23
Individual	$0	$70	$85	$100	$115	$125	$128	$131	$133	$136	$139
Family	$0	$140	$170	$200	$230	$250	$256	$261	$267	$273	$279
Annual Deductibles											
Individual	$150	$160	$200	$230	$260	$290	$296	$303	$310	$316	$323
Family	$300	$320	$400	$460	$520	$580	$593	$606	$619	$633	$647

TRICARE-for-Life (TFL) Fees – 65+ Retirees, Tiered, No Impact to ADFMs

Annual Fee - Per Individual	Current	FY 14	FY 15	FY 16	FY 17*	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23
% of Gross Retired Pay -- 1% FY 2017	$0	0.25%	0.50%	0.75%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Ceiling -- After FY 2017 inflated by COLA	$0	$75	$150	$225	$300	$307	$313	$320	$327	$334	$342
Flag Officer Ceiling -- $400	$0	$100	$200	$300	$400	$409	$418	$427	$436	$446	$456

TRICARE Prime Visits Fee – No Legislation Required, No ADFM impact

Outpatient Visit Fee	FY 13	FY 14*	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23
Prime Annual Enrollment Fees											
Non-Mental Health Office Visit Copay	$12	$16	$16	$16	$17	$17	$18	$18	$18	$19	$19

Pharmacy Co-Pays (Includes ADFMs)

Retail Rx (1 month fill)	Current Fee	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23
Generic	$5	$5	$6	$7	$8	$9	$10	$11	$12	$13	$14
Brand	$17	$26	$28	$30	$32	$34	$36	$38	$40	$43	$45
Non-Formulary*	$44	Available only on a limited basis									
Mail-Order Rx (3 month fill)											
Generic	$0	$0	$0	$0	$0	$9	$10	$11	$12	$13	$14
Brand	$13	$26	$28	$30	$32	$34	$36	$38	$40	$43	$45
Non-Formulary	$43	$51	$54	$58	$62	$66	$70	$75	$80	$85	$90
Military Treatment Facilities		No change -- still $0 co-pay									

**N/A = Not available at retail after FY 13, except under limited circumstances*

Note: All proposals exempt service members (and their families) medically retired from active duty and families of service members who died on active duty.

DoD also provides pharmaceuticals to all beneficiaries in three ways: in military hospitals and clinics at no cost to the beneficiary; from more than 57,000 retail drug stores throughout the country; and through a single national mail order program. All categories of beneficiaries except active duty members share in the cost of drugs obtained from retail and mail

order sources. While Congress has recently authorized increases in these cost shares, and supported our efforts to encourage the use of the less costly mail order program, we are seeking further reform to aid in controlling the fast growing pharmacy portion of our budget – through increased copayments and limited availability of high cost non-formulary drugs in retail pharmacies. Additionally, we would build on Congressional action in the National Defense Authorization Act for 2013 which required beneficiaries over age 65 to obtain refills of certain drugs from the national mail order program and extend that requirement to all beneficiaries, requiring that all prescriptions for long term maintenance medications be filled through either military treatment facilities or the national mail order pharmacy program. These actions will ensure savings in excess of $5 billion over the next five years.

Even with these reforms retirees would pay less as a percentage of total costs than they paid for care from civilian providers nearly two decades ago. In 1996, retirees paid roughly 27% of the total health care costs. In 2012, that figure had dropped only 10.3%. With these proposals, the retire cost-share will continue to be less than 15%. Retirees would continue to receive health care benefits that are more generous than most private sector plans, at far lower costs than those paid by most private sector workers.

We estimate that the cumulative savings to the defense health program resulting from proposed increases in enrollment fees, deductibles and catastrophic caps would exceed $9 billion over the next 5 years. A word about savings to the Department: I have spoken about savings to the defense health program which is based on annual appropriations by this Committee. But slowing the growth of government costs of retiree health care will also result in savings in the mandatory account for retiree health care, the Medicare Eligible Retiree Health Care Fund. That fund will expend $9.5 billion for retiree health care in FY 2014.

The proposals will not affect most active duty military families. Active duty families enrolled in TRICARE Prime pay no fees (no enrollment fees or cost-shares) other than pharmacy copayments – and they only pay these fees when they obtain prescriptions outside of a military hospital or clinic.

We consider the comprehensive benefits we offer to be an important tool in the recruitment and retention of a skilled volunteer force. And we fervently believe that the changes we recommend uphold our commitment to all military beneficiaries, and to the readiness of our armed forces – a commitment to maintain one of the best health care benefits in the country, to protect the most vulnerable members of our population from cost increases, to invest in both health care and health, for the greatest military force in the world, both now and for generations to come.

In addition to presenting you with next year's budget and proposals, before I conclude I also want to acknowledge the challenges of operating this year under budget sequestration.

As the chief advisor to the Secretary of Defense, I want to highlight what cannot and will not be compromised.

First, our commitment to quality of care is sacrosanct. We will not allow quality to suffer or place any patient at risk. Period.

The Department will also ensure that the care provided to our wounded warriors is maintained. Our continued focus on their medical treatment and rehabilitation will continue. It is our goal to make sure that from the wounded warrior's perspective, they should see no difference in the care they receive before, during or after sequestration. And we will sustain our close

collaboration with other federal and private sector partners, including the Department of Veterans Affairs.

Finally, to the greatest extent possible, we will work to sustain access to our military hospitals and clinics for our service members, their families, retirees and their families.

But sustaining patient care during sequestration comes at a cost. The Department is reducing funding from a wide range of other essential investments. This will produce significant, negative long-term effects on the overall Military Health System.

By directing all resources to the provision of patient care under a sequestration, we will have less funding to address medical facility maintenance and the needed restoration and modernization projects. This will negatively affect the healthcare environment and potentially drive substantial bills for facility maintenance in the future. While we will continue to fund projects that directly affect patient safety or that are emergent in nature, we will see a degradation in the aesthetic quality and functionality of our medical facilities. This can impact the morale of both the medical staff and the patients and can greatly degrade the patient's experience of healthcare within the military health system. Many of our facilities are older and require substantial upkeep. To delay these medical facility projects only exacerbates the problem and ultimately the medical staff and more concerning, the patients, suffer the consequences. This is not a sustainable strategy.

In order to continue our health care operations, we will dramatically reduce our investment in equipment. This means equipment will be used longer and will require more maintenance – increasing the potential for equipment breakdowns and increasing maintenance costs. At some point, equipment becomes obsolete and cannot be repaired any longer.

Research and Development projects will also suffer. Congressionally directed research projects are not protected under sequestration and will be reduced by approximately 8%, but no more. We will protect our core research projects that are directed towards wounded warrior issues. Other core research projects may need to be reduced by more than 8% so that we can "make ends meet" in the delivery of health care. This means that important, promising research projects could be slowed or stopped altogether.

In patient care areas, nearly 40% of our medical staff in military hospitals and clinics is civilian. With some exceptions, these civilians are facing a potential furlough. We can expect the furlough of medical staff will impact access to care – perhaps causing inconvenience and dissatisfaction among those patients accustomed to getting their care in military treatment facilities. Furthermore, patients who formerly received care in a military treatment facility may need to obtain care in the private sector at an increased cost to the Department and the American taxpayer.

The long-term effects on our ability to recruit and retain the best military and civilian medical experts this country can offer is also at risk. The combined military and civilian workforce that has been instrumental in saving lives on the battlefield is watching these proceedings closely. Like public servants everywhere, they are sitting down at their kitchen tables with their families – looking at the family budget, guessing at the continued uncertainty in their professional endeavors, and weighing alternatives to their current career choices. I want them to remain with us.

Sustaining a high quality military health system for all of our beneficiaries is our mission and a personal, moral obligation.

We understand the Department of Defense must do its part in addressing the nation's budget concerns; however, it must be done in a responsible and judicious manner. The path forced upon us through sequestration is neither. I remain hopeful that the Congress can still reach agreement that will allow us to shape our future in a more careful, deliberate and rationale manner.

I am honored to represent the men and women of the Military Health System before you today, and I look forward to answering any questions you may have.

Mr. YOUNG. Doctor, thank you very much. We will be coming back to you to follow up on some questions on your statement. And we have read your statement in full so we have some interesting questions for you.

General Horoho, we welcome you back and are glad to hear from you.

SUMMARY STATEMENT OF LTG HOROHO

General HOROHO. Thank you, sir. Good morning. Chairman Young, Ranking Member Visclosky, and distinguished members of the subcommittee, thank you for the opportunity to tell the Army medicine story and highlight the incredible work of the dedicated men and women that I am honored to serve with. On behalf of the over 150,000 soldiers and civilians that make up Army medicine I extend our appreciation to Congress for the support and the resources that have been faithfully given which allow us to deliver leading edge health services to our warriors, families and retirees. We are at our best when we operate in a joint environment.

It is our collective effort that saves the lives on the battlefield. I had the pleasure of talking with some of the men and women currently serving in the joint combat theater in Afghanistan during a trip with my fellow surgeon generals and Dr. Karen Guice. Despite austere conditions and separation from those that they love, these courageous men and women are saving lives through teamwork in a joint environment.

We saw firsthand the wonderful care provided at our in theater concussion care center at Bagram Airfield. I met an infantry man, Specialist Fernandez, a young Texas native who had spent the last 7 months deployed in Afghanistan on frequent patrols as a member of the 3rd Infantry Division. During a firefight a bullet ricocheted off his helmet and he sustained a concussive injury. He has been recovering at the Craig Joint Theater Hospital Concussive Care Center receiving world class care and treatment for his mild traumatic brain injury. It was inspiring to see how well he is recovering and his eagerness to return to his unit. Again we are at our best when we operate in a joint team together.

Together with Dr. Woodson, the services are working to lead the Military Health System into the future by building an even stronger, more integrated team. Warrior care is an enduring mission for the Army. The Soldiers Creed, I will never leave a fallen comrade behind, speaks to our solemn duty to care for those who have sacrificed the most. There is no greater honor than helping our wounded warriors heal and transition successfully back to the force or back to the civilian community.

I want to thank Congress for your unwavering support of these efforts and for the warm embrace of our communities as we transition our veterans back to hometown USA. Military medicine is at an important crossroads. From our soldiers with severe complex injuries to those who carry the invisible wounds, we owe it to the generation of veterans to help them manage the consequence of war.

As the size of our Army draws down we must continue to make decisions today that preserve the capability to provide lifesaving care in the future, and Army medicine does not work alone. I share

with you all a story that illustrates the miracles that can happen when we operate in a joint interagency and national health care team.

STORY OF BRENDAN MARROCCO

Sergeant Brendan Marrocco is the first soldier to survive after giving all four limbs in combat. Wounded by a roadside bomb in Iraq in 2009, he was saved by his platoon medic and battle buddies who all possessed the training and the courage to save his life. He was then rapidly evacuated by the Air Force to Landstuhl, Germany, where a joint team stabilized him for forward onward movement to Walter Reed, where an Army-Navy team continued to provide care.

A New York City native, Brendan said he could go by and live without legs, but hated living without arms. This past December the team at Johns Hopkins University Hospital in Baltimore performed a ground breaking procedure and Brendan is now one of only 60 patients worldwide to receive a double arm transplant. His operation was the most complicated to date, lasting more than 13 hours and involving multiple surgeons from five hospitals, which is truly team work. Most of all Sergeant Marrocco's story is one of sacrifice, determination and personal resilience. I would like to take a moment to recognize Brendan and his brother Michael, who have allowed me the pleasure of telling this story. And gentlemen, he is sitting right here. If you could you wave your arm.

[Applause.]

Mr. YOUNG. General, can you tell us a little bit about his story?

General HOROHO. Yes, sir, I can.

Mr. YOUNG. There has to be many, many chapters in that story, and we would like to hear. What happened, what happened to his limbs? Who made a decision? Why did you decide to try to transplant—what the problems were, give us a little bit of insight into what he has gone through once he left the battlefield?

General HOROHO. After a roadside bomb and losing all four of his limbs, and the very first survivor in Iraq to have lost all four limbs, so it shows that the training that is done beforehand with our young medics and really the joint intra-theater evacuation to rapidly move him from Iraq to get him to Walter Reed so quickly. So within 72 hours he was back at Walter Reed receiving really expert trauma care for his survival. So he went through—and you know, I hate to speak for him because this is his story to tell, so I will give it from the clinical nurse perspective if that is okay. So his story is really one of making I think a personal decision that he is going to survive and he is going to overcome these injuries. And it took a team of experts really working around the clock to get him to the level that he could then use his prostheses, using both his leg prostheses and double arm prostheses. So several years of multiple, multiple surgeries, and too numerous to count, that he went through that allowed him to get through that. The physical therapy team, the OT team that really helped him with that. And then really it was his I think personal courage and his desire of pushing our health care community to say I don't want just prostheses, I want to be able to have arms. Actually he wants to be a driver, which I told him he has got to drive safely when he gets to that

part of life. But he wants to be able to drive and he wants to have his arms. And so the ability for him to have the transplant surgery is that I would say probably 10 to 15 years ago a question was asked by the medical community, research was dedicated and then 15 years later the answer is the ability to have the academic community and tri-service coming together that allowed double arm transplants to be performed. And so the rest of the story is his healing and moving forward. So it is an honor to be able to share that with you.

Mr. YOUNG. Tell you what, that is a really proud story, proud story for him, proud story for military medicine. This is the first time this has happened successfully anyway.

General HOROHO. Yes.

Mr. YOUNG. This is amazing. Would you like to say anything to the committee?

Sergeant MARROCCO. I guess just thank you for what you guys do on a daily basis to try and push military medicine further because I have been told since I got hurt 5 years prior I had been dead, you know. Just thank you guys for pushing the limit and giving me the opportunity to survive and go through this.

Mr. YOUNG. Well, sir, we admire your strength. We admire your courage. We are sorry that you had to go through all of this.

Sergeant MARROCCO. There is no reason to be sorry.

Mr. YOUNG. The fact that you are here today and you are smiling. All I can say is God bless you and congratulations.

Sergeant MARROCCO. Thank you.

Mr. YOUNG. On all that you have been able to accomplish.

Sergeant MARROCCO. Thank you.

Mr. YOUNG. Thank you, Patty.

General HOROHO. Thank you.

[The statement of General Horoho follows:]

RECORD VERSION

STATEMENT BY
LIEUTENANT GENERAL PATRICIA D. HOROHO
THE SURGEON GENERAL
UNITED STATES ARMY

BEFORE THE

HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON DEFENSE

FIRST SESSION, 113TH CONGRESS

ON DEFENSE HEALTH PROGRAM

APRIL 24, 2013

NOT FOR PUBLICATION UNTIL RELEASED BY THE
HOUSE COMMITTEE ON APPROPRIATIONS

Chairman Young, Chairman Rogers, Ranking Member Visclosky, and distinguished members of the subcommittee, thank you for the opportunity to tell the Army Medicine story and highlight the incredible work of the dedicated men and women I am honored to serve with. On behalf of the over 150,000 dedicated Soldiers and civilians that make up Army Medicine, I extend our appreciation to Congress for the support to military medicine faithfully given, which provides the resources we need to deliver leading edge health services to our Warriors, Families and Retirees.

I would like to start by acknowledging America's sons and daughters who are still in harm's way -- today we have nearly 80,000 Soldiers committed to operations around the world, doing the hard work of freedom. I have recently had the pleasure to talk with some of the men and women currently serving in the combat theater of operations during my trip with my fellow Surgeons General and Dr Karen Guice to Afghanistan. Despite austere conditions and separation from those they love, these courageous men and women are saving lives through teamwork in a joint environment.

Since 1775, America's medical personnel have stood shoulder to shoulder with our fighting troops, received them at home when they returned, and stand ready today when called upon to put their lives on the line to care for our wounded Soldiers. While the wounds of war have been ours to mend and heal during a period of persistent conflict, every day our Soldiers and their Families are kept from injuries, illnesses, and combat wounds through our health promotion and prevention efforts; are treated in state-of-the-art fashion when prevention fails; and are served by an extraordinarily talented medical Force.

Not Until I have Your Wounded

We are at our best when we operate as part of a Joint Team. It is our collective effort – Army, Air Force and Navy - that saves lives on the battlefield. It could be an Army MEDEVAC crew moving a wounded Service Member from the point of injury to a jointly staffed Role III field hospital. It is the Air Force provided aeromedical evacuation to Landstuhl Regional Medical Center where a triservice medical care team provides further definitive care. And then finally it is a joint team's capabilities at locations such as

Walter Reed National Military Medical Center and the San Antonio Military Medical Center that provide the critical care and rehabilitative medicine for this Service member, regardless if they are a Soldier, Sailor, Airman, or Marine. The AMEDD is focused on building upon these successes on the battlefield as we perform our mission at home and is further cementing our commitment to working as a combined team, anywhere, anytime.

On today's battlefield, military medicine continues to refine the way that we evacuate our critical casualties. Within the last year, we conducted a successful proof of concept study on administration of blood products onboard US Medical Evacuation (MEDEVAC) aircrafts. Originating in Regional Commands South and Southwest, we are now expanding this capability across all US MEDEVAC units in the Combined Joint Operations Area-Afghanistan (CJOA-A). The rapid replacement of blood volume during transport will undoubtedly prove to save even more lives in the future.

We have placed Critical Care Nurses on board combat MEDEVAC platforms to assist in the transport of critical casualties between our Role 2 and Role 3 medical facilities. This capability, known as the Enroute Critical Care Nursing (ECCN) program, is designed to enhance the outcomes for severely injured patients following initial lifesaving resuscitation and surgical treatment.

Our Army is charged with being prepared to face tomorrow's challenges, remaining relevant for the future ahead of us. As we continue to care for the needs of the current Force, we must also anticipate how our National Defense Strategic pivot to the Asia-Pacific could influence the medical requirements of our Military. Army Medicine acknowledges that this is both a time of challenges - and a time of great possibilities.

A Call to Action: Army Medicine 2020

The reality is that after more than a decade of war, our Military and our Nation face a time of significant changes and challenges. Army Medicine is impacted by both the National healthcare conversation and the direction of the Military Health System (MHS). As a part of the MHS, our strategy is aligned with the Army and the MHS.

The Army Medicine 2020 strategy is a Call to Action that contains the vision, strategic imperatives and way ahead for Army Medicine to move from a healthcare system to a System for Health. This strategy aligns with and supports the Army's vision for 2020, the Army's Ready and Resilient Campaign Plan and the MHS Quadruple Aim.

Health is a critical enabler of readiness, and Army Medicine is a valuable partner is making our Force 'Army Strong.' By moving from a disease model to a health model, we can impact health on a National level. The health of the military and the health of the Nation are not separate discussions. Our Nation's Warriors come from our citizens. During the last 20 years, there has been a dramatic increase in obesity among adults, children and adolescents in the US (according to the 2012 National Examination Survey for 2009-2010). Approximately nine million young adults in the prime recruitment ages of 17-24 are too overweight to serve as a member of our Nation's fighting Force. Nationally, only about 25 percent of young adults are eligible to serve. The remaining individuals are not eligible to enlist due to obesity or other disqualifying factors (health, educational, legal).

The United States Army and Armed Forces are not immune to the National health crisis, therefore Army Medicine cannot overlook the issues that affect the health of our population. The youth of today appear to be less prepared for entry-level military physical training than their predecessors, and poor physical conditioning is associated with higher injury risk in those that do qualify for military service. If large numbers of possible recruits are ineligible to serve, and poor activity and nutrition discipline impacts the readiness of those that do enter military service, then the issue is not just a matter of National health. It is a matter of National security.

Army Medicine is *"Strengthening the health of our Nation by improving the health of our Army."* We want to engage the Army Family (Soldiers, Retirees, Family Members and Civilians) in conversations about health in support of greater readiness and better living. This goal complements what we execute today – healthcare here in the states, around the world, and wherever the Army deploys – and does not change the mission to care for Soldiers, Families and Retirees in traditional healthcare settings.

This is a Call to Action – Healthcare in the United States is at a turning point, and the Military Health System has an opportunity to lead the Nation away from the status quo. The transformation of Army Medicine from a healthcare system to a System for Health begins now.

A Ready & Resilient Force: The Ready and Resilient Campaign Plan

In 2012, the Army lost 183 Soldiers to suicide. These tragic losses affect all those left behind, including fellow Soldiers, Families, and communities. Last summer, I was privileged to travel with the Vice Chief of Staff of the Army and my colleagues, the Assistant Chief of Staff for Installation Management (ACSIM) and the Deputy Chief of Staff for Personnel (G1) to six Army installations in order to conduct sensing sessions, collect data and evaluate suicide-prevention efforts and programs. It became clear that our mission extends far beyond suicide. The strain on our people after years of persistent conflict has manifested itself through high-risk behaviors, including acts of violence, excessive use of alcohol, drug abuse and reckless driving. Simply stated, we must find ways to improve the behavioral health and well-being of Soldiers and their Families – 365 days a year.

Secretary of the Army and Chief of Staff of the Army made the decision to synchronize and expand efforts to improve the resiliency of our Soldiers and their Families through the Army's Ready and Resilient Campaign (R2C) Plan. On February 4, 2013, the Secretary of the Army issued a directive calling for the Army to move forward with its R2C plan. The R2C addresses the challenges that stress the Force by synchronizing and integrating the current programs designed to improve the readiness and resilience of Soldiers (Active, Reserve and National Guard), Army Civilians and their Families.

Making resilience a part of Army culture is key to Soldier and unit readiness. By partnering with the line leadership and improving the Soldier health and resilience, Army Medicine improves the readiness and performance of our Nation's Army.

Today, we proactively work to identify, assess, and mitigate issues before they become significant concerns; educating Soldiers to ensure they are aware of, and have

access to, resources and support programs. For those individuals who require additional assistance and resources, Army Medicine stands ready to evaluate, treat, and manage those in need of help.

We must eliminate the perceived stigma of asking for help. This is not simply an issue isolated to the medical community to recognize and resolve. Commands play a critical role in establishing a supportive climate for those who come forward and seek assistance. We continue to partner with the line leadership to improve the overall resiliency, behavioral health and well-being of Soldiers, Families, and Civilians.

Our challenge regarding military suicides is to move forward in a coordinated, multifaceted, and National approach. It will take a team effort across all Army components, jurisdictions and commands, as well as in cooperation with the Department of Health, Congress, National Institute of Mental Health (NIMH) and other willing partners in civilian health-care and research institutes. I can assure the members of this subcommittee that this challenge remains a top priority for the United States Army and for Army Medicine.

A Fit and Healthy Force – The Performance Triad

As part of the Army's R2C efforts, Army Medicine is advocating a culture shift by encouraging every Professional Soldier to develop a mindset that drives them to optimize their own health in order to improve performance and resiliency. There must be an effective way to change mindsets, not just dictate behaviors. As Army Medicine continues to open the aperture, we must look at where health is truly influenced.

Long term success in Army Medicine lies in our ability to effectively impact the "Lifespace." It is in the Lifespace where the choices we make impact our lives and our health. We understand the patient healthcare encounter to be an average interaction of 20 minutes, approximately five times each year. Therefore, the average annual amount of time spent with each patient is 100 minutes; this represents a very small fraction of one's life. It is in between the appointments -- in the Lifespace -- where health really happens and where we desire a different relationship with Soldiers, Families and Retirees. We want to reach beyond the physical boundaries of our medical treatment

facilities. In other words, we want to partner with those entrusted to our care during the other 525,500 minutes of the year where people are living their lives and making their health choices. The connection between health and Army readiness is clear. The more we positively influence health, the better our Army is able to answer our Nation's call.

The Lifespace is where we make decisions on Activity, Nutrition and Sleep (ANS). Army Medicine's operational approach to these three key components of health –activity, nutrition, and sleep -- is the Performance Triad. We want to illustrate to our patients that they can positively impact their health by investing in this triad of factors. Getting back to the basics of Activity, Nutrition, and Sleep---as both Leaders and healthcare providers---will be key in optimizing personal and health, performance and resilience.

Physical activity encompasses more than just exercise at the gym. Regular activity throughout the day can improve health by reducing stress, strengthening the heart and lungs, increasing energy levels, and improving mood. Similarly, quality nutrition and sleep management can serve as key components in promoting health, preventing disease, and achieving or maintaining a healthy body weight. Chronic poor sleep may increase your risk for stroke, cardiovascular disease, diabetes, and obesity. We think better, feel better, and perform better when our bodies are well nourished, well rested, and healthy.

While the Army may have a more visible influence in the Lifespace and health of its Active Duty population, the challenges become greater with the Army Reserve and National Guard – the Reserve Components (RC). The RC provides strategic depth and flexibility to the capabilities of our Force and has a valuable connection to the broader US population. A significant percentage of Army capabilities are within the RC, therefore, when it pertains to readiness of the Force, the Performance Triad is just as important for the reserve component Warriors as it is for those who serve on active duty full-time. Finding innovative ways to extend our influence into the Lifespace of the Reserve and National Guard is an important avenue to pave, and may set the stage for Army Medicine to truly strengthen the health of our Nation by impacting those in uniform who work within our civilian communities.

Across all age groups and medical conditions, the impacts of restful sleep, regular physical activity, and good nutrition are visible in both the short- and long-term. While each component is independently important, optimal performance is achieved when all three are addressed simultaneously. Making lasting changes in health behaviors works best when approached through multiple channels. There will be a change in how we educate our medical providers to view activity, nutrition, and sleep – making the pillars of the Performance Triad a part of any medical encounter.

The Performance Triad is bringing together the US Army Public Health Command (PHC), US Army Medical Research and Materiel Command (MRMC), US Army Forces Command (FORSCOM), Army Medical Department Center and School, US Army Training and Doctrine Command (TRADOC), and the US Army Installation Management Command (IMCOM). The people who have the greatest impact on Soldier behaviors do not reside in military hospitals and clinics – they are the unit leaders, mentors, and Family in the Lifespace. Eventually, I want this to be a part of the DNA of the Army – sleep discipline, daily activity, and good nutritional decisions.

We will implement a Performance Triad pilot program in 2013 at three FORSCOM Battalion-sized units. The pilots will test the program with one element at each location for a total of about 2,200 Soldiers for 180 days. By leveraging public health initiatives, promoting Soldier education and involvement, and increasing leadership engagement, the lessons learned from the pilot program will inform the Performance Triad approach and allow for adjustments to the comprehensive plan before an Army-wide implementation.

Prevention – Public Health Command

The health of the Total Army is essential for readiness and prevention is the best way to health. Prevention—the early identification and mitigation of health risks through surveillance, education, training, and standardization of best public health practices—is crucial to building and sustaining health and resiliency in Army populations and is the foundation for military success.

Protecting Soldiers, Retirees, Family members and Department of Army Civilians from conditions that threaten their health is operationally sound, cost effective and better for individual well-being. Though medical care of our sick and injured will always be necessary, the demands for health care can be reduced through prevention. Army Medicine is continuing to shape this proactive, preventive vision. Our emphasis on fitness, surveillance and disease prevention in the combat theater has led to the lowest Disease Non-Battle Injury hospitalization rates (33 per 1000 Soldiers) in history.

Army Public Health Command protects and improves the health of Army communities and personnel by identifying, assessing and prioritizing community or population wide health issues. Army public health efforts include identifying infectious and chronic disease threats, assessing occupational and environmental health hazards from chemical exposures in deployed settings, evaluating injury risks during military training, identifying risk factors associated with military suicides and inspecting food and drinking water supplies on Army installations and operational base camps. New efforts include improving the overall health of Soldiers, Retirees, their Families and our DA Civilian employees by assessing their Activity, Nutrition and Sleep habits and providing them evidence-based tools to improve their behaviors in these areas. The Army Public Health Command plays a central role in the health of our Soldiers, Retirees, their Families and our DA Civilian employees whether they are deployed or at home

Women's Health

Women have been a part of America's military efforts since the Revolutionary War. As their roles continue to evolve, Army Medicine recognizes the impact on women's health and appreciates the unique challenges of being a woman in the military.

During World War I, Beatrice MacDonald was the first of three nurses to receive the Distinguished Service Cross after she volunteered to accompany a surgical team reinforcing a British Casualty Clearing Station on the front lines. While serving in that capacity, MacDonald received shrapnel wounds to her face which resulted in the loss of her right eye. Undeterred, MacDonald resumed her original duties at Evacuation

Hospital No. 2 following her convalescence and continued to serve there until January 1919.

Female Soldiers proudly serve in our Nation's military, health care must adapt to meet their needs in any environment. Women make up 15.8 percent of the Force today—including Active Duty, Reserve, and National Guard – and the percentage of women continues to grow, up about 4 percent from 20 years ago. During the past decade of persistent conflict, 275,000 women have deployed. This year the DoD announced the ban against women serving in combat roles will be lifted, a decision that reflects the reality of military operations. The increasing role that female Service Members play in defending our Nation requires Army Medicine stays on target to ensure that the unique health needs of women are being addressed—a matter that is critical for Army readiness.

The Army is the first military service to focus specifically on women's health issues, particularly related to deployed environments. As a part of the Health Service Support (HSS) assessment team that deployed to Afghanistan in 2011, I evaluated the issues and concerns that female Soldiers experience both in the theater of operation and in the garrison environment. Following the HSS white paper on the concerns of female Soldiers in the combat theater, the Women's Health Task Force (WHTF) was established in 2012.

The WHTF assesses the unique health needs and concerns of female Soldiers, reviews of the care currently being provided, identifies best practices and gaps, and informs the Army Surgeon General's women's health initiatives. Army Medicine is looking towards preventive practices through initiatives such as education and training of female Service Members and their leaders to prevent gynecological problems from occurring in the field setting, and early recognition and treatment if they occur. These efforts not only allow for synchronization of information related to women's health, but increase awareness among all Soldiers that Army Medicine is leaning forward to meet their unique needs of our Service Members.

The WHTF team coordinated with the Program Executive Office (PEO) Soldier for updates to the new female body armor with improved maneuverability and fit for the female body shape. The Warrior Readiness Guide (TG372) combines female the Soldier Readiness and Warrior Readiness guidelines. It is for use by all and increases the visibility of female specific concerns. The Army Public Health Command has created a Women's Health Portal for Service Members, providing links through various social media to information pertaining to women's health preventative practices/ self-care. The new body armor and updated guidelines will undoubtedly support the ongoing success of our female Warriors.

As part of the Army Medicine 2020 Campaign Plan, a Women's Health Service Line (WHSL) has been established. The WHSL will manage the unique needs of women's health as a population by building the fundamentals of sound, gender based programs and policies. The WHSL will recognize and adopt 'best practices' that will focus on women's health management in order to provide care to women that is coordinated, collaborative, and patient focused.

Army Medicine is creating and implementing Clinical Practice Guidelines (CPGs) for use by providers and designed to standardize diagnosis and treatment of common female conditions, such as urinary tract infections and vaginitis, and will ensure all female Soldiers are afforded the same counseling. Algorithms geared toward the Medics will aid in the triaging of these same conditions. The use of CPGs and algorithms will ensure diagnosis and treatment that provides women confidence in their provider and the care they receive.

Army Medicine is actively engaging issues, identifying solutions, and ensuring the future health and readiness of our female Soldiers.

Warrior Care

There is no greater honored than serving to help wounded, ill or injured (WII) Soldiers heal and transition successfully back to the Force or into private sector jobs and careers. Warrior Care is an enduring requirement for the Army. The Warrior Care and Transition Program (WCTP) fulfills our sacred obligation to our injured Soldiers,

their Families, and our Nation by providing the best health care possible and striving to return medically qualified Soldiers to Active Duty service. Its goal is to empower them with dignity, respect, and the self-determination to successfully reintegrate either back into the force or into the community. For those Soldiers not meeting retention criteria, we care for them through the transition out of military service to the Department of Veterans Affairs (VA).

I want to thank the Congress for your unwavering support of these efforts and for the warm embrace of our communities as we transition our Veterans back to hometown USA. Since the inception of Warrior Transition Units (WTU) in June 2007, nearly 61,600 WII Soldiers and their Families have either progressed through or are being cared for by dedicated caregivers and support personnel. Approximately 50% have returned to the Force.

Since 2004, the Army Wounded Warrior Program (AW2) has supported the most severely wounded, ill, and injured Soldiers. The program assigns an AW2 Advocate who provides personalized assistance with the daily issues that confront healing Warriors and their Families, including benefits counseling, educational opportunities, and financial and career counseling. AW2 Advocates help these wounded Warriors and their Families regain their independence; and the AW2 has provided this support to nearly 15,763 Soldiers and Veterans.

An all-volunteer military is skilled at taking our country's eligible civilians and transitioning them into Service Members. What cannot be overlooked is how we then transition those Soldiers out of the uniform and back into the civilian workforce. While there are those small numbers who are challenged by their reintegration into civilian life, the vast majority of our veterans take the lessons of leadership, discipline, and honor with them through the transition; bringing with them the intangibles gained through battle buddies, squad leaders, and mentors. Our communities need to continue supporting this reintegration, recognizing those unique skills that follow after selfless service to our Nation.

"Never Shall I leave a Fallen Comrade:"

The Integrated Disability Evaluation System (IDES)

A key element of our Warrior Ethos is that we never leave a Soldier behind on the battlefield. This commitment extends beyond the battlefield, and extends to the unwavering commitment of Army Medicine. In close partnership with the Department of Veterans Affairs, we continue to improve our processes, honoring that commitment to ensure Soldiers are not left behind or lost in a bureaucracy.

Assigning disability has long been a contentious issue. The present DoD disability system dates back to the Career Compensation Act of 1949. Since its creation, gaps in processes have been identified including long delays, duplication in DoD and VA processes, confusion among Service Members, and distrust of systems regarded as overly complex and adversarial. In response to these concerns, the joint Disability Evaluation System (DES) Pilot was implemented in 2007 in the National Capital Region. DoD, with VA assistance, revised the DoD disability evaluation system to streamline DoD processes, with the goal of also expediting the delivery of VA benefits to Service Members following discharge from service. We continue to strive for improvements with the physical disability evaluation system and seek ways to make it less antagonistic, more understandable for patients and Families, more equitable for Soldiers, and more user-friendly. In the past year, the Army has made some lasting improvements.

After a careful review of our overall behavioral health and IDES processes, I am proud to share that the strong response of Army and DoD leaders has ensured we truly are better today. The Secretary of the Army directed the establishment of an Army wide Task Force on Behavioral Health (ATFBH) which completed a comprehensive assessment of all Army behavioral health programs. One of the areas we looked at during our Army wide review of patient records was diagnostic variance. Following a review of 154,000 behavioral health records, we found our clinical diagnostic variance rate is lower than in the private sector.

For the first time since IDES was initiated, MEDCOM met the standard for Active Component Medical Evaluation Board (MEB) phase with an average processing time of

96 days. Reserve Component Soldiers were also within 3 days of meeting the standard with an average processing time of 143 days. Currently, 65 percent of all Soldiers complete the MEB phase within the standard. The greatest improvement has been in Narrative Summary (NARSUM) timeliness which improved from 58 days in July 2012 to a current 11 days. With the standardization of processes across all Army medical treatment facilities, currently 23 out of 32 IDES sites are meeting the standard for the MEB phase. While all MTFs have demonstrated improvements, the most dramatic change is at Fort Hood, TX, where the IDES team decreased MEB phase from 249 days in July 2012 down to their current 115 day average. Through our partnership with our VA counterparts and emphasis on effective standards, IDES teams decreased the number of Soldiers in the MEB phase from 9,283 in July 2012 to 5,801 currently.

Behavioral Health

The longest period of war in our Nation's history has undeniably led to physical, mental and emotional wounds to the men and women serving in the Army – and to their Families. The majority of our Soldiers have maintained resilience during this period. However, the stresses of increased operational tempo are evident in the increased demand for Behavioral Health Services and increased suicide rate. The Army is keenly aware of the unique stressors facing Soldiers and Families today and continues to address these issues on several fronts. Taking care of our own—mentally, emotionally, and physically—is the foundation of the Army's culture and ethos. The lessons learned from military medicine's experience over the last decade have informed the medical community, not just the Behavioral Health (BH) community, about the processes and characterization of trauma-related events.

While physical injuries may be easier to see, "invisible wounds" such as mild traumatic brain injury, depression, anxiety and post traumatic stress (PTS) also take a significant toll on our Service Members. And yet, to the individuals who suffer from these wounds, and those who care for them, they are anything but invisible. One of the most challenging areas of wartime medicine is PTS treatment. We have discovered that with the right treatment, most will go on to live productive, fulfilling lives. Military research shows that 15% of Operation Iraqi Freedom (OIF) and Operation Enduring

Freedom (OEF) veterans develop PTS. PTS is treatable; 80% of those with PTS have remained on Active Duty.

Army Medicine continues to move the model of behavioral healthcare delivery outside of the brick and mortar MTFs through behavioral health initiatives, such as Embedded Behavioral Health (EBH). We demonstrated success by looking at ways to bring healthcare and education to the foxhole, which allows us to increase accessibility, visibility, and ultimately trust, while decreasing the stigma and time spent away from the unit. Validation of this program by the Army Public Health Command has led to expansion. Currently, 26 Brigade Combat Teams (BCTs) and 8 other Brigade-sized units are supported by EBH Teams. Expansion to all operational units anticipated no later than FY16.

Program evaluation by Public Health Command of EBH found the following:

- 73% reduction in in-patient BH admissions
- Decreased number of off-post BH referrals
- 58% reduction in risk-taking behaviors, including suicide gestures and attempts, spousal abuse, and STIs.
- Reduction in non-deployable Soldiers for BH reasons

Behavioral health problems, mild traumatic brain injury, and suicide, while often described as "invisible wounds of war," are not unique to a theater of combat or to the military population – they are National issues. As a Nation, there are opportunities for us to partner and to lead the way in breaking the silence – to encourage those who struggle with behavioral health issues to receive help. The Army and Army Medicine are actively engaged in reducing stigma and upholding our responsibility to raise national awareness regarding mild traumatic brain injury and mental health conditions including PTSD. We anticipate the need for mental health services will only increase in the coming years as the Nation deals with the effects of more than a decade of conflict.

Consistent with National and Military Health System goals, the Army seeks to further understand and improve the prevention, diagnosis and treatment of these signature wounds of war through clinical and scientific research - paving the way for

improved health, function and quality of life for those with PTSD, TBI, and co-occurring conditions, and to reduce the incidence of suicide. Army Medicine developed a service line to coordinate standardized BH delivery across the enterprise, and integrated BH staff at over 90% of our medical treatment facilities falling under one department head. This integration reflects the best-practices at leading civilian institutions and enhances multidisciplinary teamwork and efficient care delivery.

As a Nation, we have learned that combat stress and PTSD resulting from deployment are treatable and curable with proper care; and the majority of Service Members return to productive and engaging lives.

Accountable Care

The Warfighter does not stand alone. Army Medicine has a responsibility to all those who serve, to include Family members and our Retirees who have already answered the call to our Nation. Every day we must earn the trust of our beneficiaries – it is a trust we hold dear. Our healthcare is the product of a culture of accountable care, prominent medical training programs, and groundbreaking medical research. Our success also relies upon partnerships with Sister Services, other Federal and State agencies, and academic institutions and industry. It is the daily delivery of care that allows us to maintain critical skills that guarantee readiness capability and success. During each visit with a provider, it is our goal to show patients the extent of our care and to deliver the Army Medicine Promise - to provide the best care, with the best care experience, provided by the most talented and compassionate care providers.

The Joint Commission requires that there be a self-governing organized medical staff providing oversight of the quality of care, treatment and services delivered by the medical providers who are credentialed and privileged through the medical staff process. All military and civilian healthcare professionals who provide care in our facilities are held to the highest standards of training and conduct, and their peers and supervisors are held accountable for the review of their credentials by the executive committee of the medical staff. This includes all privileged providers, not just physicians.

We give our best care when we take care of our teammates. Realizing that Army Medicine Team works tirelessly, I have asked our leaders to make certain they are caring for those who care for others. Years of persistent conflict have placed great demands on our military and civilian work force. While uniformed members provided care in combat zones, it was our civilian teammates who were called upon to shoulder the responsibilities for care at the home front. For all in the Army Medicine team, we must help strike a balance between the high demands of the job, time for personal recovery and growth, and time for family. We must prepare a military healthcare team that understands the need to have balance in their lives – personally embracing the tenets of the Performance Triad that we remind our patients to observe.

The MEDCOM Care Provider Support Program was established in 2008 to mitigate provider fatigue and burnout. The program requires providers to complete annual provider fatigue and provider burnout assessments to self-monitor personal well-being. The program also offers classroom instruction and wellness activities to enhance individual resilience and work-life balance. MTF-based instructors and staff are professionally prepared and qualified by the Army Medical Department Center and School. Results from the annual provider fatigue assessments show that MEDCOM staff burnout and provider fatigue scores fall well-below civilian comparison groups and that overall rates of burnout and provider fatigue have dropped since program inception. Most recently, the CPSP program staff at Tripler Army Medical Center helped the facility win the American Psychological Association's 2013 Psychologically Healthy Workplace Award which recognized Tripler's focus on well-being, physical activity, work-life balance, health and safety and employee satisfaction.

The Most Important Unit in the Army

We must never lose sight of the fact that the most important unit in the Army is the Family unit. Our Families, including those outside of the nuclear family setting, have demonstrated unprecedented strength and resilience, quietly shouldering the burdens of our Nation's wars.

Back in January, I received a beautiful letter from an Army Family that dealt with a difficult theme -- suicide. While waiting to pick up a prescription with his mother, seven year old John Murray Jr. was taking the opportunity to work on his reading skills by reading the posters in the waiting room. In that pharmacy waiting room was a poster for Army Suicide Prevention. John Jr. did not know what the "s" word meant and he implored his mother for an explanation. At first she did not want to explain, but then she realized that the Army wants us to talk about it. Not just Soldiers, but everyone in the Army Family: spouses, leaders, coworkers.

After a very delicate explanation about how some Soldiers are hurt, and although you cannot see their injuries, they feel sad, Mrs.Murray carefully explained to her second grader what 'suicide' meant. Confused as to why people would not go to a doctor for their invisible injury, he echoed his father's words and told his mother, "Daddy says that Army people are helpers and if you are a helper you don't laugh, you just help. Especially if you are an Army person you want to help other Army people." The Murray family story illustrates how our military families have also taken ownership of the care and support of our Soldiers.

Army Medicine is currently setting the conditions to better understand the Army Family both within and outside of conventional patient care settings. Impacting the Lifespace of our Army Families will not only improve the strength, performance, and readiness of the Soldier, but also establish an example for our Nation on a way forward to improve the health of communities.

Across Army installations, there are numerous military Family programs that assist our beneficiaries with resiliency. The Community Health Promotion Council (CHPC) at each Army installation synchronizes programs between service providers (medical and garrison) and unit leaders. The Family Resilience Working Group (FRWG) of the CHPC assesses programs and services for families, and addresses issues and programs to build resilient families on an installation. Through one of our strongest Family Resilience Working Groups at Fort Campbell, KY, the Spouse Master Resiliency Training program was piloted as a way to increase saturation of resiliency

training to family members and communities. The volunteers who received the training are conducting monthly resiliency training within their units and communities.

Under the Behavioral Health Service Line, the Army continues to establish a network of behavioral health clinical services targeted to family member beneficiaries. Specifically, the Army is fielding School Behavioral Health programs (SBH) and continuing to design and pilot programs such as the Child and Family BH System (CAFBHS), which provides a full spectrum of services to enhance mental well-being of our Family Members. At present, CAFBHS pilots are operational at Joint Base Lewis-McCord, Schofield Barracks, and Forts Bliss, Carson and Wainwright, and in initial stages at Forts Bragg, Campbell, Drum, Hood and Polk.

The PHC Army Wellness Centers (AWC) provide integrated and standardized primary prevention programs and services that promote healthy lifestyles to improve the overall well-being of Soldiers and Family Members. Through educational programs in areas like stress management, nutrition, and tobacco cessation that are available to all Army personnel and Family Members, the AWC program supports the Ready and Resilient Campaign, as well as the Patient-Centered Medical Home initiatives.

Our military families – the children of our men and women in uniform – have a different story to tell compared to their peers outside of the military. I want the story of the military Family to resonate throughout our Nation's history as an example of resilience – demonstrating the powerful impact that can be felt when we invest not only in the Soldier, but in the individuals, old and young, who support our heroes.

Taking steps to capture that story, Army Medicine has invested in the RAND Corporation's Deployment Life Study (DLS). This is a 3-year longitudinal study that began in March 2009 to examine the impact of deployment on the health and well-being of military families. This project is funded by the offices of the Army Surgeon General and the Assistant Secretary of Defense for Health Affairs, and is unique because it follows multiple members of the military families—Service Member, spouse, and, if eligible, a child—at four month intervals over three years.

Patient Centered Medical Home

The Patient Centered Medical Home model for primary care is a key enabler of the Military Health System Quadruple Aim: readiness, population health, experience of care, and per capita cost. Much of the future of Army Medicine will be practiced at the Patient-Centered Medical Home (PCMH). It relies upon building enduring relationships between patient and their provider-doctor, nurse practitioner, physician assistant and others-and a comprehensive and coordinated approach to care between providers and community services. This means much greater continuity of care, with patients seeing the same physician or professional partner 95% of the time. The result is more effective healthcare for both the provider and the patient that is based on trust and rapport.

The PCMH integrates the patient into the healthcare team, offering evidence-based prevention and personalized intervention. Physicians will not just evaluate their patients for disease to provide treatment, but also to identify risk of disease, including genetic, behavioral, environmental, or occupational risk. The healthcare team encourages healthy lifestyle behaviors, and success will be measured by how healthy they keep their patients, rather than by how many treatments they provide. The goal is that people will live longer lives with less morbidity, disability and suffering.

By redesigning health care delivery around the patient, starting with a multi-disciplinary team that includes the patient, primary care truly becomes the foundation of health and readiness, and drives the strategic outcomes defined in the Quadruple Aim: ensuring a medically ready Force, delivering a consistently competitive care experience, reducing the causes of disease and illness through focus on prevention and encouragement of healthy behaviors, and creating value through improved health outcomes and elimination of waste and inefficiency in the care delivery process.

Across the services, mature Patient Centered Medical Homes have shown significant improvements from August 2011 to September 2012 in patient satisfaction (increasing from 91 to 94 percent), PCM continuity (increasing from 55 to 65 percent), and access to care (ER utilization decreasing from 53 to 45 percent).

"Medicine is the only victor in War"

History is replete with examples of war serving as a catalyst for medical innovation and of battlefield medicine producing advances in civilian healthcare. Plastic surgery was a result of treating the horrors of mustard gas and facial wounds during World War I. The specialty of infectious diseases evolved from efforts to combat debilitating infections in the trenches during World War I. Blood management and utilization were greatly improved during World War II. Civilian life flight came from advances in helicopters and air ambulance doctrine started in Korea and honed in Vietnam. These wars have also led to tremendous advances in delivery of life-saving medicine on the battlefield. One of the unique features of these wars has been the intense attention on invisible wounds of war, and for the first time research has led directly to changes in how mental health services are delivered in the military. Medical research conducted by the U.S. Army continues to lead to advancements that benefit civilian medical practice worldwide.

Medical Advances from a Decade of War

More than a decade of war has led to tremendous advances in knowledge and care of combat-related wounds, both physical and mental. The US Army Medical Research and Materiel Command (MRMC) is leading Army Medicine in scientific research, with ongoing efforts focused on establishing more effective methods for diagnosis, treatment, and long-term management of the health-related consequences of war, including TBI, behavioral health care, PTSD, burn and other disfiguring injuries, chronic pain, and limb loss.

Army Medicine is a learning organization; through continued validation and refinement of the tools used throughout the deployment cycle and in our medical treatment facilities, improvements in the training, education, and resources for our care team, and through synchronization of standardized approaches to care, we continue to advance how we deliver across the care continuum. We collaborate with subject matter experts to evaluate clinical guidelines that reflect the latest scientific research and best practices. MRMC has created a system to review and analyze the large number of research projects to identify promising findings that can be quickly translated into actionable policy or clinical practice. I would like to highlight a few areas that are

impacting health care of our Soldiers today which were guided by medical research efforts.

The past decade of research has guided health policy, clinical practice guidelines, preventions and treatment interventions. Multiple programs have been implemented in theater and post-deployment to enhance resiliency, address combat operational stress reactions and behavioral health concerns, and improve the quality of life of our military.

In the area of mild traumatic brain injury, research findings directly affected policy and changed the way the Military Acute Concussion Evaluation (MACE) is used and administered in the deployed environment. For example, the latest version of the MACE, released in 2012, now includes additional word lists to test memory as well as a component to test for balance deficits. Key neuro-imaging indications were incorporated within the concussion management algorithms from research published in the New England Journal of Medicine, and three Magnetic Resonance Imaging (MRI) machines are currently in use in Afghanistan to advance TBI science. Commanders throughout Afghanistan have implemented a mandatory screening for mild TBI and rest policy while medical providers and Concussion Care Centers facilitate provide proper treatment and recovery, resulting in a 98% return to duty rate.

We are working on a capability for medics in austere combat environments to administer a simple test to detect mild TBI. The Biomarker Assessment for Neurotrauma Diagnosis and Improved Triage System (BANDITS) program is developing a blood test for brain cell damage, which may aid in the clinical assessment of patients with mild TBI. BANDITS has completed pilot and feasibility studies and has launched its pivotal trial which will enroll up to 2000 patients with mild, moderate and severe TBI. This capability has applications beyond the military and could be used to detect concussions in civilian sports environments.

Advances in trauma surgery which have occurred during operations in Iraq and Afghanistan are manifold and encompass the diverse set of interventions which are deployed to stop hemorrhage, repair damage, restore physiology and maximize

functional recovery. One of the principal medical legacies of the current conflict will be the development and implementation of a formal battlefield trauma system. The Joint Theater Trauma System allowed the rapid identification of emergent battlefield medical problems, which are then addressed with focused research and development. The results fielded the medical providers with improved equipment and CPGs. This rapid cycle ensures validated innovations in trauma care reach the field rapidly to sustain life. This process proved so effective, that many of these advances have been adopted by civilian trauma centers where the innovations developed in the military are employed to save the lives of countless civilians. The improvements in bleeding control devices such as tourniquets, improved dressings and devices to stop hemorrhage from the large arteries of the trunk, improved treatment of bleeding will be a legacy of military medical innovation in the last 12 years of combat.

Since 2003, there have been more than 1,550 amputations as a result of OIF, OEF, and unaffiliated conflicts, half of which were caused by IEDs *(Armed Forces Health Surveillance Center Medical Surveillance Monthly Report, February 2013).* MRMC has provided $169 million for intramural and extramural research efforts in amputee care and prosthetic/orthotic technologies. MRMC funded iWalk to develop the BiOM ankle prosthesis, which replaces the function of the calf muscle by providing active push-off while walking. It became the first commercially available bionic ankle prosthesis.

The prosthetic advances funded by MRMC have brought dramatically improved functional abilities to Service Members with limb loss. Technological improvements allow prosthesis users to move more naturally and mimic able-bodied movements much better than prior to the OEF/OIF conflicts. Current and future work is focusing on improving the prosthesis-user interface, reducing secondary health effects after amputation, and optimizing the rehabilitation process after amputation.

Military medicine continues to work to reduce morbidity and mortality resulting from devastating injuries on the battlefield, achieving the historically high survivability rate of 91.3 percent in the current conflict. Following a spike in devastating blast injuries in 2010, the Army convened the Dismounted Complex Blast Injury Task Force to look at

opportunities to improve the spectrum of care, from point of injury through rehabilitation and reintegration back to the military or into the civilian community. The task force, comprised of clinical and operational medical experts from the DoD and VA, solicited input from the subject matter experts in both Federal and civilian sectors to determine the way forward. The severity of these injuries presents new challenges to the medical and military communities to prevent, protect, mitigate and treat.

Several initiatives have come out of this task force, from training our flight paramedics to increasing and enhancing the immediate pre-deployment training of physicians and nurses. We have fielded new physical protections for our Warriors, and are exploring new care and treatment modalities and techniques.

MRMC established the Armed Forces Institute of Regenerative Medicine (AFIRM) in 2008, a multi-institutional, interdisciplinary network with two academic consortia, one led by Wake Forest University, the other by Rutgers University, working to develop advanced treatment options for our severely wounded Service Members. The current 5-year, $100M AFIRM I effort will end this fiscal year (FY13), and the AFIRM II program, a 5-year, $75M award, will focus on extremity injury, cranio-maxillofacial injury, burns / scar-less wound healing, composite tissue transplantation, and genitourinary / lower abdominal reconstruction. AFIRM II is expected to be awarded by September 2013.

The management of combat trauma pain with medications and the introduction of battlefield anesthesia was a tremendous medical breakthrough for military medicine. The first American use of battlefield anesthesia is thought to have been in 1847 during the Mexican-American War. Military Medicine has worked very hard to manage our Service Members' pain from the point of injury through the evacuation process and continuum of care. The management of pain – both acute and chronic or long-standing pain – remains a challenge for military health care providers and for the Nation at large.

Military Medicine launched a major initiative through a multi-disciplinary, multi-service and DOD-VA Pain Management Task Force (PMTF) to improve our care of pain. Since 2006, the Defense and Veterans Center for Integrative Pain Management

(DVCIPM) has been coordinating a comprehensive portfolio of DoD-VHA pain management research projects. The approach to pain research is a direct result of the PMTF recommendations, and studies range from studying battlefield use of regional anesthesia to the use of yoga as a pain management modality. The use of medications is appropriate and often an effective way to treat pain when it is clinically required. The possible overreliance on medication-only pain management may lead to other unintended consequences. The goal is to achieve a comprehensive pain management strategy that is holistic, multi-disciplinary and multi-modal in its approach, uses state of the art modalities and technologies, and provides optimal quality of life for Soldiers and other patients with acute and chronic pain.

The military is developing regional pain consortiums that combine the pain expertise from DoD with local Veterans Health Administration and civilian academic medical centers. The first of many of these relationships has been established in Washington State between Madigan Army Medical Center, VA Puget Sound Health Care System, and University of Washington Center for Pain Relief. Some of the largest research projects dealing with Wounded Warrior pain have been facilitated through partnerships with VHA research leaders. Collaborations of this type will ensure the latest, evidence-based techniques and protocols are available to patients.

Accelerating Progress through Collaboration

Army Medicine does not work alone in this venture to care for our Nation's men and women in uniform. Leveraging the capabilities of executive leadership, inter-agency and international collaboration, and public-private partnerships can yield paradigm shifts in our understanding and management of complex injuries or illnesses. The DoD supports collaborative research efforts between the Services, Agencies and academic/public/Non-Government Organizations. The DoD, Veterans Affairs (VA), and National Institutes of Health (NIH), including: National Institute of Mental Health (NIMH), National Institute of Drug Abuse (NIDA), National Institute of National Institute on Alcohol Abuse and Alcoholism (NIAAA), National Institute of Neurological Disorders and Stroke (NINDS) work closely to coordinate and integrate research efforts.

In response to the White House Executive Order (EXORD) released on August 31, 2012, "Improving Access to Mental Health Services for Veterans, Service Members, and Military Families," the Army, through MRMC, has the DoD lead on the interagency National Research Action Plan (NRAP) to coordinate ongoing and future planned efforts to synergistically address TBI and PTSD and suicide. The Army is proud to contribute to the efforts of the Departments of Defense, Veterans Affairs, Health and Human Services, and Education, to develop the NRAP. Improved data sharing between agencies, academic and industry researchers will accelerate progress and reduce redundant efforts without compromising privacy. Making better use of electronic health records will allow us to gain insight into the risk and mitigation of PTSD, TBI, and related injuries. The ongoing collaborative effort of the Millennium Cohort Study and the VA Million Veterans Program may also be leveraged to address the longitudinal study called for in the EXORD.

Collaborations with academic and public-private partnerships are mostly in the form of grants and cooperative agreements awarded to academic, private, and non-profit institutions. These efforts foster multidisciplinary and multi-institutional collaboration to accelerate advances in medicine, whether on the battlefield or during reintegration and rehabilitation. Public-Private Partnerships also include working with the National Football League (NFL) and the Center for Integration of Medicine and Innovative Technology (CIMIT). DoD also collaborates internationally through North Atlantic Treaty Organization (NATO) panels, The Technical Cooperation Program (TTCP), and its human factors workgroups.

During the current fighting season in Afghanistan, we are partnering with German Forces in Regional Command North, conducting proof of concept study for placement of German Emergency Medicine physicians on board US MEDEVAC aircraft in support of combat operations in the German controlled battle space.

A collaborative suite of aeromedical evacuation capabilities available for our future Force will ensure that we provide the right capability at the right time and the right joint synchronized platform to our US Forces and allies.

Training and Developing Leaders for Excellence

The Army calls upon each of us to be a leader, and Army Medicine requires no less. We will capitalize on our leadership experiences in full spectrum operations while continuing to invest in relevant training and education to build confident and competent leaders. Within this focus area, we have examined our leader development strategy to ensure that we have clearly identified the knowledge, skills, and talent required for leaders of Army Medicine. We will continue to develop adaptive, innovative, and decisive leaders who ensure delivery of highly-reliable, quality care that is both patient-centered and inherently trustworthy. Being good stewards of our Nation's most treasured resources, through agile, decisive, and accountable leadership, we will continue to build on the successes of those who have gone before us. Our recruitment, development and retention of medical professionals – physicians, dentists, nurses, ancillary professionals and administrators – remain high. With the support of Congress, through the use of flexible bonuses and special salary rates, we have been able to meet most of our recruiting goals. Yet we recognize that competition for medical professionals will grow in the coming years, amidst a growing shortage of primary care providers and nurses.

The Joint Program Committee-1 (JPC-1) is the Medical Research and Materiel Command's research area directorate responsible for programming research in two distinct areas: Medical Simulation & Training and Health Information Sciences. This committee works with the services and joint agencies to address gaps and requirements as indentified by the Military Health System. The JPC-1 is tasked with planning, coordinating, and overseeing a tri-service science and technology program focused on improving military medical training through medical simulation, educational gaming, and objective training metrics as well as improving health information sciences through increased interoperability, strategic planning, process development, and medical applications.

A significant advance of the JPC-1 includes improved synthetic materials in simulation systems that provide a capability to use real surgical instruments on material

that simulates not only skin, but deeper tissue structures as well. The Medical Simulation & Training portfolio of the JPC-1 is focused primarily on the following research objectives: Combat Casualty Training, Medical Practice Initiative, Patient Focused Initiative, and Developer Tools for Medical Education.

Army Medicine has harnessed lessons learned to improve upon how we train our medical team, preparing them to have an adaptability to assess, triage, and manage patient care under austere conditions or in environments of extreme conditions, such as heat or noise.

I am proud to command some of the brightest medical minds our country has to offer. The strength, skills, and attributes of the Army Medicine Team are a testament to that statement. The young men and women who choose to enter military service during a time of war exemplify what it means to provide selfless service to our country.

At the AMEDD Center and School in San Antonio, Texas, the flight paramedic training program was initiated in 2012 to develop a long-term Army institutional program to produce highly skilled national registry flight paramedics with critical care skills training. As a result of this endeavor, 52 Army medics from the Active component, Army National Guard and Army Reserves were trained and certified; some of whom are deployed to OEF today. The Army currently has 31 medics enrolled in a paramedic training course at Joint Base San Antonio and home stations with six more courses scheduled in 2013 and 2014. In addition, AMEDD Center and School recently initiated a program to enable units and Soldiers from all compos to enroll in paramedic certification training at home station in an effort to build capability as rapidly as possible throughout the Force.

Within our graduate medical education programs, we continue to attract and educate some of the best medical minds. We currently have 1,700 Health Professionals Scholarship Program students in medical, dental, veterinary, optometry, nurse anesthetist, clinical psychiatry and psychiatric nurse programs. We have the largest Graduate Medical Education (GME) program among the uniformed services, investing in 43 percent of total military trainees and 68 percent of training programs

(including joint programs). Our first-time board examination pass rate for our GME graduates is 93 to 95 percent, higher than what is seen in the civilian medical training programs.

As I look at this enterprise, I am excited about the potential that exists within our programs, people, and innovations of Army Medicine.

The Future of Military Health

In the fixed facility, as on the battlefield, we are at our best when we operate as a joint team. Together with Dr. Woodson, the Service Surgeons General are working to organize and lead the Military Health System (MHS) into the future by building a stronger, even more integrated team. Leaders at all levels are engaged in building accountable care organizations that ensure smooth, safe transitions between inpatient and emergency room settings, primary care, the subspecialist offices, home, and work. MHS governance changes will change the way we currently operate for everyone. These recommended changes will strengthen our system. In the delivery of military medicine, the Military Departments have more activities in common than not – together we will drive toward greater common approaches in all areas, except where legitimate uniqueness requires a service-specific approach. Our commitment is to achieve greater unity of effort, improve service to our members and beneficiaries, and achieve greater efficiency through a more rapid implementation of common services and joint purchasing, as well as other opportunities for more streamlined service delivery. We will continue the collective work of optimizing policies and processes across the MHS to advance our transformation to a System for Health.

The military health system is one of the most valued benefits our great Nation provides to its service members. The Defense Health Program, the appropriation that supports the MHS, is under mounting fiscal pressure, with military healthcare costs projected to exceed 10% of the overall Defense Department budget by 2015. The Army supports reasonable fee increases phased in over time as an effective means to protect the TRICARE program for current and future beneficiaries.

We understand that we cannot ask our beneficiaries to share more of the cost of healthcare without also looking within to streamline. The rising cost of healthcare coupled with the increasingly constrained defense budget presents a challenge to the MHS. In doing our part, Army Medicine must develop innovative and effective ways to deliver care in a resource constrained environment while integrating health and wellness into everything we do. I join our Army's Chief of Staff in supporting the budget the President has put forward for 2014. It represents a responsible path forward to sustaining the Military Health benefit in a changing world and recognizes that the fiscal health of the country is a vital element in our National security. We support the adjustments to the TRICARE cost sharing requirements as a means of ensuring the delivery of sustainable and equitable health care benefits. The subcommittee's strong consideration of full funding of the President's budget submission for fiscal year 2014 is greatly appreciated.

The budget we are putting forward reflects our commitment to the broad range of responsibilities of the military health care system; the medical readiness requirements needed for success on today's battlefield; the medical research and development necessary for success on tomorrow's; the patient-centered approach to care that is woven through the fabric of the military health care system; the transformative focus we have placed on the health of our population; the public health role we play in our military community and in the broader American community; the reliance we have on our private sector health-care partners who provide indispensable service to our service members and their families; and our responsibility to deliver all of those services with extraordinary quality and care. Given our commitment to readiness as a priority, constrained resources could force us to reduce the scope of services offered at some locations and potentially impose a financial burden on family members and retiree beneficiaries.

We have enduring obligations to the men and women of our Armed Forces, to their families who serve with them, and to the millions of retired personnel who have served us in the past. This obligation begins with the new recruit and ends with a lifetime commitment for those Service Members who honorably concluded their service

and retired. For those who have borne the greatest burden through injury or disease suffered in our Nation's conflicts, we have an even higher obligation to the wounded and to their families. They will need our care and support, as will their families, for a lifetime.

The Road Ahead

Military Medicine is at an important crossroad. From Soldiers with severe injuries to those whose injuries may not be visible to the naked eye, we owe it to this generation of Veterans to help them deal with the consequence of war, long after the last Soldier departs Afghanistan. As the size of our Army draws down, we must continue to support a high-quality, leading-edge healthcare system. Our decisions today must preserve the capability to defend a life in the future. Commitment to Wounded Warriors and their Families must never waiver, and our programs of support and hope must be built and sustained for the long road ahead - the rest of this century as the young Soldiers of today mature into our aging heroes in the years to come.

I would like to leave you today with a story which illuminates the miracles that can happen in healthcare when we operate as a national team. SGT Marrocco is the Army's first Soldier to survive after "giving" all four limbs in combat. Wounded by a road side bomb in Iraq in 2009, he was saved by a medic who had the training and courage to treat him. He was rapidly evacuated to Landstuhl Germany and onward to Walter Reed within 72 hours where a multi-disciplinary team continued providing him the care needed on his journey to recovery. A New York City native, Brendan said that he could get by without legs, but hated living without arms. He is one of only 60 patients worldwide to receive a double-arm transplant - and only the seventh double-hand or double-arm transplant in the U.S. His transplant operation took place this February at Johns Hopkins University Hospital in Baltimore, Maryland. The ground-breaking procedure was the most complicated to-date, taking more than 13 hours and involving 16 orthopedic and micro-vascular surgeons from five hospitals.

SGT Marrocco's story is the story of sacrifice, determination, and personal resiliency. His survival and recovery has involved countless medical professionals -- from the medic on the battlefield and the researchers, to the surgeons and rehabilitative

staff -- dedicated to improving care for our Wounded Warriors. I count myself fortunate to have met such a remarkable Soldier, thankful for those that have cared for him, and proud to serve in the same Army.

In closing, though we live in uncertain times, one thing is certain - a strong, decisive Army will be -- as it always has been -- the strength of our Nation. I am proud of Army medicine's proficient, professional and courageous performance of mission over the last 237 years - and especially over the last 12 months to help our Soldiers, Families and Veterans. In partnership with the Department of Defense, my colleagues here at the panel today, the Department of Veterans Affairs, and the Congress, we will be prepared for tomorrow's challenges.

Thank you for the opportunity to tell the Army Medicine story -- stories of our Army Family and Warriors like SGT Marrocco. Thank you for your continued support of our Soldiers, Families, Civilians and Veterans. The Army Medicine team is serving to heal -- and truly honored to serve.

SUMMARY STATEMENT OF VADM NATHAN

Mr. YOUNG. Admiral Nathan. Admiral Nathan has been faced with a lot of difficult issues especially during the BRAC period, having been the commander of Bethesda when Bethesda and Walter Reed became one and is now Surgeon General of the Navy. Admiral Nathan, we are always proud to have you back, sir.

Admiral NATHAN. Well, thank you. And just going off script for a second, I think what we see here illustrates the increasing collaboration of the military, the private and the academic sector. And this is how I believe we are going to change the game in these most significant, most severe physical injuries, as well as ideally, in the invisible injuries of war is with this great collaboration among these centers of excellence. Dr. Lee out of John Hopkins medical center spends probably more time at Bethesda Walter Reed now than he does at Hopkins. But I would just like to punctuate what Patty has done with that encouraging sound bite.

That aside Chairman Young, Ranking Member Visclosky, distinguished members of the subcommittee, thank you for the opportunity to appear before you today and give you an update on priorities, opportunities and challenges in Navy medicine. Navy medicine exists to support the operational missions and the core capabilities of both the United States Navy and the United States Marine Corps. These responsibilities mandate that we are fully synchronized with the leadership priorities of the Secretary of the Navy, the Chief of Naval Operations, and the Commandant of the Marine Corps. We remain grateful to this committee for your unwavering support in allowing us to perform that mission.

In my written testimony you will see that the Navy medicine team is mission ready and delivering world class care any time, anywhere above the sea, on the sea, below the sea and on land in support of our Marine Corps, our Special Forces and in joint cooperation with our amazing sister services with the Army with the Air Force and our coalition partners. We are providing force health protection in the full range of Naval and amphibious operations, be it afloat on ships, submerged in submarines, aviation squadrons operating with special warfare units and embedded with Marine forces. We truly believe we are America's away team.

My 2013 charter course reflects three strategic goals to my Navy medicine crew: Readiness, value and jointness. They are designed to be direct, clear and relevant to the men and women of Navy medicine. Our priorities align with the efforts of the Military Health System as the other services as we look for efficiencies and standardization of best practices. This collaboration is particularly important in support of our overall Military Health System governance reform, where clear lines of authority and sustaining operational capabilities remain crucial. We appreciate the committee's strong and continued support of our resource requirements. As General Horoho just said, having recently visited our personnel across Afghanistan, we recognize readiness and the mandate to always ensure our troops are the best equipped, the most medically ready and best cared for as they enter the battle space and well after they leave it.

In this fiscal environment we understand the demands facing all of us, and we will continue to derive best value from the resources provided to us. We are working diligently to optimize our system, implement efficiencies and reduce purchased care expenditures for our enrolled patients. When we send patients out to the private sector when we ourselves own the capability, we are paying for it twice. I have made recapturing private sector health care workload a priority for our MTF commanding officers and I am encouraged by the progress we are making in this important arena.

We are, however, understandably concerned about the impact of sequestration and I know throughout the hearing today we may talk about examples of where it may or may not affect patient care, however, painful decisions have been required based on the funding realities. The deployment of our hospital ship USNS Comfort in the support of Continuing Promise 2013, which is a humanitarian mission to South America, was necessarily canceled. Given the other fleet requirements and the resourcing demands the Navy really had no other choice. However, these global health engagement efforts are important in building relationships with our international partners and providing unmatched training opportunities for medical personnel who engage with nongovernmental organizations, other services and host nations in these missions.

In addition, we have all significantly restricted our professional conference travel and training. The good news is this has fostered new and innovative ways to deliver continuing education where feasible through the use of video teleconferencing and electronic media. However, our clinicians must be able to continue to directly engage with their civilian colleagues if we are going to continue to leverage important relationships and collaborations in advancing patient care and research. If this becomes too austere for too long, it could ultimately lower our currently superb academic prowess and recognition as a pristine professional organization as well as create a have and have not issue compared to our civilian private medical organizations which would ultimately affect morale and retention.

We are focused on sailors and marines personal readiness and that includes key priorities of suicide prevention, safety and a zero tolerance for sexual assault and harassment. Collectively, these efforts are important in maintaining combat effectiveness, resiliency and fitness while reinforcing behaviors consistent with the Navy core values of honor, courage and commitment. All of us recognize the impact on our force and families brought by over 10 years of war and an increased operational tempo.

The success in meeting our mission is a direct result of an outstanding Navy medicine team and their partners. These men and women comprised of military and civilians are working tirelessly to ensure that our sailors, our marines and their families have access to the services they need. We are keenly aware that our ability to sustain our readiness is linked to recruiting, retaining and maintaining a talented workforce.

Our way forward will be guided by our principles of ship, shipmate and self, and the Navy ethos, which provides in part that we are a team disciplined and well prepared, committed to mission ac-

complishment. We do not waiver in our dedication and accountability to our shipmates and their families.

I again want to thank the committee for your confidence in Navy medicine, your unwavering support. It has been my pleasure to testify before you today and I look forward to your questions.

[The statement of Admiral Nathan follows:]

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THE HOUSE COMMITTEE ON APPROPRIATIONS

STATEMENT OF

VICE ADMIRAL MATTHEW L. NATHAN, MC, USN

SURGEON GENERAL OF THE NAVY

BEFORE THE

SUBCOMMITTEE ON DEFENSE

OF THE

HOUSE COMMITTEE ON APPROPRIATIONS

SUBJECT:

DEFENSE HEALTH PROGRAM

APRIL 24, 2013

NOT FOR PUBLICATION UNTIL RELEASED BY
THE HOUSE COMMITTEE ON APPROPRIATIONS

Chairman Young, Ranking Member Visclosky, distinguished Members of the Subcommittee, thank you for the opportunity to appear before you today and update you on our priorities, opportunities and challenges. I can report to you that the Navy Medicine team is mission-ready and delivering world-class care, anytime, anywhere. On behalf of the 63,000 dedicated men and women of Navy Medicine, we remain grateful to the Committee for your outstanding support.

Aligning Strategic Imperatives and Efficiencies

Navy Medicine exists to support the operational missions and core capabilities of both the United States Navy and the United States Marine Corps. These responsibilities mandate that we are fully synchronized with the leadership priorities of the Secretary of the Navy, Chief of Naval Operations and Commandant of the Marine Corps. The Navy-Marine Corps team is forward deployed and operating around the world in support of the warfighting mission.

My charge to the Navy Medicine leadership is clear: Our strategic planning efforts must reflect the direct and sustained actions to meet our readiness mission and remain flexible in the face of changing operational requirements. We are a responsive force that is capable of operating in all warfare domains.

My 2013 Charted Course reflects the following strategic goals: **Readiness; Value; and Jointness**. These are direct, clear and relevant to the men and women of Navy Medicine. Our planning process allows us to take a critical assessment of what we do, how we do it, and how well we are doing it. We must recognize when course corrections are required and decisively execute them. Our priorities are aligned with the efforts of the Military Health System (MHS) as well as those of Army Medicine and the Air Force Medical Service. This collaboration is particularly important in our support of overall MHS Governance Reform where clear lines of authority and sustaining operational capabilities are crucial. Collectively, Navy Medicine is

engaged in deliberate planning and rigorous analyses in support of solutions that will add value and improve jointness while maintaining each of the Services' readiness missions.

In this fiscal environment, we understand the demands facing all of us and we remain committed to deriving best value from the resources provided to us. We are working diligently to optimize our system, implement efficiencies and reduce purchased care expenditures for our enrolled patients. I have made recapturing private sector health care workload a priority for our military treatment facility (MTF) commanders and commanding officers. We are tracking these metrics carefully and I am encouraged by the progress we are making in this important area.

We appreciate the Committee's strong continued support of our resource requirements. The President's Budget for FY2014 adequately funds Navy Medicine to meet its medical mission for the Navy and Marine Corps. We recognize the significant investments previously made in supporting military medicine and remain committed to providing outstanding care to all our beneficiaries. We also support the revisions to the TRICARE cost sharing requirements contained in the President's Budget. These adjustments to the cost sharing structure are important to ensuring the delivery of sustainable and equitable health care benefits.

We remain concerned about the impact at our MTFs of sequestration and furlough of civilian personnel. Our civilian workforce is critical to our mission of caring for Sailors, Marines and their families. Furloughs and the associated reductions in pay will affect morale, retention and our capacity to deliver to care.

Navy Medicine is committed to achieving the Department of Defense (DoD) objective of preparing auditable financial statements and reports. Becoming audit ready will demonstrate to our stakeholders that Navy Medicine is an accountable steward of the resources we receive, and ensure that decision makers have accurate and timely information needed to execute our mission.

Primary care is at the core of improving the overall health of our beneficiaries and we continue to make investments to enhance the quality and efficiency in how we deliver these services. Medical Home Port (MHP) is Navy Medicine's adaptation of the successful civilian Patient-Centered Medical Home (PCMH) concept of care. MHP transforms the delivery of primary care to an integrated, team-based approach offering a comprehensive suite of services.

We have tailored the MHP model for the operational community and expanded it to select sites in order to provide the same patient-centered benefits to the operational forces. The nine demonstration project sites, six for Marine-Centered Medical Home (MCMH) and three for Fleet-Centered Medical Home (FCMH), will enhance access between the patient and their health care team, to include secure messaging. The focus is on improving the medical readiness and health of the Marine and Sailor and ensuring they are deployable and mission-ready. Integrated behavioral health providers will be part of the MCMH and FCMH team creating portals of care that should help minimize stigma.

I am encouraged by the results we are seeing from our MHP implementation. In evaluating several of our MHP practices, we have seen improvement in same-day access to care, as well as an increase in patient satisfaction and decrease in patients using the emergency department for non-emergent care. We have over three-quarters of a million patients enrolled in MHP. To date, two-thirds of our MHP practices have submitted for National Committee for Quality Assurance (NCQA) recognition and 100 percent were successful in earning recognition. All remaining MHP practices will pursue recognition by the end of 2013.

Operating Forward: Protecting Warfighter Health

We provide health care support in the full range of naval and amphibious operations - afloat on ships, submarines and squadrons, operating with special warfare units or embedded with the Marine Forces. In today's dynamic operational environment, this responsibility spans many dimensions from treating battlefield casualties in-theatre, to mitigating the health risks of our deployed forces through preventive medicine, to supporting global health engagement through disaster response and humanitarian assistance and ensuring that we invest in programs that promote all aspects of wellness.

Navy Medicine continues to provide life-saving expeditionary combat casualty care in support of Operation ENDURING FREEDOM. We lead the NATO Role 3 Multinational Medical Unit (MMU), operating at Kandahar Airfield, Afghanistan. The Role 3 is an advanced 70,000 square foot world-class combat trauma hospital that serves a unique population of U.S. and Coalition forces, as well as Afghan National Army, National Police and civilians wounded in Afghanistan. It serves as the primary trauma receiving and referral center for all combat casualties in Southern Afghanistan and has 12 trauma bays, four operating rooms, 12 intensive care beds and 35 intermediate care beds. We also provide the only neurosurgery, ophthalmology, oromaxillofacial surgery and interventional radiology services in the western half of Afghanistan. The team is comprised of approximately 250 staff of active component (AC) and reserve component (RC) personnel. The MMU also has Forward Surgical Teams deployed in the region to provide frontline surgical trauma care.

I have traveled to the Central Command (CENTCOM) Area of Responsibility (AOR) and witnessed the stellar performance of our men and women serving at the Role 3. Their collective efforts, both personally and professionally, are inspiring.

Throughout Navy Medicine, we are also adapting and employing the unique skill sets of our Forward Deployed Preventive Medicine Units (FDPMUs) to meet operational mission requirements and aligning them with Navy Expeditionary and joint units to provide critical force health protection capabilities. FDPMUs are specialized public health teams that can be deployed to enhance the capabilities of the Marine Corps' organic medical assets. They provide flexible and sustainable support through rapid assessment and identification of health hazards leading to recommendations for protective or control measures that reduce potential health threats to deployed personnel. FDPMUs can deploy a theater validation public health laboratory, conduct detailed disease outbreak investigations, provide capacity-building training and guidance for local nationals, and conduct advanced health surveillance for deployed forces.

Ensuring our providers have the proper equipment to execute their mission is important especially when serving in challenging environments around the world. Recognizing this priority, our Naval Medical Logistics Command (NMLC) played a primary role in all facets of re-outfitting the Expeditionary Medical Facility (EMF) at Camp Lemonier, Djibouti. Our logisticians conducted a site assist visit at EMF Djibouti in April 2012 to oversee the installation of all new medical equipment and implemented a medical equipment maintenance-life cycle management plan. In conjunction with their Army colleagues from the 6th Medical Logistics Management Center, our experts assessed EMF Djibouti's medical supply chain procedures, medical maintenance operations and medical logistics processes on behalf of the Commander Joint Task Force-Horn of Africa (CJTF-HOA) Surgeon. These efforts provide the tools, resources and systems necessary to assist clinicians and support staff as they deliver outstanding health care, while navigating the challenges inherent in an austere environment.

Through our overarching global health engagement (GHE) efforts, Navy Medicine plays an integral role in theater security cooperation, security assistance and disaster relief efforts. GHE is a peaceful means to foster and maintain relationships with allies and international partners that directly support National Security and Combatant Command theater security cooperation efforts. We are often the first responder for humanitarian assistance and disaster response (HA/DR) missions due to the presence of organic medical capabilities with forward deployed Navy assets. Our hospital ships, USNS MERCY (T-AH 19) and USNS COMFORT (T-AH 20), are optimally configured to deploy in support of HA/DR activities in South America, the Pacific Rim and East Asia. During 2012, Navy Medicine personnel participated in several humanitarian assistance and humanitarian civic action missions, including *Pacific Partnership*, *Continuing Promise* and *African Partnership Station.*

Wellness and health promotion are critical components of force health protection. The Department of Navy 21st Century Sailor and Marine program is focused specifically on wellness objectives and policies across a spectrum of programs. These important efforts are targeted at maximizing Sailors and Marines' personal readiness, especially given the physical and mental demands of our sustained operational tempo over the last decade of combat operations. The 21st Century Sailor and Marine program includes the following key areas: (1) Readiness; (2) Safety; (3) Physical Fitness; (4) Inclusion; and (5) Continuum of Service. It incorporates several aspects of vital programs including suicide prevention, safety, healthy lifestyle, work-life balance and our zero tolerance for sexual harassment and assault. Collectively, these efforts are important to maintaining combat effectiveness, resiliency and fitness, while reinforcing behaviors consistent with Navy Core Values of Honor, Courage and Commitment.

Navy Medicine is active in all aspects of the 21st Century Sailor and Marine program. Through our Navy and Marine Corps Public Health Center (NMCPHC) Health Promotion and Wellness initiative, we have targeted focus areas including - healthy eating, active living, reproductive and sexual health, psychological and emotion well-being, tobacco-free living, drug abuse and excessive alcohol use prevention, as well as injury and violence free living. Our efforts also include educating our Sailors, Marines and their families of the dangers of designer drug compounds, including synthetic cannaboinoids and cathoinones ("spice" and "bath salts," respectively). We launched an expansive Navy and Marine Corps-wide outreach campaigns to ensure our personnel know the dangers of these drugs, as well the impact on their health and careers. We also expanded our drug screening to include testing for these compounds.

Caring for Sailors, Marines and Families

Our highest responsibility is caring for our service members and their families, wherever and whenever they need us. All of us recognize the impact on our force and families brought about by over a decade of war and the increased operational tempo. In response to these challenges, we continue to invest in programs of support and treatment that are focused on building resiliency and operational stress control, fostering psychological health and providing patient-centered compassionate care. Navy Medicine's Psychological Health programs support the prevention, diagnosis, mitigation, treatment and rehabilitation of post-traumatic stress disorder (PTSD) and other mental health conditions, including the seamless transition of service members throughout the recovery and reintegration process. Our priority is ensuring appropriate staffing, meeting access standards, implementing evidence-based practices, and reducing stigma.

We are making progress and will continue our sustained efforts to ensure that our Sailors, Marines and families have access to the services they need. As the war draws down, we must

anticipate the psychological health issues that will emerge as our service members return home, develop appropriate surveillance methods for identifying those in need and deliver readily accessible, quality behavioral health care.

The concepts of Combat and Operational Stress Control (COSC) are being taught across the leadership continuum. These programs promote psychological health by fostering resilience, reducing stigma and focusing on the early recognition of stress problems. Operational Stress Control training is also incorporated into the General Military Training (GMT) for both Navy and Marine Corps personnel. Navy Medicine's Caregiver Operational Stress Control (CgOSC) program, which includes Combat and Operational Stress First Aid (COSFA), applies COSC principles specifically to caregivers who provide services to Sailors and Marines.

Our Navy Mobile Care Teams (MCTs) provide in-theatre behavioral health surveillance of Navy Individual Augmentees (IAs) using the Behavioral Health Needs Assessment Survey (BHNAS). Through BHNAS data, MCTs provide command level consultation and preventive mental health care throughout every region of Afghanistan. The 2012 BHNAS data provide clear evidence that satisfaction with leadership and unit cohesion are protective factors against the development of PTSD symptoms following a traumatic event. While the stigma associated with mental health care remains an issue, the Navy and Marine Corps are making strides in increasing the willingness of service members to seek this care. Data from both the Joint Mental Health Advisory Team (JMHAT) and the MCTs suggest that service members are more likely than in the past to seek this care or encourage their shipmates to do so.

The Navy is fostering a culture that promotes resilience and wellness, largely through programs that embed mental health providers in operational units and primary care settings. Our mental health providers are now embedded within a variety of operational units, including

all aircraft carriers, all Marine Corps infantry regiments, all Navy Special Warfare and Marine Special Operations Commands, and in a variety of other settings. In 2012, we also began to assign mental health providers to all deployed Amphibious Readiness Groups. Placing our providers with the operating forces increases access to care, reduces the stigma associated with seeking care and helps promote resilience and prevent behavioral health complications.

Navy Medicine continues to meet access standards through improved efficiencies and increasing the size of the mental health work force to support the readiness and health needs of Sailors and Marines throughout the deployment cycle. We are also ensuring compliance with the required Mental Health Assessments for our deployers at the specified intervals and have made this process more efficient through the application of the latest version of the electronic Deployment Health Assessment (eDHA). Theses assessments focus on depression, alcohol abuse and PTSD, and include both questionnaires and person-to-person evaluations, with referrals for follow-up as indicated. The addition of the enhanced mental health questions provides a good measure of the effects of the conflict on resilience and readiness.

We are also ensuring that our Sailors and Marines have access to the latest evidence-based treatment programs. The Naval Medical Center San Diego (NMCSD) Overcoming Adversity and Stress Injury Support (OASIS) program continues to provide intensive mental health care for service members with combat-related mental health symptoms, including PTSD. This unique model of residential treatment incorporates integrative treatment therapies and is designed for patients who have not improved with outpatient treatment.

Navy Medicine also supports an integrated substance abuse strategy to provide ready

access to high quality services for active duty members and their families. Our Substance Abuse Rehabilitation Program (SARP), with 51 sites, supports the prevention, diagnosis, mitigation, treatment and rehabilitation of substance use disorders and other mental health conditions. Levels of Navy SARP treatment include residential treatment, intensive outpatient treatment, outpatient reatment, early intervention and evidence-based screening, pre-care and continuing care. The Navy MORE (My Ongoing Recovery Experience) program is an online and telephone-based recovery and support program for patients recovering from alcohol dependence. In 2012, MORE was recognized by the Institute of Medicine (IOM) for its innovative use of the Internet and the provision of a confidential source of support for recovery.

Our Naval Center for Combat and Operational Stress Control (NCCOSC) is pilot testing the Psychological Health Pathways (PHP) Program at NMCSD and Naval Hospital Camp Pendleton. PHP is an initiative to assess the treatment of PTSD and improve the psychological care of patients with PTSD and other disorders. It uses a standard assessment process to collect patient demographics, outcome measures and treatment reviews. These data inform treatment planning and progress and assist in program evaluation, resource allocation, and clinic management. It provides real-time, evidence-informed data to improve the care provided to service members. Over 3,000 patients have participated in the PHP program, providing information that has enabled clinics to modify treatment to target symptoms that were not responding to prior treatment methods.

One of the most significant challenges confronting us is suicide. Each tragic loss of life due to suicide is heartbreaking, destroys families and impacts command. Suicide prevention is an important component of our Operational Stress Control programs as well as the 21st Century Sailor and Marine initiative. In conjunction with the Navy and Marine Corps suicide prevention

program offices, we are focusing on training, intervention, response and reporting. We are also working closely to identify and reduce gaps in prevention and treatment and leverage evidence-based practices along with on-going research efforts. These efforts require leadership engagement at all levels of command, community involvement and a culture that encourages asking for help. All of us in uniform have a responsibility to care for our shipmates and remain vigilant for signs of stress. A-C-T (Ask – Care – Treat) remains an important framework of response. I have reiterated to the men and women of Navy Medicine that it takes a lot of courage to reach out for help; however, it is something that we must do and encourage our shipmates to do.

In response to an increasing number of suicides among Navy Medicine personnel, I directed a thorough review of the Navy Medicine suicides that occurred between January 2011 and October 2012. The team conducting this review was comprised of experts from many areas, including representatives from the Navy and Marine Corps mental health community, the Navy Criminal Investigative Service, the Armed Forces Institute of Pathology, Fleet and Family Service Centers and others. An analysis of each individual case was conducted, risk factors were assessed and recommendations were made in four key areas: leadership and policy; prevention and training; access to and delivery of care; and, surveillance. The review team found several risk factors we must target, both as leaders and as care providers. In addition, we are continuing to actively participate in suicide prevention initiatives throughout the Navy and Marine Corps, and with the Defense Suicide Prevention Office (DSPO), to develop the strongest possible joint service suicide prevention initiatives, serving "every Sailor, every day," and supporting their families.

We know that family readiness is inextricably linked to force readiness. When our Sailors and Marines deploy, families are their foothold. We are also committed to improving the

resiliency and well-being of our family members. A vital aspect of caring for our service members is also ensuring that their families are cared for and have the support they need.

Project FOCUS (Families Over Coming Under Stress) is a skill building resiliency training prevention program designed to address difficulties that military families may experience when facing the challenges of operational deployments, combat stress or injuries. FOCUS uses family level techniques to highlight areas of strength and resilience, identify areas in need of growth and change to contend with current difficulties. FOCUS is widely recognized as the model for prevention/intervention psychological health services for military families. In FY2012, FOCUS provided services to over 91,000 military family members. We are encouraged that outcomes have shown statistically significant improvement in anxiety and depression for both children and parents.

Navy Medicine continues to place a high priority on the mental health needs of our reserve personnel and their families. The Reserve Psychological Health Outreach Program (PHOP) serves both the Navy and Marine Corps Reserve Components to improve the overall psychological health of reservists and their families. PHOP teams of licensed mental health professionals provide support and screening via phone and email, conduct psychological health training and screening during unit visits, and a 24/7 information line where unit leaders, reservists and their families can obtain appropriate resources for issues related to employment, finances, psychological health, family support and child care. In FY2012, PHOP provided over 11,000 outreach contacts to returning service members and provided behavioral health screenings for approximately 1,000 reservists. They also made over 500 visits to reserve units and provided over 800 presentations to approximately 19,000 reservists, family members and commands. As of April 2013, over 12,500 service members and their loved ones have

participated in 106 Returning Warrior Workshops (RWWs). RWWs assist demobilized service members and their families in identifying immediate and potential issues that often arise during post-deployment reintegration.

Navy Medicine continues to focus on Traumatic Brain Injury (TBI) care, both in theatre and in garrison. We have developed a comprehensive plan to address the care and management of TBI across the enterprise. This plan encompasses a systematic approach to TBI care, including training, treatment and reporting, to ensure that all service members receive the best quality of care from point of injury to reintegration. In FY2012, there were 5,487 incidents of TBI for Sailors and 8,207 incidents of TBI for Marines. Approximately 83 percent of these incidents were classified as mild in severity (mTBI), otherwise known as concussion. According to the Defense and Veterans Brain Injury Center (DVBIC), 84 percent of TBIs in the DoD occur in non-deployed settings. Therefore, the care and management of TBI is an important issue, both in and out of the theatre environment.

Prior to deployment to combat zones, Sailors and Marines take the Automated Neuropsychological Assessment Metrics (ANAM). This computerized test provides baseline data for comparison to post injury cognitive functioning, which may be used for making return to duty determinations in concussed patients. This pre-deployment neurocognitive assessment program is fully implemented at 40 Navy Medicine sites worldwide.

Since 2010, TBI treatment and tracking has advanced due to the implementation of DoD policies for the management of concussion in deployed settings. DoDI 6490.11 (Guidance for the Management of Mild Traumatic Brain Injury/Concussion in the Deployed Setting – 18 September 2012), which replaced the initial policy DTM 09-033, mandates point of injury screening, prescribes rest periods and establishes the required documentation of TBI exposures.

The Navy provides concussion care at the Kandahar Role 3 Concussion Center and the Concussion Restoration Care Center (CRCC) at Camp Leatherneck. Since August of 2010, the CRCC has treated nearly 1,100 service members with concussion. CRCC patients have a 98 percent return to duty rate in an average of 10 days. All Sailors and Marines deployed "boots on the ground" are also required to complete post-deployment health assessments. Those who endorse any TBI-related symptoms are flagged to receive follow-up evaluation and, if necessary, treatment. Navy Medicine will soon be supplementing the Post-deployment Health Assessment (PDHA) with an event-driven process, utilizing the TBI exposure tracking list generated from the DoDI 6490.11, to automatically flag Sailors and Marines for additional follow-up.

In garrison, both the Navy and Marine Corps have focused on standardizing TBI care throughout our MTFs. These efforts include standardized training, treatment and reporting of TBI incidents. Our comprehensive TBI training requirements ensure that all those who treat patients with TBI are aware of the latest evidence-based practices. Navy Medicine has leveraged the success of DoD in-theatre practices to develop TBI system of care algorithms for the evaluation and treatment of TBI in garrison. These algorithms are intended to standardize TBI care across the enterprise, from the acute management of TBI to recovery and return to duty. These algorithms, which mirror the theatre TBI care system, are being piloted in select locations.

Last year, DoD accepted an offer from the Intrepid Fallen Heroes Fund to build several National Intrepid Center of Excellence (NICoE) Satellites to locally treat our military personnel who have sustained mild or moderate TBI, with or without co-occurring mental health disorders, such as PTSD. Marine Corps Bases Camp Lejeune and Camp Pendleton, along with seven Army sites, have been selected as NICoE satellite locations. Construction is currently underway on the NICoE Satellite at Camp Lejeune, which is scheduled to open in the summer of 2013.

Access to the specialized care provided by these satellites has been incorporated into Navy Medicine TBI treatment algorithms, and these satellites will provide advanced evaluation and care for service members with persistent clinical symptoms following mTBI/concussion. Navy Medicine will continue to work with the NICoE and NICoE Satellites, as well as other stakeholders in the DoD, VA, and civilian academic medical centers, to elevate TBI care across the nation.

Given the severity of physical and behavioral health injuries incurred by our service members supporting the ongoing war in Afghanistan, case managers are essential members of the DoD/VA health care team. Navy Medicine currently has 230 case managers providing services to service members, retirees and their families. Our continued efforts to improve, refine and standardize case management services throughout the federal health care system will ensure that the services provided to our recovering service members, veterans and families are comprehensive, integrated and of the highest quality.

Ensuring our service members have access to appropriate pain management remains an important priority. Our Navy Comprehensive Pain Management Program (NCPMP) is designed to aid in restoration of function and relief of pain by broadening access to state-of-the-art, evidence-based, standardized, multidisciplinary pain care across Navy Medicine. We are integrating our pain management providers ("R4 teams" – Readiness, Restoration, Relief, and Research) into primary care and leveraging telehealth consultation and education capabilities. Within our NCPMP implementation, we are also focused on prescription medication misuse training for all providers as well as standardizing access to Complementary and Alternative Medicine (CAM) evidence-based non-pharmacologic therapeutics.

Leading the Way: The Navy Medicine Team

The success in meeting our mission is a direct result of our outstanding Navy Medicine team. Over 63,000 strong, these men and women – comprised of military personnel, government civilians and contractors – are working to care for Sailors, Marines, their families and all those entrusted to their care. We are keenly aware that our ability to sustain our readiness is linked to recruiting and retaining a talented workforce. I am grateful for your continued support of accession and retention incentives which have enabled us to realize manning improvements in several key specialty areas. Active Component (AC) and Reserve Component (RC) recruiting and retention remains a top priority and sustaining these incentive programs remain important to both our overall manning as well as our specialty requirements both now and in the future.

Navy Recruiting attained 103 percent of AC Medical Department officer goal and 87 percent of RC Medical Department officer goal for FY2012. For the same period, overall AC Medical Department officer manning improved to 98 percent, a 10-year high, primarily due to improved retention. Improvements in special pays have also been effective in mitigating manning shortfalls, especially within the AC.

Some specialty shortages do exist, mainly due to billet growth. AC mental health provider manning continues to improve with psychiatry, clinical psychology and social work manned at 91 percent, 80 percent and 55 percent, respectively. Mental health nurse practitioner manning is now over 100 percent filled and we anticipate social worker manning to be at 100 percent by end of FY2014.

While RC Medical Department officer manning is 90 percent, RC Medical Corps recruiting continues to be our greatest challenge and priority. Higher AC Navy retention rates have resulted in a smaller pool of medical professional Navy Veterans (NAVETs) leaving active duty.

With fewer NAVETs, coupled with lower than average NAVET affiliation rates, RC medical recruiting relies more heavily upon the Direct Commission Officer (DCO) market. Current Medical Corps RC manning is 76 percent of requirement with specialty manning shortages continuing in orthopedic surgery, general surgery and anesthesiology. We continue to offer incentives to improve manning. Depending on specialty, some reservists earn a $75,000 accession bonus and some up to a $75,000 retention incentive. We also actively promote the Training in Medical Specialties Program by offering financial incentives to clinicians who are currently in residency or fellowship training programs and have increased the number of senior officer physician billets which will improve opportunities for promotion.

Current manning for the RC Nurse Corps is 90 percent of requirement. The stipend program as well as retention and recruiting bonuses have had a significant impact in improving manning in registered nurse anesthetist and mental health nurse practitioner communities.

AC/RC Hospital Corps enlisted recruiting attained 100 percent of goal in FY2012 and our AC current enlisted manning is 99 percent, despite some shortages in key areas. Surface Independent Duty Corpsman (IDC) is manned at 88 percent, Submarine IDC at 91 percent, Dive IDC at 90 percent, and Fleet Marine Force HM RECON at 54 percent. This community's manning level is direct result of Special Operations Forces growth in the Irregular Warfare area. Special and Incentive pays and increased recruiting efforts are being utilized to improve the manning in this critical skill set. Our overall current RC enlisted manning is 99 percent.

Equally vital to Navy Medicine's mission is our federal civilian workforce. Collectively, they provide stability and continuity within our system, particularly as their uniformed colleagues deploy, change duty stations or transition from the military. Throughout our system, they provide patient care and deliver key support services in our medical centers, hospitals and clinics

as well as serve as experienced educators and mentors – particularly for our junior military personnel. I am encouraged by our success in recruiting and retaining our high quality civilian personnel and appreciate the pay, compensation and hiring authority flexibilities that we have been granted.

We continue to invest in training opportunities for our recovering warriors. Navy Medicine's Reintegrate, Educate and Advance Combatants in Healthcare (REACH) Program is an initiative that provides wounded warriors with career and educational guidance from career coaches, as well as hands-on training and mentoring from our hospital staff. Since launching REACH at three centers – National Naval Medical Center (now Walter Reed National Military Medical Center), and Naval Medical Centers Portsmouth and San Diego, we have expanded to include Naval Hospitals Camp Lejeune and Camp Pendleton. To date, 55 students have enrolled in the program. A key goal in the program is to place these students into a civilian position at our facilities and we have already begun placement for 15 percent of our current program participants at our MTFs. REACH continues to move forward providing confidence and hope for a healthy transition and a future career many wounded warriors did not think possible. Our 45 volunteer mentors, working with career coaches, provide the needed support system for REACH students to progress towards their goals. We have made impressive strides and will continue to leverage these career opportunities for our wounded warriors.

I remain committed to building and sustaining diversity within the Navy Medicine workforce. We embrace what we learn from our unique differences and I believe we are more mission-capable, stronger and better shipmates because of our diversity. Our focus is creating and maintaining an inclusive environment, where our diversity reflects that of our patients and our nation, where all our personnel - both military and civilian - see themselves represented in all

levels of leadership. Navy Medicine will continue to harness the teamwork, talent and innovation of our diverse force as we move forward into our future.

Sustaining Excellence: Research and Development and Medical Education

Navy Medicine Research, Development, Testing and Evaluation (RDT&E) and Medical Education are foundational to our mission of force health protection. Along with clinical care, they form an important triad that helps us deliver world-class care and directly impact our strategic priorities of Readiness, Value and Jointness. Cutting- edge RDT&E, along with top tier medical education programs, bolsters both our current and future capabilities and help sustains a culture of excellence.

Within our research portfolio, we focus on enhancing warfighter readiness, including performance, rehabilitation, force health protection and global health. We continue to execute our strategic priorities through five key areas of investigation: (1) Traumatic Brain Injury and Post-traumatic Stress Disorder; (2) Medical Systems Support for Maritime and Expeditionary Forces; (3) Innovations in Wound Management; (4) Hearing Restoration and Protection; and (5) Undersea Medicine. This strategy reflects the balance of expeditionary medicine, clinical care and psychological health and our overarching commitment to maintaining the fitness and health of Sailors and Marines. Our operational medical research is directly linked to the Navy Medicine Strategic Plan and supports identified medical gaps affecting our operational forces. Our efforts include direct coordination with the other Services as well as the VA, academia and commercial partners. This collaboration is vital and clearly evident in the success of efforts such as the Armed Forces Institute of Regenerative Medicine (AFIRM) which is developing advanced therapies and products for our most severely wounded service members. Separate from our engagement and support of AFIRM, our direct collaborative activities with institutional

programs such as the Department of Plastic and Reconstructive Surgery of the Johns Hopkins University School of Medicine have allowed Navy Medicine physicians to be part of cutting-edge research endeavors such as the recent bilateral arm transplants provided to a wounded warrior. We leverage what we learn from such efforts to rapidly transition promising programs from early development through broad testing and delivery to acquisition stage and operational deployment.

The epicenter of these research efforts is the Naval Medical Research Center (NRMC), combined with the integrated work of our CONUS and OCONUS Naval medical laboratories. Collectively, they are engaged in health and medical research world-wide. With a cadre of scientific leadership and technical expertise focusing on force health protection and enhancing deployment readiness, our team represents years of experience in science, medicine and the military. We have an outstanding network of national and international research partnerships along with cooperative research agreements with strategic security partners and host nations to meet the mission of supporting the warfighter.

Our Clinical Investigation Program (CIP) provides resources and oversight of Graduate Medical Education (GME) clinical research conducted by medical, dental, nursing and allied health science trainees at our teaching hospitals. Last year, Navy Medicine's CIP studies were supported by over $5 million in funding, 90 percent of which came from directed Navy Medicine DHP budget allocations. The topical areas of this medical research link directly to the five key strategic priorities in medical research. In FY2012, these CIP programs conducted 594 separate clinical investigation projects in last fiscal year, 170 of which were new endeavors.

Navy Medicine Education and Training Command (NMETC) provides and supports continuums of medical education and training that enable health services and force heath

protection. Located in San Antonio, Texas on Joint Base San Antonio, NMETC is the single point of accountability for education and training services within Navy Medicine, exercising command and control over its subordinate commands, and performing executive office oversight of specified execution level programs. These responsibilities also include an important role for our Navy personnel at the tri-service Medical Education Training Campus (METC) in San Antonio where over 5,000 Basic A-School Sailors trained as hospital corpsmen and 2,000 hospital corpsmen trained in 19 advanced technician programs. The combination of exceptional new facilities, state-of-the-art technologies, best practice curriculum design and a cadre of hard-working, dedicated, professional instructors, is producing an unprecedented level of quality across the training spectrum for our hospital corpsmen.

GME is vital to the Navy's ability to train board-certified physicians and meet the requirement to maintain a tactically proficient, combat-credible medical force. Robust, innovative GME programs continue to be the hallmark of Navy Medicine. We are pleased to report that despite the challenges presented by over ten years of war, GME remains strong. Our institutions and training programs continue to perform well on periodic site visits by the Accreditation Council for Graduate Medical Education (ACGME) and most are at or near the maximum accreditation cycle length. The performance of our three major teaching hospitals, in particular, has been outstanding with all maintaining the maximum five-year accreditation cycle length. Board certification is another hallmark of strong GME. The overall pass rate for Navy trainees in 2011 was at or above the national average. Our Navy-trained physicians continue to prove to be exceptionally well-prepared to provide care throughout the MHS to service members and their families and in diverse and demanding operational settings.

Leveraging Collaborative Engagements

Sound partnerships and collaborations are critical to advancing our strategic priorities of Readiness, Value and Jointness. On the battlefield, we see remarkable results as the Services work jointly throughout the continuum of care to save lives at unprecedented rates. We also recognize that we must continue to work collaboratively with our VA colleagues, other federal agencies and leading academic and private institutions in addressing some of our most challenging issues facing our returning service members, including suicide prevention, PTSD, TBI and regenerative medicine. There is no doubt that the complex problems of delivering care to a growing beneficiary population in a resource-constrained environment demands that we leverage our partnerships, deploy best clinical and business practices and make full use of rapidly accelerating technologies.

Navy Medicine has an extensive history of sharing initiatives with the VA. Currently, these efforts have resulted in seven unique collaborations and over 50 sharing agreements for many health care services that benefit each of the Departments. This relationship has become increasingly more important as both Departments seek solutions to maximize limited resources and enhance the transition of care for service members as they move from active service to veteran status.

The Captain James A. Lovell Federal Health Care Center (FHCC), Great Lakes is the first fully integrated facility with the Department of Veterans Affairs and Department of Defense staffs working together to support a single, combined mission. The FHCC provides care for active duty service members, veterans and TRICARE beneficiaries (military families, including infants/children). In January 2012, the FHCC received accreditation from the Joint Commission.

This five-year demonstration project continues to show progress; however, we recognize that challenges remain particularly with the integration of information technology. Both Departments have worked aggressively to implement solutions in several key information technology/information management areas including single patient registration, orders portability and clinical context management. In addition, the comprehensive evaluation of this demonstration project as required by the FY2010 National Defense Authorization Act, along with the external assessments by the Government Accountability Office (GAO) and the Institute of Medicine (IOM), will provide important information as DoD and the VA consider the feasibility of future integrations.

The DoD-VA iEHR is critical to the success of our long-term collaborative efforts and both the Secretary of Defense and Secretary of Veterans Affairs have stressed the importance of this initiative in supporting our service members and their families. When fully implemented, the iEHR will serve as the joint DoD/VA electronic health records system delivering an effective, standards-based, comprehensive system of records which will track the lifelong medical history of service members, retirees, veterans and their family members. In February 2013, the Secretaries of Defense and Veterans Affairs indicated that the focus will be on integrating DoD and VA IT systems with the goal of reducing risk, lowering cost and accelerating the delivery timelines. We are continuing to work with the Interagency Program Office (IPO) in their role as the lead organization for DoD and VA in the developing and implementing the iEHR.

Another important collaborative effort with the VA is the DoD/VA Vision Center of Excellence (VCE). Its mission is to continuously improve vision health, optimize vision readiness and enhance quality of life for service members and veterans with disorders of the visual system. Their research agenda has led to the discovery of improved methods of protecting

deployed individuals from eye injuries and improved battlefield treatment methods. They recently launched the Defense and Veterans Eye Injury and Vision Registry Pilot which will use data from DoD systems and the VA Eye Injury Data Store for a longitudinal analysis of eye and vision injuries. Navy Medicine provides operational support to VCE and it is jointly staffed by military and VA experts.

Improving the Integrated Disability Evaluation System (IDES) is a top priority for all of us. IDES supports readiness by determining whether wounded, ill, or injured Sailors or Marines are fit for continued naval service. The service member is supported by the VA's assignment of the appropriate disability ratings for conditions determined to be service-connected. Navy Medicine administratively supports both the Navy and Marine Corps during the first 100 days of the IDES process, which includes both the Referral Phase and the Medical Evaluation Board (MEB) Phase. Medical treatment and care of our service member occurs throughout the entire process.

We continue to make progress in this important area. Navy Medicine, in collaboration with our VA counterparts, has met the 100-day MEB phase goal for 14 consecutive months for Navy service members, and nine consecutive months for Marine Corps service members. Overall, the Department of Navy IDES performance has steadily improved throughout 2012 with continued leadership focus and attention, implementation of process improvements and rapidly disseminating local site best practices.

Enduring Principles and the Way Forward

The future will be uncertain and challenging. We have much work ahead of us. I am confident we will confront these demands with professionalism, skill and commitment. We in Navy Medicine are privileged to care for our brave Sailors, Marines and their families. The mission of Navy Medicine is straightforward: We protect the health of Sailors and Marines so

they are mission-ready; and we care for their families, our retirees and their family members. Our way forward will be guided by the principles of Ship, Shipmate, Self and the Navy Ethos which provides in part that "We are a team, disciplined and well-prepared, committed to mission accomplishment. We do not waiver in our dedication and accountability to our Shipmates and families."

I want to thank the Committee for your confidence in Navy Medicine. It has been my pleasure to testify before you today and I look forward to your questions.

Mr. YOUNG. Admiral, thank you very much. We have some interesting questions for you. General Travis, it is your first time here, but I think you will find this will be a good experience. This is not a hostile committee, but it tries to be very, very supportive to take care of the men and women who take care of our country. So at this point we are very happy to hear your statement, sir.

SUMMARY STATEMENT OF LTG TRAVIS

General TRAVIS. Mr. Chairman, thanks for your welcome. I am very, very proud to be with you here today and very proud to share the table with some very good friends of mine. Ranking Member Visclosky, distinguished members of the subcommittee, thanks for inviting me to appear before you today.

Our military forces have benefited from vast achievements Army, Navy and Air Force medics have jointly made in deployed and en route care since the current war began. You see that embodied very well today with the case of Sergeant Marrocco.

With this war winding down, even with the fiscal challenges, we now have a clear responsibility to make sure military medics are well trained and well prepared for whatever contingency the future brings, to include combat operations, stability operations, humanitarian assistance or disaster relief. To enhance our core competency in the ground expeditionary mission, in our air evac mission we must ensure that our providers continue to have robust opportunities to practice their skills and that we continue to pursue critical research and modernization initiatives for the future. We have very successfully leveraged civilian partnerships to maintain trauma skills readiness, and as this war subsides and we are challenged fiscally I think we will have to even more strongly rely on some of these partnerships to help us train and conduct research in the future.

I would add that as the way we fight wars and especially as the Air Force evolves the way we provide medical support for operators must also evolve. Airmen who are manning systems such as distributed communication ground stations, space and cyber operations, or remotely piloted aircraft and those who operate outside the wire such as security forces, special operations forces, explosive ordnance disposal specialists, all face distinct challenges. These types of injuries or stressors, both visible and invisible, to members and their families are also evolving. We must provide medical support in different ways than we have in the past to address the expanding definition of operators and step up our role as human performance practitioners. As an old flight surgeon, this is not just flight medicine any more. Not only will access and care be more customized for the mission but so will prevention. For example, we have embedded psychologists with the right level of security clearance in several remote warfare units to be readily available at the duty location to provide early intervention and care for those experiencing occupational stress that could affect performance in crucial wartime missions.

The Air Force is committed to the Department's plan for reorganization of the Military Health System, to include the establishment of the Defense Health Agency. There are many changes in the works for how we will operate together in the future and we

are excited to be fully engaged with our partners in this tough work, and it is very tough work as we also continually focus on providing trusted care and maintaining a fit, healthy and ready fighting force.

As my colleagues have alluded to, that focus was made even more clear to all of us as we traveled all over Afghanistan just last week. And I have to add that I am very glad this hearing is in the morning, because jet lag is going to take its toll a little later in the day.

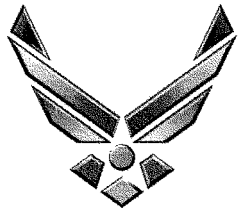
We are all very encouraged and hardened that military medicine has really contributed to the operational capability and the will to fight of this Nation in a very long war, just as we must do in the future wars.

I would also add, again off script, everywhere we went last week, whether it was in big groups, whether we were all answering questions together and talking to big crowds, joint crowds, airmen, marines, soldiers and sailors, or individually as we met with airmen, soldiers, sailors, marines, I can tell you that a young airmen, a two striper, asked me about sequestration and the impact of the budget on future training. I was moved by that and I said, I am so proud of you that you are paying attention and asking questions like that. His comment to me was, sir, if we didn't ask those kind of questions it means we don't care about what we do.

There are a lot of committed medics down range doing incredible things. Your continued support of the Air Force medical service and our mission is greatly appreciated. I thank you for that support and I look forward to your questions today. Thank you very much.

[The statement of General Travis follows:]

United States Air Force



Presentation

Before the House Appropriations
Committee, Subcommittee on Defense

Defense Health Programs

Witness Statement of
Lieutenant General Thomas Travis
The Air Force Surgeon General

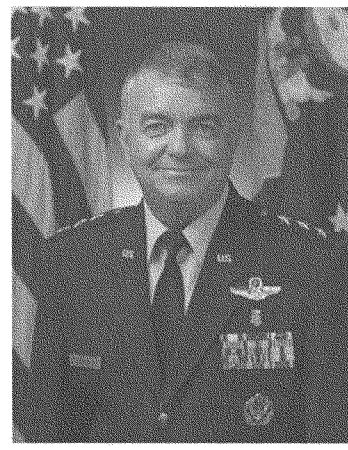
April 24, 2013

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Committee, Subcommittee on Defense

BIOGRAPHY

UNITED STATES AIR FORCE

LIEUTENANT GENERAL (DR.) THOMAS W. TRAVIS



Lt. Gen. (Dr.) Thomas W. Travis is the Surgeon General of the Air Force, Headquarters U.S. Air Force, Washington, D.C. General Travis serves as functional manager of the U.S. Air Force Medical Service. In this capacity, he advises the Secretary of the Air Force and Air Force Chief of Staff, as well as the Assistant Secretary of Defense for Health Affairs on matters pertaining to the medical aspects of the air expeditionary force and the health of Air Force people. General Travis has authority to commit resources worldwide for the Air Force Medical Service, to make decisions affecting the delivery of medical services, and to develop plans, programs and procedures to support worldwide medical service missions. He exercises direction, guidance and technical management of more than 42,800 people assigned to 75 medical facilities worldwide.

General Travis entered the Air Force in 1976 as a distinguished graduate of the ROTC program at Virginia Polytechnic Institute and State University. He was awarded his pilot wings in 1978 and served as an F-4 pilot and aircraft commander. The general completed his medical degree from the Uniformed Services University of the Health Sciences School of Medicine, where he was the top Air Force graduate, and in 1987 he became a flight surgeon. For more than three years, General Travis was Chief of Medical Operations for the Human Systems Program Office at Brooks Air Force Base, Texas. He later served as the Director of Operational Health Support and Chief of Aerospace Medicine Division for the Air Force Medical Operations Agency in Washington, D.C.

Prior to his current assignment, Gen Travis served as Deputy Surgeon General, Headquarters U.S. Air Force, Washington, D.C. The general has commanded the U.S. Air Force School of Aerospace Medicine; 311th Human Systems Wing at Brooks AFB; Malcolm Grow Medical Center and 79th Medical Wing, Andrews AFB, Md.; and the 59th Medical Wing, Wilford Hall Medical Center, Lackland AFB, Texas. He also served as the Command Surgeon, Headquarters Air Force District of Washington, and Command Surgeon, Headquarters Air Combat Command, Langley AFB, Va. He is board certified in aerospace medicine. A command pilot and chief flight surgeon, he has more than 1,800 flying hours and is one of the Air Force's few pilot-physicians. He has flown the F-4, F-15 and F-16 as mission pilot and, the Royal Air Force Hawk as the senior medical officer and pilot.

EDUCATION

1976 Distinguished graduate, Bachelor of Science degree in biology, Virginia Polytechnic Institute and State

University, Blacksburg
1980 Master of Science degree in physiology, Virginia Polytechnic Institute and State University, Blacksburg
1986 Doctor of Medicine degree, Uniformed Services University of the Health Sciences School of Medicine, Bethesda, Md.
1991 Master of Science degree in public health, University of Texas Health Science Center, San Antonio, Texas
1996 Air War College, by correspondence
1999 Distinguished graduate, Master of Science degree in national resource strategy, Industrial College of the Armed Forces, Fort Lesley J. McNair, Washington, D.C.
2000 Medical Capstone, Walter Reed Army Medical Center, Washington, D.C.
2003 Federal Health Care Executive Course, Interagency Institute, George Washington University, Washington, D.C.
2005 Capstone, Fort Lesley J. McNair, Washington, D.C

ASSIGNMENTS
1. April 1977 - March 1978, student, undergraduate pilot training, Williams AFB, Ariz.
2. May 1978 - August 1978, student, fighter lead-in training, Holloman AFB, N.M.
3. August 1978 - February 1979, student, F-4 Replacement Training Unit, MacDill AFB, Fla.
4. February 1979 - June 1982, F-4 aircraft commander, 334th Tactical Fighter Squadron, Seymour Johnson Air Force Base, N.C.
5. August 1982 - May 1986, medical student, Uniformed Services University of the Health Sciences School of Medicine, Bethesda, Md.
6. July 1986 - June 1987, internship, Andrews AFB, Md.
7. July 1987 - July 1990, F-15 pilot physician, Langley AFB, Va.
8. August 1990 - June 1992, resident in aerospace medicine, Brooks AFB, Texas
9. July 1992 - April 1996, Chief, Medical Operations, Human Systems Program Office, Brooks AFB, Texas
10. April 1996 - June 1998, senior medical officer pilot, Royal Air Force School of Aviation Medicine, Farnborough, England
11. July 1998 - June 1999, student, National Defense University, Industrial College of the Armed Forces, National Defense University, Fort Lesley J. McNair, Washington, D.C.
12. July 1999 - July 2001, Director, Operational Health Support, and Chief, Aerospace Medicine Division, Air Force Medical Operations Agency, Washington, D.C.
13. July 2001 - February 2003, Commander, U.S. Air Force School of Aerospace Medicine, Brooks AFB, Texas
14. February 2003 - September 2005, Commander, 311th Human Systems Wing, Brooks City-Base, Texas
15. September 2005 - May 2006, Commander, 89th Medical Group, Andrews AFB, Md.
16. May 2006 - August 2006, Command Surgeon, Headquarters Air Force District of Washington, Bolling AFB, D.C., and Commander, 79th Medical Wing, Andrews AFB, Md.
17. September 2006 - August 2007, Command Surgeon, Headquarters Air Combat Command, Langley AFB, Va.
18. August 2007 - November 2010, Commander, 59th Medical Wing, Lackland AFB, Texas
19. November 2010 - July 2012, Deputy Surgeon General, Office of the Surgeon General, Headquarters U.S. Air Force, Washington, D.C.
20. July 2012 - present, Surgeon General, Office of the Surgeon General, Headquarters U.S. Air Force, Washington, D.C.

FLIGHT INFORMATION
Rating: Command pilot and chief flight surgeon
Hours: More than 1,800
Aircraft flown: F-4, F-15, F-16 and Royal Air Force Hawk

MAJOR AWARDS AND DECORATIONS
Distinguished Service Medal
Legion of Merit with oak leaf cluster
Meritorious Service Medal with four oak leaf clusters

Aerial Achievement Medal
Air Force Commendation Medal
Joint Service Achievement Medal
Combat Readiness Medal
Air Force Recognition Ribbon

OTHER ACHIEVEMENTS
1994 Julian E. Ward Memorial Award, Aerospace Medical Association
1994 Unger Literary Award, Society of U.S. Air Force Flight Surgeons
1995 Paul W. Myers Award for outstanding contributions to Air Force medicine, Air Force Association
2003 Stewart Lecturer, Royal Aeronautical Society
2007 Marie Marvingt Award, French Society of Aerospace Medicine
2007 George E. Schafer Award, Society of USAF Flight Surgeons
2008 John D. Chase Award for Physician Executive Excellence, Association of Military Surgeons of the United States

PROFESSIONAL MEMBERSHIPS AND ASSOCIATIONS
Academician, International Academy of Aviation and Space Medicine
Member and former President, Society of U.S. Air Force Flight Surgeons
Member and former President, International Association of Military Flight Surgeon Pilots
Fellow, Aerospace Medical Association
Fellow and former Aerospace Medicine Regent, American College of Preventive Medicine
Life member, Association of Military Surgeons of the United States
Order of the Daedalians
Alpha Omega Alpha Honor Medical Society

EFFECTIVE DATES OF PROMOTION
Second Lieutenant June 2, 1976
First Lieutenant Dec. 2, 1978
Captain Feb. 25, 1982
Major Feb. 25, 1988
Lieutenant Colonel Feb. 25, 1994
Colonel May 31, 1998
Brigadier General Sept. 1, 2004
Major General June 2, 2007
Lieutenant General July 13, 2012

(Current as of July 2012)

Chairman Young, Ranking Member Visclosky, and distinguished members of the Subcommittee, thank you for inviting me to appear before you today. U.S. military forces, now in the second decade of war, benefit from the vast achievements Army, Navy and Air Force medics have jointly made in deployed and en-route health care since 2001. With a 96 percent survival rate, we have never been better prepared to support our warfighters, and we owe a great debt to your support.

I joined the Air Force during the Cold War almost 37 years ago. The great majority of our military medics have joined the military during the current shooting war, and they have performed magnificently. War creates a readiness and training imperative and opportunity, and the current war, now beginning to wane, has put military medicine center stage as an incredibly effective part of this Nation's operational capability. This is a hard-earned and well-documented "identity" for military medics. After this war, while we rightly focus hard on cutting the cost of health care, we must continuously prepare for the next war, when our Nation will expect us to be just as good, if not better than we were in this one. And that the next war may be very different and present unique and significant challenges in a less permissive environment.

With the end of the war in Iraq and the draw-down of forces in Afghanistan, our real-time, real-world, theater hospital training opportunity is diminishing. While we are thrilled that patient movements have dropped significantly, we will soon face new challenges: How do we remain on the cutting edge of trauma care and aeromedical evacuation, ready for the next war, and ready to continue to provide "Trusted Care Anywhere?" What will we look like in the future?

Clearly, our post-war medical forces must stay ready through their roles in patient-centered, state-of-the-art, full tempo health services that ensure competence, currency, and satisfaction of practice, while fostering innovation. The Air Force Medical Service (AFMS) is closely linked with our Defense, Army and Navy colleagues in efforts to achieve the Military Health System (MHS) Quadruple Aim through our goals of Readiness, Better Health, Better Care, and Best Value.

As medics, we must remain ready, current, trained, and equipped to provide care across a full spectrum of missions to include combat operations, stability operations, humanitarian assistance or disaster relief. To enhance our core competency on the ground and in the air, we're pursuing major modernization initiatives to maintain and improve our ready state.

In the past year, we've successfully tested and deployed our Expeditionary Medical Support Health Response Team (EMEDS-HRT), which replaces our former EMEDS Basic as the primary element of EMEDS capability. The HRT provides initial operating capability within 15 minutes, emergency room care within two hours, operating room capability within four hours, critical care within six hours and full operational capability within 12 hours. The HRT allows us to tailor clinical care to the mission, adding specialty care components for humanitarian assistance or disaster relief missions. Last summer the HRT was successfully exercised by our Langley AFB medics as they embarked on a humanitarian training exercise in Peru providing medical care to thousands of impoverished Peruvians. During this mission, the medics were fully operational in less than 12 hours. This operation successfully tested our enhanced capability and provided an important opportunity to pursue Global Health Engagement. Ten HRTs are now postured for deployment.

Since 9/11, our forces have transported almost 182,000 patients, 98,000 from the CENTCOM Area of Responsibility, to include 8200, high acuity patients moved with Critical Care Air Transport Teams (CCATTs). These teams provide intensive care support in-flight to our high risk patients, and have significantly contributed to the lowest died-of-wounds rate in our Nation's history, while allowing the Department of Defense to maintain smaller theater medical footprints, a true revolution in deployed medicine.

Taking the next step toward raising the survival rate, the Air Force Medical Service (AFMS) has developed and deployed Tactical Critical Care Evacuation Teams (TCCETs) that provide advanced trauma care on rotary-wing aircraft beyond that provided by field and flight medical personnel. TCCETs represent the Air Force's initiative to close the critical care gap and ensure continuous en-route critical care from forward stabilization to definitive care venues. Two teams are now deployed in theater, allowing even more expeditious movement of critical patients between Level II and Level III facilities. We have plans to train more teams.

To keep our trauma and CCATT providers current and ready for the next mission, we will be relying even more upon the well-proven civilian partnering programs established at our Centers for the Sustainment of Trauma and Readiness Skills (C-STARs) in Baltimore, Cincinnati, and St. Louis. C-STARS are the hubs for advances in training and research. The cadre of specialists we place in these C-STARS platforms not only train our medical Airmen as they rotate through for trauma and high-acuity care training, but are also deployable as our most ready and capable trauma care teams.

The success of CCATTs in expanding the capabilities of the aeromedical evacuation (AE) system has led to dramatic changes in military medical force deployment and casualty care practices. We continue to collaborate with civilian partners in clinical care and research

activities to provide a powerful platform for excellence in battlefield health. The AFMS and Battlefield Health and Trauma Research Institute (BHT) joined forces with the San Antonio University Health System to conduct research on spinal fractures, blood transfusion, sepsis, burns, hemorrhagic shock, and compartment syndrome. These partnerships continuously modernize our military and national health care systems.

The current war also presented us with trauma patients with life-threatening, severe respiratory failure requiring extracorporeal life support (ECLS, previously known as Extracorporeal Membrane Oxygenation [ECMO]) as rescue therapy in aeromedical evacuations. These devices allow the lungs to rest and heal. Until recently, Adult ECLS usage has been associated with high mortality rates. However, newer technology and equipment miniaturization has made it possible to apply this lifesaving measure during transport. Our teams at San Antonio Military Medical Center, Lackland AFB, Texas, and at David Grant Medical Center, Travis Air Force Base, California, continue to research the capabilities of a miniaturized ECLS system for use at altitude. The current study proposes to stabilize and capture micro emboli (small bubbles in the blood stream) when used in-flight. Airworthiness testing is pending and success of this research will help validate the utility of the ECLS closed-loop system. The device has gone from 800 pounds to 28 pounds, making it feasible as a mobile tool for use in various aircraft. The original capability of ECLS has improved since its inclusion in the Lung Team Package back in 2006. This past year alone, the Lung Team has been activated for 17 patient movements expanding our en-route care capability.

We are constantly identifying better technologies for more accurate patient assessment in flight and are employing research and development efforts to improve casualty care. On the horizon, the AFMS is pursuing the miniaturization of medical devices, such as a field-deployable

light-weight vital sign monitor that would fit inside a cargo pocket; use of sensors to collect patient data; autonomous control of patient oxygen and ventilation via a closed-loop ventilation system to help reduce ventilator-induced lung injury and provide more efficient and precise oxygen therapy. Also under development, a video-assisted intubation device will provide caregivers visualization of the vocal cords and the endotracheal tube to confirm placement in the constrained, austere AE environment (in the aircraft, tarmac, during ground transport etc.).

Air Force Medical Service Research and Development (AFMS R&D) also centers on development of state-of-the-art training, such as the next-generation simulation training specifically designed for pararescue personnel. Another example is our virtual medical trainer program that provides an interactive, 360-degree internal view of the aircraft, which familiarizes the user with the aircraft's medical equipment, devices, supplies and best practices for patient loading and unloading.

One final example of the modernization of the AE platform are ongoing changes to our current Contingency Aeromedical Staging Facility operations towards a combined En-Route Patient Staging System (ERPSS) that allows for a flexible patient staging configuration and rapid response to a myriad of contingencies, and maintains the advantages of the building block approach for flexibility in bed size. This scalable response package was born out of lessons learned in this war, as well as disasters such as Hurricane Katrina.

As the way we fight wars evolves, the way we provide medical support for operators must also evolve. Airmen who are manning systems such as the distributed communication ground stations, space and cyber operations, or remotely piloted aircraft (RPA), and those who operate "outside the wire," such as Security Forces, Special Operations Forces, and Explosive

Ordnance Disposal (EOD) specialists face distinct challenges. The types of injuries or stressors – both visible and invisible – to members and their families are also evolving. We must provide medical support in different ways than we have in the past to address the expanding definition of "operators," and step up to our role as human performance practitioners, assuring Airmen are healthy and ready to perform their missions effectively. Not only will access and care be more customized for the mission, but so will prevention.

We are engaging in many human performance research initiatives across the AFMS to further this goal through a broad spectrum of clinical, information/technology and operational projects to ensure the care we provide remains state-of-the-art. We are studying the Remotely Piloted Aircraft mission and how this may be affecting our pilots and intelligence operators. Investigators assessed the main sources of occupational stress affecting performance, prevalence of suicidal ideation, clinical distress, PTSD, and high risk health behaviors. As a result of this study, we are embedding psychologists in remote warfare units to provide early intervention and care. Additionally, work shift schedules have changed to align with the recommendations of the study.

For better care, we must provide reliable access to safe, quality care for those we serve, promoting positive patient experiences and outcomes. To do this, we must be consistent and reliable in ensuring our staff focuses on patient safety first, and use evidence-based practices in the provision of quality care.

One way the AFMS is seeking to improve our patient safety efforts is by joining the national initiative, "Partnership for Patients," which considers ways to reduce health-care acquired conditions (HAC). Our inpatient facilities have implemented nationally approved

evidenced-based practice guidelines to help reduce HACs, and we continue to monitor and reevaluate our efforts along with the other Services and the DoD. Our patient safety programs are fully executed, with 90 contract full-time equivalents and one active duty director assigned across 75 Military Treatment Facilities (MTFs). Together with full contract support and 100 percent implementation of the Patient Safety Reporting system, we have demonstrated the same success that has been cited in the literature: The more near misses that are reported in the organization, the fewer harmful events occur. By utilizing this system we have noticed a 2.5 percent increase in near miss reporting and a 0.4 percent decrease in "harm" events over the previous year, demonstrating the importance of patient safety reporting and practices throughout our organization. We continue to collaborate with our sister Services, and this past year we led the first-ever interservice patient safety event analysis. Now, all sentinel event occurrences are shared among the services. Sharing information and full transparency helps prevent negative patient experiences throughout the Department of Defense.

The ability to promptly and effectively examine and treat sexual assault victims is a vital aspect of our better care initiatives. Every Air Force Military Treatment Facility has a Sexual Assault Forensic Exam (SAFE) process in place, and over the last three years we have quadrupled the number of trained medical personnel to care for victims. Our overseas and deployed locations all have trained SAFE/SANE (Sexual Assault Nurse Examiner) medical professionals on staff, with a minimum of two at any given facility. All deployed MTFs have SAFE capability, either within the unit or with another Service's MTF nearby. Our proactive approach shows that our leaders are clearly focused on prompt, effective, and compassionate care for the victims.

With more than 1 million patients enrolled, Air Force Patient-Centered Medical Home (PCMH) has made significant progress toward greater continuity of care and improved patient and provider satisfaction. Over the past year, patients have seen their assigned provider team over 90 percent of the time. This allows patients to become more active participants in their health care, and improves their care experience. For example, our clinic at Davis-Monthan AFB, Arizona, continues to be one of our top facilities for continuity of care. They have produced impressive improvements in patient health indicators, boasting a 21.6 percent increase in well child visits, a 4.9 percent increase in diabetes screening, a 9.0 percent increase in diabetes control, and a 48 percent decrease in urgent care referrals. These are prevention successes that also save money. We are also in the process of developing a Medical Home model for internal medicine clinics focused on improving care and better serving the special needs of this particular population of patients.

To support PCMH, we are implementing secure messaging. This technology is now deployed to a third of our MTFs, with the remainder coming on board this year. Secure messaging provides a private, online communication system that allows patients to contact their primary care clinics for medical advice, appointments, prescription renewal, and laboratory results. In the end state, will provide our patients with access to personal health records via secure messaging, making our patients partners in their health care.

Project ECHO (Extension for Community Healthcare Outcomes), a program that allows our family healthcare teams to care for more complex patients in the MTF, proves to be a valuable means for our providers to improve healthcare and continuity for patients. ECHO allows the MTF to keep patients in the direct care system by having primary care providers "reach back" to designated specialists for consultation, rather than referring them to the network.

This platform uses information management/information technology systems to consult with specialists or experts remotely and this has reduced referrals to the TRICARE network. Currently, 26 tri-service MTFs are participating in this service providing complicated diabetes management, chronic pain management, and traumatic brain injury care for our patients. This year we plan to add behavioral health, dermatology and international medical readiness into the program with plans to further expand in 2014.

As we focus on better health to reduce the need for care, we are encouraging healthy behaviors through a culture of resilience and performance, while reducing illness and injury. We are working hard with Air Force leadership to inculcate healthy behaviors in our Airmen and help them to cope with the mental stressors they experience. Comprehensive Airman Fitness focuses on building strength across physical, mental, spiritual and social domains. Our Airman Resilience Training provides a standardized but flexible approach to pre- and post-exposure training for deploying Airmen and reintegration education for redeploying Airmen. For our redeploying service members, the Deployment Transition Center (DTC) at Ramstein AB, Germany, has assisted 5,000 Airmen, Marines, and coalition partners who are in career fields at high risk for Post-Traumatic Stress Disorder (PTSD). Research from the Deployment Transition Center surveys show lower rates of post-traumatic stress, interpersonal conflict and alcohol use in attendees after returning home, presenting a model for improved warrior care.

We are also improving access to mental health care through initiatives such as the Patient Centered Medical Home-Behavioral Health (PCMH-BH) which embeds mental health providers within the primary care clinics of each Military Treatment Facility, and the Mental Health Integration Program, a demonstration project to evaluate placing full service mental health capability in PCMH at two of our MTFs. The deployment of video teleconferencing capabilities

in our mental health clinics has also helped to reach the needs of our patients, while decreasing the stigma associated with seeking mental health assistance.

Providing quality mental health care with adequate staffing remains a top priority. To increase mental health manning as directed by the National Defense Authorization Act (NDAA) for Fiscal Year 2010, section 714, we continue to work toward increased recruitment and retention of mental health providers. We are near full staffing for psychiatrists, psychologists, social workers, and psychiatric nurse practitioners. However, the fully qualified numbers are lower because these specialties have members in training, or in the case of social workers and psychologists, they have finished their training but require supervision while they secure their licenses to become independent and fully qualified providers.

While the Air Force rate of deployment-associated TBI is lower than the other Services, we remain concerned about the consequences of TBI. We expanded clinical education for primary care providers who care for individuals at high risk for TBI and launched a pilot program at three of our bases where we have Explosive Ordinance Disposal (EOD) flights. Individuals at high risk for TBI were empanelled to a specific primary care team equipped to address the member's recovery needs. This program has been very well received at these locations, and we are now considering further expansion for other missions that may require customized care.

While Air Force rates of Post-traumatic Stress Disorder (PTSD) remain relatively low compared to the other Services, we continue looking for ways to prevent or minimize post-traumatic stress symptoms. In addition to providing pre- and post-deployment airman resilience training, we are reviewing recommended improvements to our curriculum and delivery strategies identified in a recent program evaluation. The AFMS uses evidence-based treatments for PTSD

and offers ongoing provider training support from the Center for Deployment Psychology. We remain committed to safeguarding the well-being and mental health of our people and continue to work closely with Air Force leadership on airman resiliency efforts.

Research efforts on the horizon for TBI and PTSD include looking at prevention of mild TBI to determine if the ingestion of select dietary components at specific times will enhance resistance. We are also determining if there is a link between the effects of operational stressors (sleep-deprivation, immobilization) and increased susceptibility to brain injury.

Hearing loss is another frequent and invisible injury of war, with roughly 60 percent of those returning from Iraq and Afghanistan having this affliction. The AFMS remains vigilant in our efforts to mitigate hearing loss among service members. In 2013, the DoD Hearing Center of Excellence, a DoD, tri-Service and Department of Veterans Affairs (VA) organization under Air Force lead, will execute a hearing loss prevention campaign across the Department of Defense to increase military awareness of noise and the use of effective hearing protection. Clinical practice guidelines are published and in use to help primary care providers optimize diagnosis and treatment of the "dizzy" patient who may have sustained traumatic brain injury as a result of blast injuries. We are leading development of the Allied NeuroSensory Warrior Related Research Concept to identify a common research model to study the effect of polytrauma on comprehensive neurosensory systems and have upgraded the hearing conservation data surveillance platform to allow data sharing to smooth the transition of wounded warriors for care and disability processing. We are exploring an alternative for expedited auditory-related data capture by leveraging the Air Force's Health Service Data Warehouse to capture clinical audiograms from 60 medical treatment facilities.

The joint efforts of DoD and the VA to streamline the Integrated Disability Evaluation System (IDES) are paying off. To ensure a ready, fit force, the AFMS has implemented a centralized pre-screening process prior to referring a service member into the IDES. The intent of the prescreening process is to ensure the appropriateness for discharge consideration. The centralized process provides consistent application of medical retention standards across the Air Force. The goal is to reduce the number of personnel who may erroneously transit through the entire IDES process, only to receive a subsequent determination of "Return to Duty" (RTD) from the Physical Evaluation Board (PEB). The pre-screening initiative has shown success. Since the roll-out of the process in March 2012, of those active duty cases that underwent pre-screening and received final adjudication from the PEB, only 3.8 percent of the cases were returned to duty compared to an average of 25 percent in the six months prior to implementation. This means the Return to Duty determination was quicker for those Airmen, and we unburdened the IDES process of these types of cases. Improving the IDES process continues to be a significant priority for the Air Force Medical Service.

In addition to the challenges of military deployment and post-deployment medicine, we must be concerned with national health issues that impact our Airmen and their families just as in the civilian sector, such as the increasing rates of obesity and chronic illnesses. We continue to work with our Service counterparts and civilian partners to address these issues, through research, education and best practices.

The Air Force is united with our Army, Navy and Defense Department colleagues in reorganizing the Military Health System governance system. Implementation planning is underway to meet the NDAA 2013 requirements, to include consolidating and standardizing redundant processes and services. We are committed to full collaboration on shared services to

lower health care costs and improve joint interoperability without relinquishing our important command relationships or specific Service doctrinal responsibilities.

Being prepared and proactive is vital to being ready for the next conflict, and we need to continue to fully invest in our most precious resource – our people. The state-of-the-art joint Medical Education and Training Campus (METC) helps us do just that and is now fully operational. The Medical Education and Training Campus offers our enlisted personnel more than 60 medical programs of instruction, and boasts 24,000 annual graduates. We continue to rely heavily on the Health Professions Scholarship program for the majority of our professional accessions, and the Uniformed Services University of the Health Sciences is the source of our highest retention rate, and military medicine's academic home. Additionally, our Air Force graduate medical education (GME) programs continue to successfully recruit high-caliber physicians.

Through all of our successes, we continuously strive to find new and improved ways to get more return on our investments and be better stewards of the tax-payer dollar. We encourage innovative sharing agreements and joint initiatives that enhance our providers' clinical currency and save federal dollars. One of our most significant partners in this endeavor is the Department of Veterans Affairs (VA). As a result of our efforts to encourage participation in the DoD-VA Resource Sharing Program, there are now 59 Air Force-VA sharing agreements with nine Master Sharing Agreements covering all available services at nine Air Force military treatment facilities. We currently have five joint venture sites with the VA and one multi-service joint venture site in Charleston, South Carolina, that involves collaboration between the Air Force, Navy, and the VA. We are looking at potentially adding two additional sites in the next few years. It is

imperative that we continue to find ways to save federal dollars, enhance our providers' clinical skills, and become more efficient through collaborative sharing with our VA partners.

The AFMS continues to seek infrastructure improvement to better serve our beneficiaries. Our military construction projects offer greener buildings and state-of-the-art designs that help streamline the delivery of patient care and decrease our carbon footprint by increasing our energy star ratings. The AFMS has made significant investments in repairing, upgrading, and replacing infrastructure to address code compliance, patient and staff safety, mission continuity, and energy management.

One example is the McGuire Clinic in New Jersey. The facility is relatively new (11 years old) but consistently held a low energy star rating. Problems were identified and repairs were made resulting in over a nine-fold increase in energy star rating. Another prime example is the improvements made at the 1957 vintage clinic at Fairchild Air Force Base, Washington. The projects were completed in three phases and resulted in a 51.5 percent reduction in energy consumed. We currently have 7 Energy Star sites and are on target to obtain our 2015 goal of reducing energy usage by 30 percent. I'm proud to say that the AFMS has been selected as an Energy Star Partner of the Year for 2013 by the Environmental Protection Agency.

We support the President's budget and the proposed changes to the military health benefit. To slow the growth in military compensation while also fully supporting the all-volunteer force, we also request congressional support on limiting the basic military pay raise to one percent and allowing sensible TRICARE fee and pharmacy co-pay changes. I am confident that the recommendations included in the budget reflect the proper balance and the right priorities necessary to sustain the benefit over the long term.

Our bottom line on efficiency is to ensure we have the best people working in the best facilities for the best patient outcomes; this vision guarantees that we provide health care at the best value.

Conclusion

In alignment with the MHS Quadruple Aim, we are committed to providing a ready force, better care, and better health at best value. Even in austere fiscal times, Readiness, Better Care and Better Health cannot be scoped solely on funding if we are to achieve and maintain a fit, healthy, ready, fighting force. Best Value means seeing a clear return on investments, which must be constantly measured, reported, and adjusted. We are heavily engaged in identifying the best practices, optimizing existing services, and pursuing continuous improvement to promote health and deliver care efficiently, effectively, and safely, while maintaining the readiness edge.

Building a solid, sustainable foundation for the way ahead, while recognizing that there is a cost to sustain readiness, is a crucial next step as we prepare for an uncertain future while establishing ourselves as an agile, versatile, and innovative medical force. The men and women of the Air Force Medical Service are dedicated to delivering "Trusted Care, Anywhere," and we will continue to work with the other Services and DoD to improve readiness and provide the best care to our military members and their families. We anticipate exciting challenges in the delivery of military health care in the coming year, but I assure you that in my view, challenge creates opportunity, and we will remain fully committed to excellence. Again, I thank the Committee for your remarkable support to the Air Force Medical Service and military medicine.

FISCAL CHALLENGES AND SEQUESTRATION

Mr. YOUNG. General, thank you very much for mentioning sequestration by the way. We have tried to figure out how to deal with sequestration. There don't seem to be a lot of answers, at least a lot of answers that people are willing to abide by. I am going to do some small talk here because we are going to change Dr. Woodson's microphone since all of us were having a little trouble hearing what you were saying, Doctor. We don't want to miss out on what it is. Actually I asked you to move closer to the microphone, it didn't really help. So Sherry is in the process of fixing it.

Dr. WOODSON. Sound check.

Mr. YOUNG. Thank you, Sherry.

The casualties on the battlefield surviving today where they would not have survived in previous wars, primarily because your medicines are better, your training is better, the ability to evacuate from the battlefield and get to an aid station or some upgraded medical facility, this has all helped save the lives of young Americans who would not have survived in previous wars. And so we are really proud of that, we have done good work and I think that our soldier over here is proof positive that you have made a lot of progress, you have done a lot of really good work.

We are falling down on issues like suicide prevention, we are falling down on things like sexual abuse, we are falling down on things like PTSD and TBI, and maybe falling down is not the right word but we are not as effective in those areas as we are in some of the other areas. So I am wondering if it would be worth considering making arrangements, public-private venture with some of the outstanding universities, just something to think about, something for you to talk about. And if so and you think that would be worthwhile, what would it cost, what would the financial strain be? If you had any suggestions on that? Because if that would help solve some of those problems I am satisfied that sequestration aside, continuing resolutions aside, you know we fixed the CR, this committee fixed the CR by passing a defense appropriations bill in place of a CR. So we can make things like that happen and we want them to happen for the good of our soldiers. So it is just something to think about.

I am going to yield to Mr. Visclosky for any questions that he has.

Mr. VISCLOSKY. Thank you very much, Mr. Chairman. The term "sequestration" has been mentioned a number of times. I appreciate your story, General Travis, you have been lucky until today, now you are before the subcommittee. I was home this past week end, saw hundreds of people, nobody asked me about it. Until it starts resonating out there, we have a problem. But sequestration was mentioned a number of times. What dollar figure is the health program going to have to absorb?

Dr. WOODSON. We are expected to absorb the 7.95 percent.

Mr. VISCLOSKY. How many dollars is that, Doctor?

Dr. WOODSON. That is about $3.2 billion.

Mr. VISCLOSKY. And we are now at the end of April. Have you determined how that will be apportioned across your programs?

Dr. WOODSON. Thank you for that question. It is an excellent question because the management of the sequestration is almost a month-to-month kind of endeavor, considering the budget area groups that we have to deal with and the colors of money and somewhat the inability to transfer colors of money. It requires realtime management. About one—about half of the $3.2 billion is coming out of private sector care.

Mr. VISCLOSKY. And when you say coming out of private sector care, could you describe that to me?

Dr. WOODSON. So it is essentially the TRICARE program and what we pay to the private sector for delivery of care.

Mr. VISCLOSKY. So that would be reimbursement?

Dr. WOODSON. Correct.

Mr. VISCLOSKY. And would that be a set percentage of any reimbursement regardless of the type of service provided or the amount of the bill submitted?

Dr. WOODSON. So what happens is there is a fee schedule that is applied so if care is provided, claims are submitted and we pay claims. What I am really referring to is the percentage reduction in the overall budget, the amount of money available to pay those claims, okay? I am not talking about individual claims.

Mr. VISCLOSKY. If you are going to take $1.6 billion of the sequestration money and that will be from the pot that reimbursements are made, how will that be reapportioned from that pot if not to the private sector?

Dr. WOODSON. No, no. What I am trying to describe is what the bill would be like from the private sector pot of money. Now our challenge is to find money from other areas to ensure that we have the ability to pay those claims. So we have slowed issues in terms of maintenance. You know, we have the issue of furloughs out there to reduce our expenditures. Research funds have been culled in order to help provide money to ensure that beneficiaries have access to care and that the claims are paid.

Mr. VISCLOSKY. Those in military uniform are exempt from sequestration. Will there be an exemption of certain personnel under your jurisdiction because of the services they provide from furloughs?

Dr. WOODSON. So the short answer is yes. We understand that there are critical needs that would affect safety and delivery of essential services. We do have the ability to provide exemptions.

Now the more accurate answer to your question is that there will be some furloughs of civilians who we pay for who are in our MTFs and provide care because, you know, that is one of the strategies the Department is using. But with the Surgeon Generals help we have tried to make assessments to ensure that the essential personnel are not in that furlough pool and then our beneficiaries suffer.

Mr. VISCLOSKY. Doctor, if I could just back you up, and I am sorry for being dense, but if I understood your answer about half of the monies you are looking to save under sequestration, not expend, would be from the pot that is set aside for reimbursement under the TRICARE program.

Dr. WOODSON. Right.

Mr. VISCLOSKY. But then as you clarified your answer, did I understand you to say if I am someone who has submitted a claim under TRICARE I won't see that reduction as some slight portion of the bill I have submitted to you?

Dr. WOODSON. That is correct. So there is a fee schedule and we have contractual agreements to pay a certain amount according to a certain fee schedule, and so we don't have the ability to apply 7.9 percent reduction to every bill. What we are doing is managing the gross appropriation, the budget appropriation for that to pay the bills that come in.

I am still not being clear.

Mr. VISCLOSKY. No. Where are you coming up with $1.6 billion Will you simply defer payment, will you push it off into the next year, will you extend the accounts payable?

Dr. WOODSON. We are going to try not to do that, but here let me see if I can walk back and explain this again. So under sequestration we have this bill to pay, 7.95 percent, that equates to about $3.2 billion. About half of that if you just look at the budget area groups comes out of private sector care, so the gross amount is 1.8 or there about, billion dollars shortfall that we would have to make up. Now part of the strategy is managing care and utilization to reduce that amount of shortfall, part of the strategy is to use other maintenance monies that we have available to cover that shortfall.

Mr. VISCLOSKY. So some of the savings from research maintenance that you put into the pot?

Dr. WOODSON. Exactly, exactly.

Mr. VISCLOSKY. So you still have to come up with 3.2 total?

Dr. WOODSON. Correct.

Mr. VISCLOSKY. Thank you, Mr. Chairman.

Mr. YOUNG. Thank you, Mr. Visclosky.

Mr. Womack.

INCREASING LIFE-SAVING CAPACITY

Mr. WOMACK. Thank you, Mr. Chairman. And I appreciate the distinguished panel we have here and to this good sergeant down here, he is a source of inspiration for me Thank you, thank you so much for your sacrifice and your service, more importantly for your attitude and for your perseverance. It is part of the genius of our Nation in my estimation.

I want to go back to what the chairman alluded to in his opening remarks about our ability to do some pretty amazing things that a few years ago would have not afforded us an opportunity to have Sergeant Marrocco sitting here to be a personal testament to medicine. I am convinced that part of it is how we have been able to push down some training requirements in the pre-deployment phase of our training, and specifically to the Combat Life Saver Program that I know the Army has and I am sure under perhaps a different name for some of our other sister services.

So General Horoho, would you describe for the panel how we have changed in the last 10 or 12 years in our approach to equipping soldiers on the ground, regardless of MOS, how we have trained them to have the capacity to be able to deliver life saving care that in previous conflicts have been reserved for that medic

that might be a little further back in the formation? Can you describe that for us?

General HOROHO. Yes, sir. Thank you very much for the question. A couple years back, actually probably prior to 2001, there was a decision made under General Peake's leadership to really push that capability to all of our soldiers on the battlefield so that everybody had the ability to understand how to keep an airway open, how to stop bleeding, that level of resuscitation. So it really was a force multiplier that allowed when someone was injured on the battlefield, not just the medic but their battle buddy to perform those life saving measures. And in addition to that, you know, taking a capability of training our medics far forward within our Aeronedical evacuation system, and so we are continuing to do that today. We just now have trained our medics to the paramedic level. So we increased their capability. We have had 100 percent pass rate, higher than the civilian sector for that, and they are now administering blood within our Medical Evacuation. And then we have actually trained our en route critical care nurses so that we are taking that expert capability, combining it with our medics and getting a far advanced capability so that we have life sustaining measures early on.

Mr. WOMACK. Not only are they saving lives like Sergeant Marrocco but they are also great skill sets that they can bring to the private sector so that when they come home they have a marketable talent that previous to that they may not have enjoyed. So those are incredible.

General HOROHO. Yes, sir.

PTSD AND TBI—REDEPLOYMENT SCREENING AND IDENTIFICATION

Mr. WOMACK. I want to fast forward to the issues, as our chairman indicated, that we struggle with, PTSD, TBI to name a couple. You know, it is easy to identify the types of conditions, the hardship of Sergeant Marrocco, a little harder to zero in on some of the conditions that may not even manifest themselves for a while. It was my experience that when my troops came back from deployment, and also when I had the privilege of shepherding other troops back at Fort Sill, Oklahoma who had come back from a component in 2005 that primarily was reserve component people, and they just wanted to go home, and they wanted to get there fast. Are we doing a good enough job right now screening, evaluating, examining these soldiers in their redeployment processes, their reverse SRP programs; are we doing a good enough job in picking up on these issues or do we sometimes allow these folks to get back to home station, resume their lives only to suffer the consequences of missing something in that evaluation?

General HOROHO. Would you like——

Mr. WOMACK. Anybody.

General HOROHO. I will answer from my perspective and then allow the other Surgeon Generals and Dr. Woodson. We have been a learning organization over this war and have really changed our practices on how we manage traumatic brain injury and how we manage behavior health. And so what we learned, the story that you just depicted, is actually correct where people came back home and the first thing they want to do is just get back home and re-

sume their life. And so what we have started to do, we now have five touch points, we have a base behavior health system of care. So it starts when they are down range, we use telebehavior health to be able to have a behavior health capability far forward in our combat outposts and our forward operating bases so that we can be more in the preventive side than wait until they come home. We have instituted a downrange assessment tool that the leader as well as the soldier assesses themselves in different areas and then that determines if they are high risk, moderate or low risk, and then is sent back to their unit. So when they redeploy back—I am getting over the "Afghan crud," so excuse me—when they redeploy back they are met by behavior health and then there are four more touch points in which they are evaluated. So over 90 days, 180 days, a year; because what we found is the honeymoon phase introduced a vulnerability. And so that touch point of a behavior health provider or a primary care manager trained in behavior health allows to us keep that care coordination ongoing.

Mr. WOMACK. Please, General.

General TRAVIS. Sir, just to add to it a little bit, the Air Force of course has much lower numbers thankfully of PTSD than the Army or the Marines, but we actually do as we redeploy our high risk airfields, explosive ordnance poses a really good example, some medics by the way. And also frankly any career field where someone has been exposed to something where their commander directs that they do it, we established a deployment transition center (DTC) in Ramstein Air Base in Germany. And over the last number of years we have treated, I say treated—I would say we have transitioned about 5,000 airmen, marines, some coalition forces who are at DTC, and what it does is, yes, it delays them from getting home right away which they would love to do, but on the other hand they take off the uniform, they turn in their weapon, they are there now with folks who have gone through the same thing they have and interact with mental health there. They also interact with senior enlisted leadership of their career fields where they actually start walking through what did you go through, how did you do, what kind of reactions did you have? And you kind of teach them it is okay to have that kind of reaction. I don't have the data with me but the data has proven that these folks come home and they have much lower levels of the kind of adverse behavior, alcohol, drug abuse, domestic violence. And so it is something now that we are this month trying to make sure we capture the concept of operations. So we go through something like this again we will establish a DTC for the next war, for our at risk career fields.

Just to add to General Horoho's comments, through the pre-deployment and post-deployment health assessments and reassessments, there are four mental health screenings associated with those assessment tools, and we actually do pick up on folks who through the questioning and we don't ask them do you have PTSD. We ask them questions that will indicate that they might have PTSD or some other mental health issue, and then we are very strict about following up on those screening them further. If they need to be seen we track them very closely and make sure they are seen right away. So I think we are doing not a bad job, but it is a big job.

HEALTH PROFESSIONAL SCHOLARSHIP PROGRAM

Mr. WOMACK. One final question, health professional scholarship program, I have had the privilege of working with some young men and women through the HPSP program, is that still a viable, meaningful program that is producing the type of medical talent that we can have organic to our services so that we can keep a lot of this care internally without having to farm it out, to outsource it, if you will, to the private sector? Admiral?

Admiral NATHAN. Yes, I am a card carrying member of the HPSP program, which is either an indictment for it or an advertisement for it, but it is where we get the majority of our medical officers by far, probably 80 percent from that program.

Mr. WOMACK. Is it affected by sequestration?

Admiral NATHAN. The number of slots has not been diminished. And there might be some second or third order effects in that some recruiting visits and other engagements of populations sometimes are withdrawn based on travel requirements. And so we may not get out and tell our story as well as we would like to epicenters of college students and others. We work very hard to do that, but we are very proud of the fact that we have a military medical organization now where we are the envy of most institutions when it comes to board certification rates, and board scores. And so I think we are still doing very well on recruiting and retention; just don't want to see that slip.

Mr. WOMACK. As I prepare to yield back my time, Mr. Chairman, I just want to give a shout out to one of my proud graduates of the HPSP program, Dr. Shay Brannon, an orthopedic surgeon who is a blue suiter and great credit to the Third District of Arkansas and I am really, really proud of that young man.

I yield back.

Mr. YOUNG. Thank you, Mr. Womack.

Ms. Kaptur.

BEHAVIORAL HEALTH CHALLENGES OF RESERVE COMPONENTS

Ms. KAPTUR. Thank you, Mr. Chairman. And thank you to all those who champion military medicine and all the soldiers who are in the audience today teaching us what the word "valor" really means. It is an honor to be in your presence.

I wanted to begin if I could with Dr. Woodson, Assistant Secretary, asking a question about the Guard and Reserve and the difficulty we have experienced in trying to address behavioral health in returning soldiers. We know about 28 percent I believe of those deployed in current wars have come from Reserve components. And I want to applaud the effort you have made, Dr. Woodson, to improve the behavioral health care of the Reserve component. That is described as something as behavior health corrective action plan. I wanted to bring something to your attention which is largely very bureaucratic adjustments that need to be made to try to engage this population. The ongoing initiative within the Army in conjunction with the Ohio Army Guard since 2008 is called the Ohio Army Guard Mental Health Initiative. But as it proceeds forward there is no single line of authority to synchronize and coordinate policy, and thus we have found significant problems with continuity of

care, duplication of effort, confusion to the intended beneficiaries and to commanders charged with medical recordkeeping and positive control over the health of their soldiers.

The Army Task Force on Behavioral Health Corrective Action Plan stated, "The Guard and Reserve are not organized at the state and regional levels to optimize access, communication and management of soldiers with behavioral health issues. The plan advised that in order to address these issues in forecasting behavioral health problems and integrated disability evaluation requirements, the Reserve component would benefit from a study in a feasible and cost effective manner to enable comprehensive access to health care for the Guard and Reserve."

I would like to ask Dr. Woodson for an update regarding progress of the proposed research study outlined in the Army Task Force on Behavioral Health Corrective Action either today or for the record.

Dr. WOODSON. Yes, thank you very much for the question. I will take it for the record so we can provide you a comprehensive picture of what is going on. I would say a couple of things, though. Obviously as has been indicated in a couple of questions already this morning we have had a major challenge with Guard and Reservists. I, being a reservist and having been mobilized a number of times, experienced coming home and wanting to get back to my civilian activities and as a result you become disconnected, if you will, from active duty programs. Over the course of the war we have increased our ability to try and research into the Guard and Reserve. So on the assessment, and as has been mentioned, we have the pre-deployment, post-deployment assessments at 3 to 6 months, 12 months, 18 to 24-month time period to try and capture if things are going on.

In addition, we have enhanced our reintegration efforts at a number of levels, just to mention one program, the Yellow Ribbon program, which has been enhanced not only to alert the individual Reserve component servicemember as to what is available in terms of resources and what they might expect in terms of reintegration difficulty but also to educate the families who are often the ones that will pick up the change in behaviors, and try to bring special focus to addressing reintegration issues for children, family members because they are an important part of the family component that suffers as a result of these mental health issues.

In addition, of course we have established State behavioral health coordinators, we have increased our efforts with the Veterans Administration to provide behavioral health services both within the Veterans Administration facilities proper, but also telebehavioral health to more remote areas, and we have partnered also with some private organizations to pilot some programs.

Now we are in the process of—we have had over the years a number of programs that have been developed and we are in the process of comprehensively reviewing all these programs to see if indeed they meet mission, meet our goals and to provide some metrics going forward because particularly as resources get more constrained we want to put the money where the greatest value is.

But again we will take the question for the record and respond more specifically to you.

[The information follows:]

The Army Medical Command (MEDCOM) is taking action on this recommendation as directed by the Army Task Force on Behavioral Health Corrective Action Plan. The recommendation directs MEDCOM to conduct a study to determine how to best coordinate and implement comprehensive access to health care for the Reserve Components (RC). To date, MEDCOM has established a working group comprised of representatives from the Office of the Surgeon General (OTSG) Reserve Affairs Directorate, OTSG TRICARE Division, the Assistant Secretary of the Army (Manpower and Reserve Affairs) (ASA (M&RA)), the National Guard Bureau, U.S. Army Reserve Command Surgeons Office, and the TRICARE Management Activity in order to develop determine specific requirements for the directed study.

In 2010, OTSG Reserve Affairs investigated the options the Army had to provide comprehensive access to healthcare for Reserve Component (RC) members. The review determined that TRICARE Reserve Select (TRS) was the best option available because it provided nationwide coverage, it ensured continuity of care as servicemembers would retain their TRICARE providers upon mobilization (no need to switch from civilian healthcare insurance network with the associated change in providers), and reduced duplication of effort as all DoD servicemembers would have the same electronic health system of records.

ASA(M&RA) is evaluating whether the study conducted in 2010 meets the intent of the study requirement directed by the Army Task Force on Behavioral Health Corrective Action Plan Health (ATFBH CAP). ASA(M&RA) will complete its evaluation by the end of June 2013.

If ASA(M&RA) believes the 2010 study meets the intent of the ATFBH CAP, MEDCOM will update the cost factors, legal implications, and other second- and third-order effects and submit to ASA(M&RA) by the end of 4th QTR, FY13. If it does not meet the intent of the ATFBH CAP recommendation, then MEDCOM will work with ASA(M&RA) to further define the desired study outcome to develop study courses of actions (COAs) that will meet the requirements. If a new study is required, the estimated timeline for completion is 4th QTR, FY14.

Ms. KAPTUR. Thank you, Doctor, very much and I would ask if I could request a meeting with you to discuss the initiative that has been ongoing. And I will share with my colleagues there have been four waves of longitudinal data on returning 3,500 Ohio Guard soldiers and studying the relationships between preexisting mental illness or substance abuse disorders, deployment to OIF or OEF and post deployment related to mental health in the Ohio Army National Guard, and just a couple statistics which are terribly significant. We found that post traumatic stress comorbidity is the predictor of suicidal ideation. And individuals with post traumatic stress are 5.4 times more likely to report suicidal ideation. We also found that with individuals with alcohol dependence are 2.7 times more likely to have suicidal ideation. If that is coupled with PTS, individuals who have both PTS and depression related to alcohol abuse are 43.8 percent more likely to develop—excuse me, those who have PTS and depression are 43.8 percent more likely to develop alcohol abuse following deployment. Those are astounding statistics, and I would very much like to provide with you much more detailed information. This has been worked on for years, since actually 2005. I think it is transformational in terms of what we learned.

Dr. WOODSON. Thank you very much for bringing those statistics out. I think it very much reflects what we understand about the current state of co-morbidities. And one of the reasons we have looked at strategies for integrating substance abuse counseling and treatment, depression, sort of reviews and scales into the post-deployment health assessment to try and pick up on as many factors that might identify someone at risk. But I look forward to additional conversations with you around this matter and bringing more data to you.

Ms. KAPTUR. Thank you so much.

Thank you, Mr. Chairman. I just wanted to compliment the general, I believe it was the Air Force Surgeon General who stated the extra review that is done in Germany before people come home. I endorse that so much, because we have found in Ohio, particularly because we have Wright-Patterson, obviously, but we do not have giant bases like Fort Bragg, Fort Benning, we are not constituted that way as a State. And what happens is people come back to Guard and Reserve units and they are just out there, they are just scattered out there and they do not get the kind of post-discharge evaluation.

It is a severe problem at the local level, particularly if they go out to the local counties, rural counties where there is not medicine, there are not VA centers. It is a most complex situation that we face. So that post-discharge, those days, those weeks, whatever they are, I just want to encourage you on in those.

And also anything you can do to work with the VA in the Cleveland area, where we have our disability determinations and so forth, to reduce the time that it takes to evaluate a vet for a disability claim. Under the VA rules, it is supposed to take 125 days for an evaluation for a vet. It takes 175 days just to get the records from DoD to the Cleveland VA. And it is such a difficult process and we lose so much substance in the lives of these individuals and their families because of that bureaucratic maze.

Mr. YOUNG. The gentlelady's time has expired.

Mr. Crenshaw.

MALARIA VACCINES

Mr. CRENSHAW. Thank you, Mr. Chairman.

Thank you all for the work you do. And thank you, it is great to be in the company of heroes today.

I want to ask you about malaria, kind of a specific disease. I filed some legislation this week that outlines the goals of what is going to be called World Malaria Day, and coincidentally it is tomorrow, April 25th. And I think the big goal is to bring health and stability to the world through the total elimination of this disease by 2015. And that is fairly aggressive, but as you all know, malaria, it is preventable, it is treatable, even though it impacts about one-half of the world's population.

And in particular, it is of great operational concern to the military. I read an article about 10 years ago, 2003, we sent some stabilization forces into Liberia in West Africa; 2 weeks later, 36 percent of our folks were already infected with malaria, 20 percent had to be brought back to the States. So obviously it is something of great concern, I think, to all of us.

And, General, since the Army is charged with kind of being the executive agency of developing a vaccine—and I guess a vaccine would be the best way to deal with that. You can use mosquito nets and repellants and take anti-malarial drugs, and that is great if you are on a safari with your family, but if you are in the middle of combat, that does not always work. And so it seems to me developing a vaccine is something that is awfully important. So I want to ask you about that. What are you all doing to develop a vaccine?

General HOROHO. Thank you, sir. There is work that is being done aggressively to try to find a vaccine. We have not been successful to date. There are research dollars that are allocated to that. You know, right now we are still using the prevention of oral medication as our soldiers, sailors, airmen, and marines deploy, but we are focused on trying to find a vaccine for it.

Mr. CRENSHAW. Is anything happening in the commercial market that you know of?

Admiral NATHAN. Yes, sir. There is a significant collaboration going on between the military and some private sector research organizations, most of which are currently staffed by former military members in the research community who now are working for the private sector.

There are human trials being done as we speak on vaccines. Some of them show promising work. Vaccination is probably the only way to eradicate malaria. It still remains the number one infectious disease killer in the world. To ask people to either be able to afford prophylaxis in some parts of the world or to afford preventative measures probably is not going to be realistic.

I am optimistic. I have seen some of the results of the human studies that have been done with the vaccine, and I think we are going to turn the corner on it in the next few years.

Mr. CRENSHAW. How much money are we allocating for that kind of research, and is it adequate? Could you be doing more with more dollars?

Admiral NATHAN. I think if you ask any researcher could they use more dollars, you would get an affirmative aye. I personally think there is robust research going on. I would have to take for the record, unless somebody knows, the exact amount that is being put either through Walter Reed Army Institute of Research (WRAIR) or through the Navy Medical Research Command on this.

[The information follows:]

The Naval Medical Research Center (NMRC) and the Walter Reed Army Institute of Research (WRAIR) and their overseas laboratories in Peru, Cambodia, Ghana, Thailand and Kenya, are actively engaged in developing vaccines, treatments, and vector control solutions for malaria to prevent morbidity and mortality in military personnel and in vulnerable populations worldwide.

Historically, the Department of Defense (DoD) has developed several products for malaria prevention and treatment, including the anti-malaria drugs chloroquine, mefloquine and doxycycline, as well as insecticide-treated military uniforms. The DoD remains the leader in developing products to prevent malaria with the novel drug tafenoquine and novel vaccine RTSS now in late stage clinical testing in partnership with GlaxoSmithKline, Inc. A second malaria vaccine candidate, NMRC-M3V-D/Ad-PfCA, is in early stage clinical trials in partnership with GenVec, Inc. A novel purified, radiation-attenuated, cryopreserved, whole sporozoite vaccine, PfSPZ vaccine has very recently shown high level protection in a clinical trial done in collaboration with Sanaria, Inc. and the National Institutes of Health Vaccine Research Center.

The Military Infectious Diseases Research Program (MIDRP) budget for the development and testing of malaria vaccines was approximately $12.5 million in FY13. Nearly the entire MIDRP malaria vaccine budget is expended maintaining core services (entomology, serology, and malaria culture laboratory) and a critically important discovery research program focusing on (1) antigen identification; (2) immunological mechanisms of protection; and (3) malaria vaccine concept development in animal models. A dynamic and highly productive translational enterprise for testing candidate vaccines in humans is built on this basic research foundation, sustained by leveraged funds from non-DoD sources such as USAID, CRADA partners, the Malaria Vaccine Initiative at PATH and the Bill and Melinda Gates Foundation, with contributions from DoD sources other than MIDRP including the Navy

Bureau of Medicine and Surgery Advanced Medical Development Program. This leveraged funding nearly doubled the malaria vaccine research budget to $24M in 2013.

With the continual loss of malaria drugs due to the parasite's resistance, the DoD's rich pipeline of new vaccine and drug products must continue to flow. Our overseas laboratories are at the forefront of efforts to conduct field evaluation of new products for malaria. Because of the emerging resistance to all anti-malarial medications in the Mekong Delta Region of Southeast Asia, new efforts are urgently needed to make sure our partner militaries are not spreading deadly multidrug-resistant parasites. Military partnerships may also substantially and more broadly contribute to on-going malaria elimination operations in Asia, and beyond.

Admiral NATHAN. But there is no shortage of people who are volunteering to be trial subjects and there seems to be a fairly significant critical mass of people who are passionate about providing this vaccine. So I think we are on good footing.

Mr. CRENSHAW. Can you talk about what the operational benefits would be? I do not know if you can quantify that, but it seems like that will be a huge help in terms of what happens operationally.

Admiral NATHAN. Well, if you went back to the Second World War, they lost more troops to malaria than they ever did to combat in the northern Africa region and the east. And so, again, unless you have had malaria, it is hard to overstate how debilitating it is. There are about four different types, some of which you can have for life and just simply wear you out and others which will kill you in a matter of weeks.

From an operational standpoint, not unlike dysentery, not unlike cellulitis or skin infections or foot infections when fighting in contained areas or humid areas, it can bring a regiment or a battalion or a squadron to its knees.

Mr. CRENSHAW. So I would think that if you could quantify the savings, I mean, that if we could eliminate that, it seems like it would be a huge, just in terms of dollars that we spend, it is one of those situations where you spend on the front end, you spend on the back end. If we could actually develop a vaccine and rid ourselves of that, huge savings, right, in just terms of the operations?

Admiral NATHAN. Yes, sir. Absolutely.

Mr. CRENSHAW. Well, thank you so much. I would love to hear specifically what we are doing, how much we are spending, if there are things that this committee can help do that, because I think in the long run it would be a tremendous operational impact if we could.

Thank you, Mr. Chairman.

Mr. YOUNG. Maybe the Admiral can provide that for the record.

Admiral NATHAN. Yes, sir. I will get the research dollars and the degree of engagement we have in research in malaria——

Mr. CRENSHAW. Thank you.

Admiral NATHAN [continuing]. Among the services.

[The information follows:]

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drug tafenoquine and novel vaccine RTSS now in late stage clinical testing in partnership with GlaxoSmithKline, Inc. A second malaria vaccine candidate, NMRC–M3V–D/Ad–PfCA, is in early stage clinical trials in partnership with GenVec, Inc. A novel purified, radiation-attenuated, cryopreserved, whole sporozoite vaccine, PfSPZ Vaccine has very recently shown high level protection in a clinical trial done in collaboration with Sanaria, Inc. and the National Institutes of Health Vaccine Research Center.

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Mr. YOUNG. Thank you.

We have just been joined by Mrs. Lowey, the ranking member on the full Appropriations Committee.

I would like to yield to you at this time, Mrs. Lowey.

BRENDAN MARROCCO

Mrs. LOWEY. Well, I want to thank the distinguished chairman of this committee for your service and I thank you for yielding. And I want to join my colleagues in thanking the men and women who are here with us today who serve us with such distinction.

And I want to particularly acknowledge Sergeant Marrocco, a New Yorker, and I want to thank you for your service. And I understand that you have been the subject of some miraculous, extraordinary work. And I want to express my appreciation to all those who are focused on helping extraordinary young men such as yourself. And I wish you good luck in your future. Staten Island. Hope you were not caught in the floods.

Sergeant MARROCCO. I actually was not on Staten Island, but my house was.

Mrs. LOWEY. Oh. Well, I hope those who are responsible for fixing the house can be as successful as those who are working with you to give you better use of your limbs.

Sergeant MARROCCO. I hope so, too.

SUICIDE PREVENTION

Mrs. LOWEY. Thank you very, very much.

I know many issues have been discussed, but I wanted to focus for a minute on suicide prevention. I understand that the suicide of military members rose in 2012 despite the emphasis placed on

the issue throughout the Department of Defense; 183 soldiers were lost in 2012. I was just looking at these statistics.

If each of you can just give a brief description of your respective service efforts to reduce the number of suicides, what program is the most effective, what would you do differently if you had more funding dedicated to suicide prevention efforts, and what are you doing to help your servicemembers cope with the anxiety of the personnel drawdowns and the anticipated slower tempo. Whoever would like to begin.

General TRAVIS. Ma'am, I will start. We are all challenged by this, but I think the Nation, in fact, many nations around the world are also challenged by this—the U.S., certainly Canada, China, and the list goes on. It is a rising issue for many nations. And, of course, we draw our soldiers, sailors, airmen, marine from society.

On the Air Force side, and I will let my other colleagues speak for their services, you know, this is a community and a leadership issue. Part of it is medical, because of the mental health impact, and the surgeon general is, in fact, responsible for managing the suicide prevention program in the Air Force.

It was recognized, by the way, last year by the National Strategy for Suicide Prevention as a best practice. We have a program that has 11 elements primarily focused around leadership and community engagement, education, not just for the airmen who might be in trouble, but also their supervisors and their commanders, and then, of course, special emphasis in handling for those under investigation for whatever reason, because we find that to be a pretty significant risk factor.

Year to year we are seeing a slight increase. And it is too early to tell, but this year we are seeing quite a decrease. And, again, we cannot pinpoint any specific factor that makes this successful year to year, because it really does take years for these types of interventions to have an impact. We have found, though, and I am going to quote the former Vice Chief of Staff of the Air Force, this is a contact sport. I mean, you do not do this by posting a lot of cool things online, although that helps. You really have to do face to face with your airmen, look them in the face every day. And I have been a commander many times. When you look at the face of an airman, a fellow airman, no matter what their rank, you can tell the difference and you engage with them and you ask them and then you care for them. And if you are still worried about them, you escort them to the right care.

We are seeing quite a bit of success, actually, in the Air Force. And, Mr. Chairman, your comment earlier about interacting with universities and the private sector, we actually rely on the University of Rochester, as a matter of fact, for a lot of research that is helping us both to validate our program and then also to measure how good we are at actually sticking to the 11 elements, because we have found, and that is why it is considered to be an evidence-based program, we have found that the years that we do this, we actually notice a bit of a drop in the rate. So it has certainly all of my leadership's focus and it certainly has all of our focus as well.

Mrs. LOWEY. Thank you.

Admiral NATHAN. Yes, ma'am. We are losing more service members to suicide than we are to combat right now. And in Navy medicine over the last 2 years, we have seen a statistically significant increase in the number of suicides over the years 2011, 2012. So I directed a task force be formed of suicide experts, including the Naval Criminal Investigative Services (NCIS), chaplains, family advocacy committees and the families of those involved to do a complete soup-to-nuts review to determine if there was something special about Navy medicine that was causing this or something that we were missing.

We had some enlightening findings from that task force. Number one is in our situation, I would imagine it is analogous in the other services, those folks who are in transition are at the most risk of suicide. Those folks who are either changing duty stations into a duty station, out of a duty station, undergoing separation, undergoing medical limited duty, undergoing a medical board review, undergoing administrative or judicial or legal holds, anybody in transition who is not part of a normal organic working unit is at significantly increased risk.

We found that sleep deprivation was often the heralding sign of somebody in suicide. And we also found, of course, and this is no surprise, that anybody with prior mental or emotional health issues, as well as those who had significant depressive events in a domestic dispute or a family dispute were at increased risk.

So what to do about it? As General Travis said, the country has wrestled with this, and for thousands of years there has not been any one thing that has really changed the dial on this. We know it is going up everywhere. So we have done several things. We have mandated that all our leaders now do a close inspection of all those people in transition and that they be able to have a working knowledge of how those folks are doing.

You know, it is no surprise that a commander in the past would pay more attention to the troops that are doing well and who are coming to work every day and performing the mission than those who have been sidelined in some transition environment. Now the opposite is true. We are spotlighting those people in transition and we are working with those personnel.

We are going to try to implement areas where we can understand sleep better, loss of sleep and document it. If I were to ask the members of this board, do you get enough sleep, all of you would probably say no, but how do we codify that into figuring out if it is a significant change in your health and should be an alarm.

And then finally we are putting together, and the Marine Corps has just started this, what are called human performance councils, similar to what aviation does in human factors board. If you are anybody, regardless of your status, if you have a significant decline in performance, if you have a family advocacy issue, if you have an alcohol-related incident, if you come to the attention of the chaplains or chain of command as a domestic issue, that toggles the switch and you now become the focus of a human factors board, which is represented by the chaplains, command members, and medical to review that issue, connecting the dots.

One last thing. In reviewing this task force, we found that many family members said, I knew my loved one was in trouble. I did

not know who to call or I was told I should not call by the member, because of stigma. And so we are doing everything we can to reduce stigma, to make the command and create an environment where if somebody raises their hand and asks for help, we do not tell them they failed, we tell them they are not alone. It is hard work to do in a military organization which prides itself on mission performance and pride of effort and self-sufficiency, but I think we are making grounds there.

Mrs. LOWEY. Thank you.

General HOROHO. Thank you, ma'am. Very similar in finding the same reasons. Relationship is another area that we have focused in addition to what my colleagues had brought out. And so one of the things that the Army has done is try to get to the left of boom and really get more towards the prevention, give the soldiers and their family members increased skill sets in kind of the five human dimensions. And so we have rolled out a Readiness and Resilient Campaign plan, which is an overarching Army strategy that really looks at our capabilities from the line leadership, of making sure that everybody is trained in the assist program so that they have right at the lowest level the knowledge and the skills to be able to talk about it and intervene and then assist them to get the care that they need.

We are focusing on the transition points as well as making sure that as soon as a soldier comes into a unit, that they are assigned a battle buddy, that that person goes through the transition program with them. We have increased the number of our master resiliency trainers to help with these internal skill sets and locus of control. Those are embedded in the units and that training is occurring for our family members as well, because we have learned that you cannot treat the soldier, you have to treat the entire family as they are going through this.

We have looked at synchronizing our embedded behavioral health. And what we have found with that is we have taken our behavioral health outside of the bricks and mortar and have put it into the units where the soldiers work all the time. And what we have found actually, some very significant outcomes. We have had a 73 percent reduction of inpatient behavioral health. We have had significant reduction in risky behaviors, where we have had this habitual relationship. And it has really reduced the stigma as well. And so that is now getting rolled out across our entire Army.

We have taken also our physical therapists and we are embedding them in that area so that we can help, because we believe with intramurals and events that have unit cohesion, we want to make sure that we keep them healthy as they are doing that as well.

We have set up a Behavioral Health Data Portal, and so we now have for the first time a Web-enabled tool that will allow us to look at outcome measures, the effectiveness of our behavioral healthcare. And then that information is being consolidated and we are coming out with a commander's dashboard so that our line leaders can see soldiers that have risky behavior, whether it is with alcohol or domestic violence or behavior health issues. We want to try to fuse that information together so they have that tool. So we are working on that as well.

The other thing that we have done is rolling out patient-centered medical homes as well as soldier-centered medical homes. And what that does is it allows the continuity of care more on the prevention aspect so that our medical providers understand their patient population. And then we have embedded behavioral health in our patient-centered medical homes. And so on the installation side of the house, all of their support programs are actually now being synchronized with our medical program so that we do not have so much redundancy of capabilities. And then we are doing the analysis to see which one of our programs are actually effective. So it really is comprehensive.

And then lastly, there are two things. We have tied what we are doing in Army medicine, which is the performance triad of looking at sleep, activity and nutrition, because we believe if we can focus on those three things of increasing the health, we think we can actually have an outcome of a decreased suicide, of increased psychological health, increase their physical health. And so we are embedding that in our line units, so that it is not a medical program, it is a line leader. And then we have synchronized it with our comprehensive soldier/family fitness program. That is the standard across all of the Army. So we are working this aggressively, as well as with our sister services. So thank you.

ELECTRONIC HEALTH RECORD

Mrs. LOWEY. Mr. Chairman, I really appreciated the opportunity to hear this testimony. As was mentioned before, transition is a major area. And I know that in interacting with those who have come home in my congressional district, they are worried about jobs. And when it comes to health, many of us, if not all of us on this panel have been concerned about the boxes of medical records that remain at the Department of Defense. And General Shinseki has shared with us his work in making them electronically available. And I know Secretary Hagel has committed to do that. But this has been a long period of time, and I think we owe it to our young men and women to really drill down on getting those records electronically useable so that that care can begin before they leave the service and then after they leave the service. So I am delighted to get this testimony, and I hope Secretary Hagel will report back to us in 30 days as to how they are going to better coordinate with the Department of Veterans Affairs.

Thank you very much.

Mr. YOUNG. Well, Ms. Lowey, thank you very much. We are honored to have you join us today.

And, Ms. Granger.

PSYCHOLOGICAL HEALTH PROVIDERS AND PARTNERSHIPS

Ms. GRANGER. Thank you very much. Thank you all for being here, and thanks to our special guest. You are here and it is a reminder of what we should be doing and why we are doing it. Thank you.

I find myself very frustrated today because this subcommittee has dealt with this issue so many times and asked so many questions and we are so supportive. And to see it still 175 days before you can get someone's record, it is critical. And so we have people

that are not being treated, that were not treated, and it has ruined their lives and their families' lives.

And I sat on this subcommittee when we asked the question, what are you going to do? We are going to have thousands returning from two wars over 10 years and so we are going to have more psychiatrists and more psychologists, except I do not know where they are, because it is very hard to grow them in the military and they do not want to leave their practices.

And so I would ask several questions. One, how much are you looking at partnering with local hospitals and mental health providers? I know I have a hospital and a mental health provider, University of North Texas Health Science Center had a wonderful plan of, well, here is what we can do, the service does not have to do it all, we can do these plans, and submitted that, and that did not occur.

I would ask on these programs you are discussing, when did you start them? I do not know. But in my district office, we all have our caseworkers, and caseworkers are the ones that someone comes and says, hey, this is not working. I have 58, 58 that have been in the service in these wars, and they did not get their treatment. And it is heartbreaking. It is something I will never forget, is sitting there talking to these. In one case a man, who brought his wife and his 20-year-old son, he had been a former police officer in my district, got into the military. He had a head injury, and he waited 6 months before he was seen. When he came to my office, when he went back to his base, he was attacked by two of his caretakers because he went to a member of Congress.

So I would like to know how new are these programs? And where are we?

And the other thing I would say is TRICARE. And when we have TRICARE in Fort Worth, Texas, where they go from doctor to doctor who will not take TRICARE because the reimbursement rate is very low, delay in receiving reimbursement, and the amount of paperwork and not getting the records. What are we going do with this? So I would ask you those questions.

Dr. WOODSON. Thank you very much. And it really is important to answer the issues, particularly for servicemembers who have transitioned and are now in communities where they do not have the benefits of comprehensive programs that might be on a base.

As it relates to TRICARE, we have increased substantially the number of behavioral health specialists within our networks to provide care. There is this ongoing issue of servicemembers who, once they leave the service and who then develop behavioral health issues, making sure that their records are linked from service to private——

Ms. GRANGER. They are still at the base.

Dr. WOODSON. Oh, they are still at the base?

Ms. GRANGER. Uh-huh.

Dr. WOODSON. Well——

Ms. GRANGER. They could not get any service there, but their residence is in my district, so that is when they came to me.

Dr. WOODSON. So you are saying that they are Active Duty members who could not get service on the base and went into the private sector and——

Ms. GRANGER. They came to their Congresswoman.

Dr. WOODSON [continuing]. Still could not get service.

Ms. GRANGER. I am saying there are two things. One thing, they came to their Congresswoman because they lived—their family is in my base, so they said, here is what has happened to us, what can you do to help?

We start through the whole process, as every Member of Congress does, gathering the records and trying to see this through. Fifty-eight. And that 58 has been in 2 years, right? In the last 2 years.

The other situation is when they are separated from the service, they are in these communities and they are trying to get help with TRICARE. And I went to see some of the doctors and I said, you know, we are down to—I could find two. Fort Worth is a community of 740,000 people. Two doctors took TRICARE because of the problems with TRICARE, getting the records, and the lower reimbursement. So you have got two huge problems.

Dr. WOODSON. So taking the second issue first, the lower reimbursement rates. You know, by statute, we have to pay Medicare rates, and this is where Congress can actually help us with that. One of the issues is that if you look at a provider and their practice and they are taking Medicare patients as well as TRICARE patients, there is a little bit of competition there. Sometimes they will only take a percentage of Medicare/TRICARE patients as opposed to other insurers.

We have actually proposed legislation that I hope that Congress will help us with, which is that if someone takes Medicare, they are also obligated to take TRICARE, because that would even the playing field in terms of access to those particular providers. And I think it should be looked at as part of the covenant of the American public to support service men and women. So we hope that you will support us with that initiative.

I would like also just to extend an invitation to respond back to you on your particular cases. I would like to look into those to see if there are some other systemic issues that we should be addressing, because we have tried desperately, and the surgeon generals can talk to this, about extending the availability and the numbers of behavioral health specialists on the bases so that they have access to care on the bases. So if there are particular areas where there is a problem with this, then we need to know about this and deal with it directly.

We have tried through other incentive programs to provide additional incentives for behavioral health specialists, both to recruit them into our fold as well as—and Congress has been helpful with that in terms of some of the incentive programs to bring other professionals on—as well as other incentives within the communities. So we know that there are only a certain number of behavioral health specialists out there, and that is part of the issue, the workforce. And we have recently looked at how we can extend that workforce by looking at other certified counselors that heretofore have not been paid for by TRICARE and extend it, the ability to pay for these individuals, so that they are available for counseling as well.

So we have tried to increase the number of workforce and we have tried to deal with the transition issues as well, but I would be very happy to look into the specific cases that you have heard about. We need to know about that.

Ms. GRANGER. Well, I am not sure that I understand when you say increase the workforce. You are talking about extending those who can be allowed to provide this healthcare within the military?

Dr. WOODSON. Correct.

Ms. GRANGER. I would just say the same thing, and I guess I have said this now for 5 years. There are not enough, there are not enough, and there are not going to be enough. You are extending what we will call healthcare, but you are not going to get the psychiatrists and psychologists to leave their private practice and come into the military to be treating the ones that are so, so damaged, and yet we owe that. And so why cannot we, then, extend it and say in so many communities where, for instance, the one I described, that school, medical school, graduates more primary care physicians than any place in the Nation. And they said, we have so many to care for, why cannot we contract with those to provide that healthcare, knowing so many are coming home and have come home.

Dr. WOODSON. So we can do that. That is possible. And do not take my original comment wrong. Someone does not have to come on Active Duty as a behavioral health professional to provide services. In fact, 52 percent of our behavioral health specialists are civilians that provide care for our service men and women.

So what I was trying to convey is that we have not only attempted to increase the number of behavioral specialists that are primarily associated with our bases and our Active Duty military populations, but at the same time we have tried to expand the availability of the pool in the private sector by looking at these certified counselors as extenders of delivering behavioral health services.

I would just make one note of one other thing, is that while we talk generically about behavioral health specialists, we do need to understand that, depending on the particular issues, all behavioral health specialists are not the same. And so there are a severity of cases and special cases that can only go to certain behavioral specialists.

The bottom line is we really are attempting to increase the pool, and part of what we can do is restrained by the number of behavioral health specialists that are out there writ large.

Ms. GRANGER. Thank you.

Mr. YOUNG. Mr. Owens.

COORDINATION BETWEEN MILITARY AND CIVILIAN HEALTH CARE PROVIDERS

Mr. OWENS. Thank you, Mr. Chairman.

Thank you for your service, Sergeant. Thank you for being here today. We certainly all appreciate what you have done and what you have sacrificed.

I want to go to a very specific issue, and it has been hinted around by a number of questions. But we are facing sequestration, we clearly have a physician shortage in many areas of practice,

both in the civilian and in the military sector. We have rural areas where many of our military installations are located. I happen to live in one of those with Fort Drum in my district. What is the level of coordination that you see as appropriate between civilian and military installations? Now, in Fort Drum's particular case, it does not have an on-the-fort or on-the-installation hospital. Doesn't that require a higher level of local coordination?

Dr. WOODSON. [Nonverbal response.]

Mr. OWENS. And how do you see that being implemented as we go forward, again, taking into account the issues that I talked about? And I think that Ms. Granger was pointing to the same issue in the mental health area. How are we going to manage this process without real coordination between the civilian and DoD sectors?

Dr. WOODSON. Well, I do think we need to spend special emphasis on the coordination. And I think that what we have learned over the last number of years is that we need a number of DoD-private partnerships, DoD, other public partnerships, you know, such as the VA, in order to ensure continuity of care, particularly in areas where there is not an Active Duty medical treatment facility. So absolutely, I agree 100 percent with what you are saying.

PATIENT CENTERED MEDICAL HOMES

Mr. OWENS. And that also really reflects on the issue of retired military as well, as we have closed many installations. And, again, in my community, we closed Plattsburgh Air Force Base back in the early 1990s. There were many retirees there who do not have easy access to a VA facility, maybe a couple hour drive. And we suffer fairly severe winters, which makes travel very difficult. So this is something I would urge you to give a lot of thought to.

That segues into another issue. I noticed in the materials that we were presented that there is an interest in developing medical home programs at a fairly broad level. That to me also points us in the direction of needing to have coordination between the civilian and military sectors, particularly in environments where you have troops transitioning from post or fort. That makes a medical home operation, I think, a little more logistically difficult, because you are relying on the primary care provider to really be the baseline. If that primary care provider changes every 2 or 3 years, that creates some unique issues for the military.

But I do think that that is a very interesting concept to be applied, and I would urge you to move in that direction, because I think it does a couple of things: one, it helps to reduce cost, and more importantly, it gets you better healthcare outcomes.

So my question, then, is how are you going to implement the medical homes as you go forward?

Dr. WOODSON. Thanks for your question. And I am just going to make a brief statement, because I think the surgeon generals can talk specifically about what they have done to implement patient-centered medical home and some of the lessons we are learning, some of the good lessons we are learning relative to patient-centered medical home that speaks to the issues you are talking about.

But as it relates to the military health system in total, that is one of our major aims, which is to improve population health, to

improve the patient care experience, and within that is the coordination of care to deliver better outcomes. So this has been a major focus of the military health system over the last couple of years. And now I will just let the surgeon generals talk.

General HOROHO. Thank you, sir. We are rolling, and we have been over the last several years, out patient-centered medical homes. We have standard job descriptions, standards of the types of capabilities that are part of that. It is care coordination, it is really looking at how do we infuse certain capabilities from the prevention aspect of pain management, of alternative medicine. We are really focusing on health and wellness within our patient-centered medical homes, and then we are taking that capability and having that be the link with wellness centers and then this performance triad that we are pushing into the line unit so that as we look at sleep, activity, and nutrition, and then when they come into our medical treatment facilities, the plan is, is that then the healthcare providers will talk to them about sleep, activity, and nutrition and how that impacts either maintaining, restoring, and improving health. So this is a standard that is occurring across our clinics and our primary care centers, and we have been very aggressive with rolling this out.

Admiral NATHAN. Sir, if you talk to most of our medical beneficiaries, they will tell you, based on surveys, that the quality is good once they are in, but they get frustrated with the ability to see you at any time during the day, after hours, and they get frustrated with the change of their primary provider, continuity of care.

Medical Home is designed to combat both of those, and so far it has been doing well. It is a pod of providers who take care of you, and it is comprised of a physician's assistant, a physician, a nurse practitioner, and perhaps an independent duty corpsman. And so that if any one is gone at any time or rotated out, there is still a core of providers who are familiar with the patient. In addition, it provides after-hours access, which reduces emergency room visits and reduces referral to the network.

We started it very robustly at Bethesda about 3 years ago with a population of patients who were randomly selected and put in Medical Home. We have already seen reduced emergency room use, reduced admissions, and the highest preventative medicine measures—mammography, colon cancer screening, prostate screening, tobacco cessation, asthma, cholesterol, diabetes management—of any segment in the military. So we know it works and we know it saves money on the front end. As General Horoho said, we embed mental health professionals into the primary care arena so that if you are seen by your primary care doctor—and, Congresswoman Granger, this gets to your point to some extent—if you are seen by your primary care doctor and you are deemed to have some sort of mental health issue, emotional health issue, rather than being told to make an appointment to try to see somebody in the hospital at some point in the future or out in town, you can then be referred to somebody who works down the hall who can see you at that time. And we are finding out that that also puts the fire out before it gets big.

This is still a growing evolution, and I would love to say that, you know, the military is the only one doing it, but we are already

seeing that it makes business sense with organizations such as Geisinger Health System and Intermountain Health Care and other very large civilian systems that are adopting the same principle.

General TRAVIS. I will not repeat what has already been said, but I can tell you we are all committed to this. In the Air Force we have enrolled over a million patients now to patient-centered medical home. As a matter of fact, we have also now put that into our pediatric clinics. That is complete. And in the next year, if the budget supports it, we will be doing that with internal medicine, because they also deserve a medical home. The mental health piece is huge in reducing stigma and improving access. Ma'am, just as you have said, emergency room (ER) utilization has gone way down where these medical homes are most successful.

And, sir, to your point, it is very frustrating when, you know, I have gotten those notices that my primary care provider changed three times in 1 year. It is crazy.

And so now you are assigned to a team. The team sees, you, they know you. And out in the clinics that I visit, the providers and the technicians, the nurses, actually they get a lot more satisfaction, too, because they actually know their patients. What a concept.

So we are committed to it. We are all using the National Committee on Quality Assurance to implement this and measure our success. And we follow these metrics very closely and we are doing extremely well. So your point is very well made.

Mr. OWENS. Thank you very much. At some risk, I am going to say, do you need more dollars for this?

General TRAVIS. Dr. Woodson.

Dr. WOODSON. We never turn down dollars for good causes.

Mr. OWENS. Thank you very. I yield back.

Mr. YOUNG. Thank you, Mr. Owens.

Mr. Ryan. Oh, I am sorry, Peter. Peter.

STRESS AND RESILIENCY TRAINING

Mr. RYAN. I am caught in the middle here, which is not the first time.

Thank you so much. And obviously a lot of really important issues have been touched upon, and it is interesting to sit in a committee hearing like this where there is so much going on and so many issues, mental health, resiliency, sexual trauma, all of these issues that you deal with every single day. So first I want to say thank you, because a lot of times you are not on the front page, and if you are, it is not good. So I want to say thank you, because I know this is something that is very, very difficult to deal with.

The issue that I want to talk about is related, I think, to all of these issues, and it is the issue of stress. And we know that we have the big event traumatic stress that leads to post-traumatic stress, and our soldiers and airmen and marines make their way into the healthcare system. There is also the chronic stress that happens over time, and the cumulative effect gets you to the same place. And I think that is contributing to a lot of increases in our healthcare issues.

What I want to talk about is how the stress response is malleable. We can train people on how to deal with stress. And we have

had other committee hearings here with the Joint Chiefs of Staff, and I mentioned this to both General Amos and General Odierno, because they are using programs—one program is called mindfulness, mind fitness training—on the front end and helping build resiliency, because we are seeing people who actually begin deployment with a cognitive degradation before they even leave. The training, the stress of packing, the stress of leaving your family brings them to a lower baseline.

What we are finding out with the mindfulness, mind fitness training is that you are actually able to build the resiliency, raise their baseline, and allow them to have some level of inoculation from post-traumatic stress. This flies in the face of everything we learned in science class and, you know, when we were younger, that your brain is hard and your brain will never change, it will get harder as you get older. They used to tell us if you are going to learn a foreign language, learn it when you are young, because your brain will be real hard and it will be—you know, it will not be able to learn.

We are finding out now that that is not true, that your brain is always changing, and there is a whole field developing called neuroplasticity, which I am sure you all know about. And different techniques can help your brain shift in different ways.

And the mindfulness technique, which is grounding yourself in the present moment, cultivating your ability to focus your concentration levels, to choose as to which thoughts you entertain and do not entertain, is being found to have—and there is a significant body of evidence that is developing that this can help your brain shift in a very positive way. One of the things is called left shift, where this practice done daily for 8 weeks can shift your brain to the left—energy in your brain to the left side of your prefrontal cortex. Now, I do not want to get into a whole science lesson here, because you guys know a hell of a lot more about this than I do. But what we are finding out with mindfulness is that in the left side of your prefrontal cortex you have more positive emotions. And this body of evidence is saying, hey, when I do this, I feel better.

And I want to just read you a couple quotes that have come from people who have been practicing this mind fitness training. One is a corporal in the Marine Corps. He said, "I had trouble falling asleep at night. The exercises would help me fall asleep easier instead of lying in bed thinking about what was stressing me out." And we talked about sleep a little bit earlier.

Another one said, "Everyday stress, it is much easier to deal with and mitigate now. I notice myself decompressing after the stress and notice how my body cycles with it and recovers."

So this technique, these are marines. These are not, you know, someone sitting on a beach in California talking about this. These are marines. And so I want to just encourage you, knowing this, that we can train our brains to deal with stress. I want to present to you and talk to you about how we can continue to push this into our military healthcare plans, both for active members, and obviously the vets is a whole other issue, but to give these young men and women the skills that they need in order to deal with the incredible amounts of stress that they are dealing with.

And we can sit here and talk in circles about other things. This stress is debilitating. It is leading to the mental health problems. It is leading to the addiction. It is leading to the drugs. It is leading to the domestic problems. It may even lead to these sexual issues that we talk about.

So I want us to get to the foundation, the basic level, and get these skills in the hands, that are life skills, that they can use after. And their brain does not know the difference between a physical trauma and an emotional trauma. Your hippocampus, your amygdala, these all process it in the same way.

So can we focus—not to mention, this is something that has no side effects. It is cheap. There are no drugs we need to put—you know, obviously there would be scenarios where people do need medication, but this is cheap. It is simple. It can be scaled up and taught. The scientific literature is coming online in a very big way.

And so I do not necessarily have a question, Mr. Chairman. I just want us to recognize that there are these alternatives out there that can save us money in the long run. The Marines are doing it and like it. The Army is doing it and likes it. Corporate America is doing it and they are finding a tremendous benefit from it. Athletes have been doing it for years. I want us to focus on this. And I want us to begin to scale this up in a way that can, I think, move a lot of people out of the healthcare system by giving them these basic skills. And when you see the brain science, you know, you know we are not making this up, because there are shifts in the brain that you can monitor with fMRIs and other kinds of equipment that we have to monitor this stuff.

So I do not necessarily have a question. I would ask for a brief response if somebody knows about this and is working in this area and may find it beneficial and helpful.

Dr. WOODSON. So thanks for all those comments, and I think they are on target, particularly about stress and our need to bring focus to methods to relieve stress. Be assured that we have active programs looking at the issue of mindfulness, resiliency training, how to reduce stress, and we are exploring expanding ways of actually continuing to study this even at the Uniformed Services University. So this is part of our portfolio to address these problems, so thanks for bringing up these issues. I do not know if any of the surgeon generals want to make a comment.

General HOHORO. Sir, we have done a couple things in that area, one with looking at comprehensive soldier-family fitness focussing. And what you described is, you know, one of many relaxation kind of tools that an individual could have as a locus of controls instead of relying on medication, and that really is the direction that we are trying to move in. And when we talk about the pilot projects that we are looking at for sleep, activity, and nutrition, we brought in some civilian experts in just the area that you are talking about with yoga, relaxation, mindfulness, virtual reality, and kind of relaxation tips to help us kind of develop the program when we look at sleep, because we believe if we can really decrease our servicemembers' reliance on pharmaceuticals, if we can increase their sleep, I think we can increase their psychological health. And as you said, I think, you know, we decrease their reliance on alcohol that is sometimes used to help them get to sleep and then

things kind of spiral in the wrong direction. So we are looking at that area in alternative medicine to help us improve the health.

Mr. RYAN. The body of evidence that is developing around this particular field, I think, is significant for us to move forward on.

Mr. Chairman, I was at a clinic in California with veterans who are practicing this, and I sat with them for a half-hour and went through the whole deal with them. And I had Vietnam veterans say to me—I said, how has this helped you—and they said, I do not think about killing myself every day anymore, or I cannot believe I waited 40 years, and we as Vietnam vets need to get on this and publicly get out there and tell the Iraq and Afghanistan veterans that they do not have to wait 40 years to deal with this and that this stuff works.

So, you know, it is heartbreaking for us to see the trauma that these men and women are going through, and to think of a Vietnam vet who has been holding this and dealing with this for 40 or 50 years, two or three divorces, all kinds, of, you know, issues, to say someone should have taught me this 40 years ago, I would have been fine. And so I think it is important for us to look at these alternatives, Mr. Chairman. Thank you so much.

Mr. YOUNG. I would certainly stress to the gentleman that he has obviously done substantial review and research on this issue. The chairman would appreciate it very much if you would share that with the chair——

Mr. RYAN. I would be happy to.

Mr. YOUNG [continuing]. And the other members, because I think you have opened up a subject that is certainly well worth following through on.

Mr. RYAN. Thank you, Mr. Chairman. I actually wrote a book about this, and you can get it on Amazon.com. And it figures that this is the hearing I would bring it up and the C–SPAN cameras are not here for me to, like, promote my own book. You know?

But, no, in all honesty, I will get you a copy. We have mentioned this to the staff. I think it has great, great benefits, and I am glad you are interested in it.

Mr. YOUNG. Well, if it is on the internet, I will have to get my granddaughter to show me how to.

Mr. RYAN. That is all right. She will just need your credit card. That is all.

Ms. MCCOLLUM. And pay the sales tax.

Mr. YOUNG. That is why we assigned you. We are going to use your credit card.

Mr. Frelinghuysen.

ELECTRONIC HEALTH RECORD AND TRANSITION TO VA

Mr. FRELINGHUYSEN. Mr. Chairman, that is a very difficult act to follow.

Let me say, your presence here allows us to pay tribute to the men and women behind you that do remarkable work. And like my colleagues, Sergeant Marrocco, thank you for your service that we note here. You are here with your brother. And I think many of us who have intervened on behalf of people that have suffered greatly know that some of the best advocates out there are family members. And so your presence here with your brother, and I know that

we are enormously proud of you. And we know in many hospital situations, mothers and fiances and others are often in there demanding this and demanding that, and thank God they are, as well as obviously veterans organizations are in there plugging for you as well.

I would also like to recognize, and the chairman did this briefly, the significant work of people, combat medics, corps people. Seen firsthand that incredible trauma hospital at Bagram. The things that go on there, God, it is unbelievable. The airlift, the flying hospital, things that are done, the records that are kept, and how people's lives are sustained often the stop at Landstuhl. And give credit to the chairman and his predecessor for doing things there and back here at home. It is truly remarkable, all the people who put their shoulder to the wheel, as you call it, collaboration.

There was a question raised by both Ms. Kaptur and the ranking member, Ms. Lowey, and to some extent by Kay Granger, and somehow I did not hear a full and clear answer. So while I pay tribute to you, we have been dealing on this committee for a long time with the whole issue of medical records, and, you know, we have boosted up TRICARE. It was sort of a basket case a number of years ago, and we sort of did things to improve it. But somehow we talked about seamless records and new systems and ways that we were going to, you know, first of all, make sure that the VA was functioning. And at one certain point it was. They were sort of ahead of you in the Department of Defense. But now, I assume because of the overload of so many young people coming back, the systems have sort of broken down.

I would like to know where you are in the process here of creating what we always hoped was sort of a seamless system here. A promise was made to the committee repeatedly here. I want to be respectful, but your predecessors often came here and said, we are on the verge of getting something to tie everything together so people would not fall through the cracks. So I would like to give you an opportunity to respond to perhaps what Ms. Lowey focused on more in her last comment, but we did not have a chance to hear your response. So would each of you as service heads, or maybe perhaps starting with the Secretary, where do we stand?

This is pretty basic here. A lot of money is going into a variety of systems here, you know, computer systems and tie-ins. What is your role in making sure that all of these systems are working to the benefit of not only those presently in the service, but those who are going to be going out of the service?

Dr. WOODSON. Sir, thanks for the question. And just to answer the last question first, I am the chief proponent for getting the electronic health record established. And we fully commit to and endorse the issue of seamless transfer of electronic health information.

Where we stand, we have done actually substantial work with the Veterans Administration along this. We have agreement to use the same dictionary, basically, same data source, same architecture. Many of the applications will be the same. The two Departments, of course, do have different missions and so there will be——

Mr. FRELINGHUYSEN. Why hasn't this been done? Why has it taken so long? I mean, some of us have served on this committee for a long time. Why are we in this state right now? You know, there was a point in time when there was a lot of money, you know, in the pot, and I assume some of that you invested in. Why are we in this predicament today?

Dr. WOODSON. So, first of all, we share electronically right now with the Veterans Administration a lot of health information. In fact, for VHA, probably 98 percent of the information goes to them electronically and substantial personnel administrative data also. And we have committed to accelerating these efforts.

One of the issues, I think, that gets confused relative to the electronic health record issue is, if you look at current era veterans, we share almost all of that electronically, but if you look at a Vietnam era veteran, their records are paper, and it means that either on the front end, we take those records and we digitize them and then share them with the VA, or they get the paper record and they digitize them——

Mr. FRELINGHUYSEN. You are talking to a Vietnam veteran, and I understand we are paper.

Dr. WOODSON. Right.

Mr. FRELINGHUYSEN. What about the people that served in Iraq and Afghanistan? Are they electronic?

Dr. WOODSON. The majority of them are electronic, remember, because most of them have been entered into AHLTA, an electronic system, and that allows us to share information with them. The majority of the backlog actually for the VA system, as I understand it from them, is actually not current era veterans, but veterans of the Vietnam era who are posting claims and need to have their records reviewed.

Mr. FRELINGHUYSEN. So do you actually know that as a fact, that it is mostly veterans from my era that are clogging this up? You mean, it is not the combat veterans that have been in Iraq and Afghanistan?

Dr. WOODSON. It is my understanding, and I have been told, that the majority of the backlogged claims are not current era veterans.

Mr. FRELINGHUYSEN. Because the numbers are pretty super here——

Dr. WOODSON. Yeah. Oh, yeah.

Mr. FRELINGHUYSEN [continuing]. The public perception is, and you are telling me you have it accurate. The public perception is it is because of the number of people that have gotten out of Iraq, after numerous deployments in Afghanistan, that they are the ones that are overwhelming the system. You are telling me it is my era?

Dr. WOODSON. So the current era veterans certainly contribute, because obviously if you put more into the pool there are more. What I am telling you is that the current era veterans, particularly those that have been in service within the last 10 years, 12 years of war, their health records are electronic because they have been in that era of electronic records.

There are some issues in the way of full——

Mr. FRELINGHUYSEN. We are on your side here. Just, I mean, there is a perception. I just wonder whether the perception is the reality here.

Dr. WOODSON. There are some other issues that you need to be aware of. So particularly for Vietnam era veterans, remember, they may have had a condition documented on paper records and then actually been in the civilian sector getting treatment for these issues for decades, basically, and getting those records to support a claim is also an issue.

But I want to address the questions that were posed about our commitment to electronic health records and what is being done.

Dr. WOODSON. So, you know, as the Secretary said back in February, they are accelerating our efforts relative to what we call interoperability, making sure that data flows very freely, actively, and in real time to the Department of Defense. And many of those projects will be substantially completed by January——

Mr. FRELINGHUYSEN. So we are all sort of familiar with the term interoperability. I am not sure that is a current word, but we will take it. So there is a system here that is working?

Dr. WOODSON. So what I am saying is that we are committed to making sure that we have the ability to transfer information electronically.

Now, I want to get down to another layer of the question which has caused a lot of confusion, which is what is the exact health IT system one uses, whether it is VA or Department of Defense? And what I would tell you is that the more important question is data interoperability than a system. So within this room, if I asked everybody to hold up their cell phone, we would have Droids, we would have iPhones, we would have a lot of different phones, but each of you has an ability to call each other, send text messages and send emails to each other.

So the issue of creating data standards and data interoperability is really the key because it also solves the question of how we communicate with the private sector to get those records to allow for adjudication and seamless care of service men and women.

So to sum up, fully committed to seamless record transfer to the Veterans Administration and working with them. We send a lot of information now electronically and we are fully committed to data interoperability.

Ms. KAPTUR. Would the gentleman yield?

Mr. FRELINGHUYSEN. Be happy to yield if I have the time.

Ms. KAPTUR. I thank the gentleman.

When the Secretary appeared before our subcommittee I asked for the Department to send to the record—and it may be coming as a referral to you, Doctor—where the billion dollars in contracts have been let, so that we can understand the flow of funds that has gone into this. And I would just say to the gentlemen I hope that those records are forthcoming by the Department to the subcommittee.

I thank you.

[The information follows:]

The IPO has obligated $367.71 million in support of the iEHR, not $1 billion as commonly quoted. The $367.71 has been expended on the following efforts:

Development and Test Center / Environment (DTC/DTE)

Legacy System Clinical Data Repository (CDR) Stabilization and Fixes

Single Sign On (SSO), Context Management (CM), and Virtualization Testing and Installation: capabilities which will improve patient safety and save clinicians time during their normal workflows

Infrastructure and core services to support clinical capability insertion into the iEHR baseline such as: Service Oriented Architecture (SOA) Suite/Enterprise Service Bus (ESB), Identity Management, Access Control, network and security architecture, Janus deployments

Planning efforts required for the acquisition of the initial clinical capabilities—Laboratory, Immunization, and Pharmacy (Orders Services)

Acquisition of program management, systems integration, engineering and testing services required to ensure completion of required planning activities

The table below depicts the dollars obligated in support of the iEHR.

IEHR EXECUTION (AS OF APRIL 3, 2013)

[In millions]

	Executed to date			
	FY11	FY12,	FY13	Total
DoD iEHR		$137.99	$47.44	$185.43
VA iEHR	$7.60	128.90	45.78	182.28
Total	$7.60	$266.89	$93.22	$367.71

NATIONAL CAPITOL MEDICAL HEADQUARTERS TRANSITION

Mr. FRELINGHUYSEN. Thank you, Mr. Chairman.

Mr. YOUNG. Ms. McCollum is going to close out this hearing after the chairman approaches one set of questions. Is that okay?

Ms. MCCOLLUM. You are the boss.

Mr. YOUNG. I just thought you would like to close out the hearing.

Something that we have talked about before, and I would like to direct generally my question to Admiral Nathan and General Horoho. JTF CapMed is scheduled to transition to the National Capital Region Medical Directorate by the end of fiscal year 2013. With the transition, the JTF may reduce headquarters staff by up to 50 percent—up to 50 percent. However, it will retain authority, direction, and control over Walter Reed Bethesda National Military Medical Center, Fort Belvoir Community Hospital, and enhanced multiservice market office authority over the NCR market. So what is the current status of that transition from what is now known as JTF CapMed to the NCR Medical Directorate?

Admiral NATHAN. Thank you for the question, sir. As you are very familiar, the JTF CapMed was originally stood up to be an oversight organization to facilitate BRAC, and that would be the closure of Walter Reed Army Medical Center, the reconfiguration of the National Naval Medical Center into the much larger in scope and size Walter Reed National Military Medical Center on the campus of Bethesda.

There has been some push and pull over what their lasting authorities should be once that BRAC project has been primarily completed at this point, although there is still some construction to be done. And there was an interest in trying to decrease the scope and size of that staff, the Joint Task Force medical staff, which at the time was a little bit awkward because it reported directly to the Deputy Secretary of Defense. And so when I worked at Bethesda, for example, my boss for hospital operations was the JTF CapMed director and then my next boss was the Deputy Secretary of Defense.

Now, with the advent of the Defense Health Agency—and Dr. Woodson and my colleagues can speak to this very eloquently—with the advent of the Defense Health Agency, which will be stood up to create shared services, in one regard, to create standardization and reduce inefficiency among the services. The other advent of the DHA is to be the new owner, if you will, of the Walter Reed National Military Medical Center. That will no longer be a Navy facility nor an Army facility. That will work for a health care agency known as the DHA, which is a new three-star position once commissioned.

That DHA will own two medical facilities. One will be Walter Reed, the other will be Fort Belvoir. The services will retain ownership, or command and control, as it were, over all their other military treatment facilities. The DHA will also have a subsegment called the National Capital Region Medical Directorate, which will be in charge of looking at the business operations, not the command and control but the business operations of the remaining facilities in the National Capital Area, as well as oversight, joint oversight of Fort Belvoir and Walter Reed Bethesda, which currently had been overseen by small regional staffs in the Navy and the Army. No one really saw the need for this very large initial Joint Task Force which stood up to approach the Herculean project of BRAC, no one saw the need for them to maintain their same size, at least no one speaking for me.

There were others perhaps in the JTF who felt they should remain large and robust, but in the interest of decreasing, rightsizing and trying to find efficiencies in staffing, the Department has then mandated that the Joint Task Force will stand down this summer and will reconfigure itself into a smaller, leaner National Capital Region Medical Directorate working for the DHA. And I believe they are on glide path to do that.

So by October 1, I anticipate that we will no longer have the Joint Task Force CapMed, they will no longer occupy the large amount of space that they currently do on the Bethesda campus, they will be smaller, leaner, and they will reconstitute as the National Capital Region Medical Directorate working for the Defense Health Agency.

Mr. YOUNG. Admiral, first of all, BRAC supposedly is to consolidate unneeded, unnecessary facilities, venues, operations, save money. JTF has not saved money at Walter Reed Bethesda, and I can give you example after example, and you know what they are because we have talked about them before. It has not saved you any money. And if it is going to stand down why is it still going to have control over the national capital region? I am just having a hard time figuring out where is the savings? Where is the more efficient operation? Where is JTF CapMed? Why doesn't it just go away rather than staying behind with 50 percent of its staff just to oversee what is already a very good hospital being run by the Navy and being run by the Army? I just have a hard time.

I think I would tell you that this has not affected military medicine in the hospitals, and you know that I know that because you know that I have been there and visited most of the medical situations in that hospital. But I just do not understand why we have to have this great superstructure over a good hospital, run by good

military medicine. And I am just having a hard time understanding that. And if anybody wants to suggest an answer or suggest to me that I am wrong I will be more than happy to hear it. Maybe I will not agree with you because I have spent an awful lot of time, personal time, on this subject.

Dr. WOODSON. A few comments and then maybe the Army Surgeon General would like to make a couple comments. First, I think we need to recognize that after BRAC we have two joint hospitals, one is Fort Belvoir and one is Walter Reed.

Mr. YOUNG. Mr. Secretary, I understand all of that and I know that and I am not looking for an explanation or a justification. I am asking why it has to be, if BRAC is such a good idea, why does it have to be left behind? Why not let the Army and the Navy run the hospitals under the national capital region and under the new direction that we are going to see nationwide, worldwide eventually, which has been proven to work in Texas, for example. The Air Force has taken part in a program like that very successfully, and I do not think they have any JTF CapMed. And the General is shaking his head, no, they do not. So I appreciate that.

I just have a little bit of a problem with this, especially when we are looking hard to come up with enough money to pay for everything we have to pay for in view of sequestration. Fortunately, this subcommittee and the chairman of the full committee made it possible to pass the defense appropriations bill rather than go into a CR for the balance of the year and that helped a lot.

Your medical command, your Defense Department, you need a lot more money. You are not getting it because of sequestration. You are getting a little more because of the fact that we passed the bill. But JTF CapMed is using a lot of money. It is going to be closed down, except you are going to save up to 50 percent of the staff, and I just have a hard time understanding.

General, I can tell that you are anxious to say something on this and please be my guest.

General HOROHO. Mr. Chairman, thanks for the opportunity to comment, and it is just a quick comment. I think the difference is, is that it has been in transition. And so as we are standing up this Defense Health Agency the national capital area will be responsible for a market approach of managing, and there will be cost savings, we believe, there. There are going to be five others across military health care, enhanced multiservice markets, so there will be five other comparable to what was the JTF CapMed that is going down to this National Capital Region Directorate. And I think probably the reason why they will be up a little more is they are going to take on the mission of responding to supporting U.S. Northern Command (NORTHCOM), and that will be different than any other enhanced multiservice market. So I think that is why it is a little different than the other ones in having a plus-up in personnel.

Mr. YOUNG. General Travis, would you like to have a JTF CapMed in your operation that is running so successful now?

General TRAVIS. No, sir, not at all. And the Department, of course, now is standing down the JTF CapMed. I think the market function is really a key part of this.

Mr. YOUNG. Okay. Ms. McCollum you have the balance of whatever time you want to use.

SEXUAL ASSAULTS

Ms. MCCOLLUM. Well, thank you, Mr. Chair.

I am going to be sending a letter—this is a heads-up—and I expect to have a response maybe 2 weeks, and I would like you to walk through exactly what happens when a sexual assault victim comes forward.

A copy of the referenced letter is attached. The Air Force will respond separately to Representative McCollum.

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COMMITTEE ON APPROPRIATIONS
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SUBCOMMITTEE ON INTERIOR, ENVIRONMENT, AND RELATED AGENCIES

SENIOR DEMOCRATIC WHIP

CONGRESSIONAL
GLOBAL HEALTH CAUCUS,
CO-FOUNDER

CONGRESSIONAL
NATIVE AMERICAN CAUCUS,
CO-CHAIR

May 9, 2013

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Dear Assistant Secretary Woodson, Lt. General Horoho, Vice Admiral Nathan, and Lt. General Travis:

The prevalence of sexual violence and abuse within all branches of the U.S. military is a destructive force that must be confronted and extinguished. According to the Department of Defense, an estimated 26,000 military rapes and sexual assaults occurred last year, yet only a fraction of those assaults were reported. Moreover, the Department of Veterans Affairs reported that in one year alone, more than 48,000 female veterans and nearly 44,000 male veterans screened positive for military sexual trauma. For those survivors that do come forward, many report being re-victimized, retaliation, and an institutional failure to hold perpetrators accountable.

When military sexual trauma occurs, victims must be able to access safe, appropriate, and evidence-based care without worry of professional retribution or stigma. Regardless of where an attack occurs, the medical personnel who treat our service members and counsel their families must be able to address the physical and emotional trauma experienced by survivors. To better understand the response from medical personnel a survivor may experience, please answer the following questions for attacks reported in a combat zone, on a foreign base, and a domestic base.

1. What happens when a victim reports a rape or sexual assault?
2. What paperwork will she/he be required to complete and how many times could she/he need to recount the attack?

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3. Are rape kits available at all military medical facilities and are personnel trained on how to administer them?
4. What steps are taken to ensure the chain of evidence is documented and maintained for survivors that decide to report?
5. How many clinicians will examine a sexual assault victim?
6. What training do medical clinicians receive on how to care for survivors of sexual violence?
7. What, if any, steps are in place to protect a victim's identity?
8. Are medical personnel treating a victim of sexual assault required to report the attack even if the victim decides not to report?
9. What is the ratio of male to female health care providers?
10. What efforts are in place to address issues of retaliation and stigma when reporting an attack?
11. Is emergency contraception (Plan B) available for rape victims at all military medical facilities? Are there barriers women experience when accessing emergency contraception?
12. Do victims receive testing and prophylactics for sexually transmitted diseases and infections, including HIV?
13. Are there trained mental health professionals on-site who are able available to provide support to survivors?
14. What reforms are being implemented to better address the medical and emotional needs of victims?

As I stated during the April 24, 2013 Defense Appropriations Subcommittee hearing, military sexual assault is an epidemic that requires immediate action. We must do more to reduce the incidence of sexual violence, and provide survivors with the care, support, and justice they deserve. I stand ready to work with you, and I look forward your timely response to these questions.

Sincerely,



Betty McCollum

Member of Congress

Ms. MCCOLLUM. And those assault victims sometimes are wearing uniforms and sometimes they are a family member. So I want both scenarios. What you are doing for prevention, what you are going to be doing in the future for prevention. What happens if a person comes in? And this most likely is going to be a woman. Does it trigger reports? Is it a hindrance for women to come forward and ask for help, because these are unplanned, their attacks are unplanned? What is the availability of Plan B if someone would feel the need for that? What is the follow-up for that individual for HIV, sexual, other sexual diseases, because you do not ask a rapist to put on a condom? So what do you follow up not only with the medical, but with the psychological aspect of it? What are your plans when things happen in an active theater? What are your plans when things are happening outside of the United States? And what happens stateside?

Stateside, do you know, have you done any surveys if women are totally staying out of the system, maybe to access Plan B or to do follow-up medical care so there is not the stigma for the woman? In most cases it is a woman, and I do know that men sometimes are sexually attacked in the military as well, too. But if could you follow up, we will follow with a formal letter, but I do not want this to be a 4-month response.

MEDICAL RESEARCH

The question that I have today is, with sequestration we know that there are across-the-board cuts, there is going to be cuts be made, you are given some latitude to make some discretion. But the thing that I am concerned about suffering the most is R&D, whether it is in hardware equipment in some of the things—and I will not mention companies by name, but I know that there is a—we will be getting rid of Big Bertha, hopefully, when it comes to field site sterilization and moving to something that is more effective for energy use, more effective for sterilization, and also a lot easier to transport around.

I do not know whether or not this moved forward, but one of the things I thought was really fascinating on helicopters at one point they were looking, rather that carry oxygen bottles, transporting oxygen bottles, was using oxygen that exists in the air to do that, less energy, safer, get more efficient use in a helicopter space. And I know malaria was touched on, I know Dengue fever is something that is coming up, as well as the all the work that you are doing on prosthetics, working with amputees. We have gotten really good at the hardware, but it does connect to the software, and there is still a lot of work to be done in tissue, and especially as we are working with more women in the military, different, you know, body types and the way that that all interacts.

And all these things then transformatively go into the civilian population and makes such a difference in the lives of women and children and men who, you know, never, ever serve in our military. You have such a profound impact in what you do for R&D. So could you just maybe tell me, sequestration, R&D, I am suspicious my worst fears could come true and that we are going to see this trickle and then eventually be cut off.

General TRAVIS. I will start, give you a short answer. I agree with you 100 percent. Two weeks ago today we sat in front of the House Armed Services Committee, Military Personnel Subcommittee, and the topic was mental health research. I told this subcommittee that day, I had no intent to cut mental health research. Went to Afghanistan and came back and found out we probably are going to have to cut some mental health research. And it alludes to or it is kind of connected to Dr. Woodson's early comments about risk in private sector care and how maybe you pay differently so that you do not impact health care. And we all understand that, and we are trying not to impact direct care, we are trying not to impact the reimbursement for purchased care.

But on the other hand, unfortunately, that has an impact on R&D. Many of the things that we have talked about today, but we could talk about many more, they will get slowed down a little bit this year. Hopefully, we will not go through this again next year to where some of the stuff is flat derailed. And so I have the same concerns.

It also, by the way, other than the advancements in modernization for things in critical care, transport, some of the devices or the equipment you have talked about, not to mention the techniques that we have learned in this war that we need to advance to be even more ready for the next war. There is also a professional impact on folks who really are living in a professional environment, they feel totally fulfilled working in military medicine, not only clinically but as researchers.

And so I am a little worried in that regard, too. So, ma'am, if nothing else I am just endorsing what you said, I have a worry.

Admiral NATHAN. We are huge fans of research and development not only for the operating forces, but it increases the professional ambiance of our profession, which allows to recruit and retain a much higher caliber individual. There is no question that something has got to give. In the Navy we are going to do all we can to fence the ongoing research for mental and emotional health issues, TBI, and prosthetic injury. Everything else is on the table and will most likely be decremented. The biggest decrement will be in the form of seed money to private institutions that come to us and say we have a better mousetrap, we need some money from the service or from the services to try to implement this and get these studies started.

In the past we have been able on a judicious level to give that seed money to private sector and academic sector partnerships for us. I see that decrementing in the future. And I do not know any other way to sugar coat it, I believe we will see a decrement in my service. In the non-emotional health research and nonprosthetic injury research we will see, ultimately if this glide slope of funding continues, a decrement in that research which, as you say, not only robs the military, but robs the country. If you are injured today severely the trauma system that would take care of you in the civilian sector is predicated on the research and the advances we have made in the military. And so we, I fear, will lose that.

General HOROHO. Ma'am, we are having impacts with sequestration across the entire ability to provide a healthcare mission, and research is one aspect of that. And so when we are looking at the

uncertainty with sequestration and other efficiencies that we have worked aggressively to take, there is going to come a time, because as the year gets smaller it is a steeper incline, of being able to have some of these savings. And one the uncertainties of whether or not we have a furlough or we do not have a furlough, that impacts millions of dollars, hundreds of millions of dollars one way or the other.

So I have worked aggressively to preserve our research capability in ensuring that we maintain the scientists and the researchers and that capability that you cannot grow quickly, trying to preserve where we have ongoing projects. But we have already had to make some decisions of where we limit, where we may have started new projects, those absolutely are not starting right now. And it will really kind of bear out in the future of what is the bottom line number, and it will impact research.

Dr. WOODSON. Thank you for the comment and we agree with you clearly across the board. And I will end where I began, that, unfortunately, we have been put in a position where we have had to make tough choices. In trying to make those tough choices what we have tried to do is, as we have to decrement research, is protect the core so that we do not irreparably harm it so that we could not pick up again if we have the funds to do the research.

The other thing is to just make note of the fact that, because we are at where we are in fiscal year 2013, programs that are ongoing and have been funded already will continue. The largest effect is going to be felt in delaying grants to new programs that we might otherwise fund. And so we are looking at this, as I said, on a week-to-week, month-to-month basis, but we are really trying to preserve what we consider things that are vital to the integrity of military medicine and military health system even as we deal with the budget imperatives.

Ms. MCCOLLUM. Thank you, Mr. Chair. Mr. Chair, just as I am very concerned about protecting our military industrial base to keep us strong internationally, we also have to—and they do not have the teams of lobbyists and other people up here—we also have to protect our R&D and our medical research base to keep soldiers wanting, soldiers, airmen, and marines wanting to enlist, and keeping their families, you know, healthy so that we have the retention and the recruitment we have. But then, as you know better than any of us from being up and seeing all the fabulous work that does go on at the hospital, how it improves the lives of Americans and people all around the world.

Thank you for letting me, because we have gone past, be able to ask my question. And I think you know some of the things that are on my wish list for funding, and so I am glad I got the last word on this one. Thank you, Mr. Chair.

Mr. YOUNG. Is that your last word?

Ms. MCCOLLUM. That is my last word, I got my wish list.

Mr. YOUNG. Ms. McCollum, thank you very much.

Did you all have any further response to anything that anybody raised here today? Thank you all for being here. The hearing has been excellent. The committee members have had some pretty good, penetrating questions. We thank you for your good responses to those questions.

And so at this point I am just going to announce that the committee will meet next at 10 a.m. Tomorrow morning in H–140 where we will have witnesses from the Africa Command and we will learn all about what is happening in that area of responsibility.

Thank you all very much. This hearing is adjourned.

[CLERK'S NOTE.—Questions submitted by Mr. Kingston and the answers thereto follow:]

TRICARE ENROLLMENT FEES

Question. When was the last time TRICARE enrollment fees went up for retirees and what are they currently? How does this compare to the rest of the American population (individual and family)? Is DoD considering raising enrollment fees or increasing prescription co-pays? Has DoD considered means testing the enrollment fees and co-pays. Why should a Colonel pay the same for health coverage as a Sergeant?

Answer. In Fiscal Year 2012, the Department was allowed to implement a modest increase in the Prime enrollment fee ($30/$60 per year increase for individual/family coverage) indexed to annual retiree COLA starting in Fiscal Year 2013. TRICARE Prime Enrollment Fees are $539 per family in Fiscal Year 2013. This compares to Federal Employees Health Benefits Program (FEHBP) enrollment fees that could average between $4,500 and $5,200 per family. The following table illustrates the changes to enrollment fees and co-pays we are proposing as part of our Fiscal Year 2014 budget submission.

TRICARE Prime Fees – Linked to Gross Retired Pay, No Impact to ADFMs

Annual Enrollment Fees	FY 13	FY 14*	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23
Prime Annual Enrollment Fees											
Floor -- Current Fee inflated by COLA	$539	$548	$558	$569	$581	$594	$607	$620	$634	$648	$662
% of Gross Retired Pay -- 4% FY 2017	$539	2.95%	3.30%	3.65%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Ceiling -- After FY 2017 inflated by COLA)	$539	$750	$900	$1,050	$1,200	$1,226	$1,253	$1,281	$1,309	$1,338	$1,367
Flag Officer Ceiling -- $1,800	$539	$900	$1,200	$1,500	$1,800	$1,840	$1,880	$1,921	$1,964	$2,007	$2,051

TRICARE Standard/Extra Fees/Deductibles – Under 65 Retirees, No ADFM impact

Annual Enrollment Fees	Current	FY 14	FY 15	FY 16	FY 17	FY 18*	FY 19	FY 20	FY 21	FY 22	FY 23
Individual	**$0**	$70	$85	$100	$115	$125	$128	$131	$133	$136	$139
Family	**$0**	$140	$170	$200	$230	$250	$256	$261	$267	$273	$279
Annual Deductibles											
Individual	$150	$160	$200	$230	$260	$290	$296	$303	$310	$316	$323
Family	$300	$320	$400	$460	$520	$580	$593	$606	$619	$633	$647

TRICARE-for-Life (TFL) Fees – 65+ Retirees, Tiered, No Impact to ADFMs

Annual Fee - Per Individual	Current	FY 14	FY 15	FY 16	FY 17*	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23
% of Gross Retired Pay -- 1% FY 2017	**$0**	0.25%	0.50%	0.75%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Ceiling -- After FY 2017 inflated by COLA	**$0**	$75	$150	$225	$300	$307	$313	$320	$327	$334	$342
Flag Officer Ceiling -- $400	**$0**	$100	$200	$300	$400	$409	$418	$427	$436	$446	$456

TRICARE Prime Visits Fee – No Legislation Required, No ADFM impact

Outpatient Visit Fee	FY 13	FY 14*	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23
Prime Annual Enrollment Fees											
Non-Mental Health Office Visit Copay	$12	$16	$16	$16	$17	$17	$18	$18	$18	$19	$19

Pharmacy Co-Pays (Includes ADFMs)

Retail Rx (1 month fill)	Current Fee	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23
Generic	$5	$5	$6	$7	$8	$9	$10	$11	$12	$13	$14
Brand	$17	$26	$28	$30	$32	$34	$36	$38	$40	$43	$45
Non-Formulary*	$44	Available only on a limited basis									
Mail-Order Rx (3 month fill)											
Generic	$0	$0	$0	$0	$0	$9	$10	$11	$12	$13	$14
Brand	$13	$26	$28	$30	$32	$34	$36	$38	$40	$43	$45
Non-Formulary	$43	$51	$54	$58	$62	$66	$70	$75	$80	$85	$90
Military Treatment Facilities		**No change -- still $0 co-pay**									

**N/A = Not available at retail after FY 13, except under limited circumstances*

Note: All proposals exempt service members (and their families) medically retired from active duty and families of service members who died on active duty.

MEDICAL RESEARCH

Question. Within the Health Program's Research and Development line, what percentage of peer reviewed medical research is unique to injuries, diseases, and conditions confronting soldiers versus those that occur in the general population, that is to say what percentage of your research is dedicated to injuries, conditions, or wounds caused on the battlefield or during training? Do you think this is appropriate or should the vast majority of funding for medical research going to department benefit those soldiers that we have asked to go into harm's way?

Answer. All (100%) of the research and development part of the Defense Health Program (DHP) budget request supports research that is specific to the injuries, diseases, and conditions confronting our Service members. All (100%) of our research and development efforts that are in the DHP budget request are designed first and foremost to benefit the Service member and their families and advance the practice of military medicine that has contributed significantly into advancing civilian medical practice. Our DHP research and development efforts address, and must always address, the needs of the Service member and Military Health System.

[CLERK'S NOTE.—End of questions submitted by Mr. Kingston. Questions submitted by Mr. Moran and the answers thereto follow:]

ARMY SUICIDE PREVENTION

Question. I applaud the Army's efforts to study the issue of stigma associated with behavioral health, as well as the Service's recent action to reduce it. Recently the Army G–1/Human Resources Policy Directorate conducted a study to understand stigma and develop branding and communications materials to encourage Soldiers to overcome the stigma associated with behavioral health programs and seek help. It's critical the Army capitalize on this study and reduce stigma, reduce suicide and suicide ideations, reduce sexual assault and domestic abuse and improve readiness. Failure to implement a campaign to reduce stigma as a result of the research will nullify the effort; implementing the research now is 'saving money' and 'saving lives'—saving money in the long haul and saving lives in the near term.

Are you aware of the Stigma Reduction Communications Campaign's findings? Has the Army socialized those finding throughout ACSIM? What are you doing to take advantage of the research?

Answer. Yes, we are aware of this effort. The Stigma Reduction Communications Campaign research results were briefed to representatives from the G–1, the Assistant Chief of Staff for Installation Management, and the Office of The Surgeon General on 30 APR 13. The research showed prejudice, discrimination, and the fear of stigma are still major factors that inhibit our Soldiers willingness to seek help. To that end, stigma reduction communications cannot simply encourage "at-risk" Soldiers to get help because the barriers created by stigma are too significant. Based on the numerous surveys, interviews, and focus groups conducted across multiple installations during 2012 and early 2013, we are working to finalize various communications concepts that we will continue to test across the Army. We will continue to incorporate best practices into the campaign through a programmed rollout period.

TRICARE COST SAVINGS PROPOSALS

Question. Dr. Woodson, with regard to the Administration's proposed TRICARE reform proposals, I think there may be some significant confusion with regard to whom the proposals would affect. Of today's force, approximately 83 percent of our current servicemembers will not receive retirement benefits, such as a lifetime annuity or, generally, access to TRICARE. (Individuals retired from active duty as a result of injury do have access to TRICARE, but they are exempted from the proposals). VA benefits are provided to all former servicemembers who have medical needs up to 5 years after leaving the military, or if they have a service-connected disability. Can you please clarify what specific populations will be affected by the proposals, and what the Administration has done to lessen those impacts as compared to previous attempts to slow the rate of growth of military healthcare costs?

Answer. Military retirees and their families could be affected by proposed changes to enrollment fees, the proposed change to the TRICARE Standard deductible, the removal of enrollment fees from the catastrophic cap calculation, and proposed changes in co-payments for certain prescription drugs at retail or mail order pharmacies. Active duty families could be affected by proposed changes in co-payments for certain prescription drugs at retail or mail order pharmacies. Service members

(and their families) medically retired from active service are exempt as are families of service members who died on active duty.

These proposals are based on sound principles. Our beneficiaries, active and retired, deserve a generous health benefit. The military health benefit is one of the best in the country. Out-of-pocket costs remain far below the percentage of cost-sharing they experienced in 1995, even with proposed changes. In addition, we will protect the most vulnerable beneficiaries from proposed changes in cost-shares.

Managing health care cost is a shared responsibility among the government, providers and the beneficiary. In addition to seeking these reasonable beneficiary cost share reforms, we employ a global approach to managing cost by working to transition from healthcare to health; aggressively looking for internal efficiencies; and by adopting provider payment reform. By following a holistic approach to addressing the rising costs of health care, the military health benefit will continue to be a rich reward for those who have served our country so well.

Question. Dr. Woodson and Surgeons General, some Veterans Organizations have accused the Administration of "patent discrimination" because of proposals to create separate TRICARE pay tiers based on a servicemember's gross retirement pay. Essentially, as you know, the Administration is asking Flag Officers to pay more than other officers and senior enlisted servicemembers. Why does the Administration believe creating a separate "Flag Officer" ceiling is fair? Is the Administration punishing those individuals who serve longer or have a more successful military career?

Answer. Our benefit reform proposals are based on ability to pay. Retired general officers will have a greater ability to pay based on their retirement pay than lower grade retirees. The higher the gross retirement pay, the higher the enrollment fees, but only to a point. We have instituted both a floor and ceiling to help ensure that no one pays too much or too little. Even after benefit reform, TRICARE will still be an incredible value for general officers. The following table illustrates the proposed changes in enrollment fees and co-pays.

TRICARE Prime Fees – Linked to Gross Retired Pay, No Impact to ADFMs

Annual Enrollment Fees	FY 13	FY 14*	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23
Prime Annual Enrollment Fees											
Floor -- Current Fee inflated by COLA	$539	$548	$558	$569	$581	$594	$607	$620	$634	$648	$662
% of Gross Retired Pay -- 4% FY 2017	$539	2.95%	3.30%	3.65%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Ceiling -- After FY 2017 inflated by COLA)	$539	$750	$900	$1,050	$1,200	$1,226	$1,253	$1,281	$1,309	$1,338	$1,367
Flag Officer Ceiling -- $1,800	$539	$900	$1,200	$1,500	$1,800	$1,840	$1,880	$1,921	$1,964	$2,007	$2,051

TRICARE Standard/Extra Fees/Deductibles – Under 65 Retirees, No ADFM impact

Annual Enrollment Fees	Current	FY 14	FY 15	FY 16	FY 17	FY 18*	FY 19	FY 20	FY 21	FY 22	FY 23
Individual	$0	$70	$85	$100	$115	$125	$128	$131	$133	$136	$139
Family	$0	$140	$170	$200	$230	$250	$256	$261	$267	$273	$279
Annual Deductibles											
Individual	$150	$160	$200	$230	$260	$290	$296	$303	$310	$316	$323
Family	$300	$320	$400	$460	$520	$580	$593	$606	$619	$633	$647

TRICARE-for-Life (TFL) Fees – 65+ Retirees, Tiered, No Impact to ADFMs

Annual Fee - Per Individual	Current	FY 14	FY 15	FY 16	FY 17*	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23
% of Gross Retired Pay -- 1% FY 2017	$0	0.25%	0.50%	0.75%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Ceiling -- After FY 2017 inflated by COLA	$0	$75	$150	$225	$300	$307	$313	$320	$327	$334	$342
Flag Officer Ceiling -- $400	$0	$100	$200	$300	$400	$409	$418	$427	$436	$446	$456

TRICARE Prime Visits Fee – No Legislation Required, No ADFM impact

Outpatient Visit Fee	FY 13	FY 14*	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23
Prime Annual Enrollment Fees											
Non-Mental Health Office Visit Copay	$12	$16	$16	$16	$17	$17	$18	$18	$18	$19	$19

Pharmacy Co-Pays (Includes ADFMs)

Retail Rx (1 month fill)	Current Fee	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23
Generic	$5	$5	$6	$7	$8	$9	$10	$11	$12	$13	$14
Brand	$17	$26	$28	$30	$32	$34	$36	$38	$40	$43	$45
Non-Formulary*	$44	Available only on a limited basis									
Mail-Order Rx (3 month fill)											
Generic	$0	$0	$0	$0	$0	$9	$10	$11	$12	$13	$14
Brand	$13	$26	$28	$30	$32	$34	$36	$38	$40	$43	$45
Non-Formulary	$43	$51	$54	$58	$62	$66	$70	$75	$80	$85	$90
Military Treatment Facilities		No change -- still $0 co-pay									

**N/A = Not available at retail after FY 13, except under limited circumstances*

Note: All proposals exempt service members (and their families) medically retired from active duty and families of service members who died on active duty.

[CLERK'S NOTE.—End of questions submitted by Mr. Moran. Questions submitted by Mr. Young and the answers thereto follow:]

JTF CAPMED TRANSITION

Question. JTF CAPMED is scheduled to transition to the National Capital Region Medical Directorate by the end of fiscal year 2013. With the transition, the JTF may reduce headquarter staff by up to 50 percent. However, it will retain authority, direction, and control over Walter Reed National Military Medical Center, Fort Belvoir Community Hospital, and Enhanced Multi-Service Market Office authority over the NCR market.

What is the current status on the transition from what is now known as JTF CAPMED to the NCR Medical Directorate?

Answer. JTF CapMed is on schedule to be disestablished by September 30, 2013, and the NCR Medical Directorate is on schedule to achieve Initial Operating Capability by October 1, 2013. I am overseeing the transition and am tracking critical milestones to ensure these timelines are met.

Question. How will the new Directorate be different from the existing JTF CAPMED and will it be more in line with the other Enhanced Multi-Service Market Offices in other high military population areas?

Answer. The National Capital Region Medical Directorate (NCR–MD) will have fewer staff compared to the current number of authorized billets at JTF CapMed and will report to the director of the Defense Health Agency, vice the Deputy Secretary of Defense.

The NCR–MD will be responsible for the market management of the NCR, using Enhanced Multi-Service Market (eMSM) management authorities. The NCR–MD will use the same eMSM authorities as will be utilized by the Military Services in five other MSMs (Tidewater, Virginia; Puget Sound, Washington; Colorado Springs, Colorado; San Antonio, Texas; and Oahu, Hawaii).

Question. Will this new administrative structure increase the efficiency of the hospitals under its control, and improve some of the communication issues that have been present in the current headquarters structure?

Answer. The NCR Medical Directorate (NCR–MD) will continue to improve the efficiency of Walter Reed National Military Medical Center (WRNMMC) and Fort Belvoir Community Hospital (FBCH), as well as their subordinate clinics. The singular organizational and budgetary authority model the NCR–MD will employ has proven to generate efficiencies, to include a reduction of over 400 full-time equivalents over the past 18 months—saving the Military Health System over $40M a year. This model was recommended by the Defense Health Board in order to achieve world-class military medical care in the NCR and was subsequently incorporated into section 2714 of the National Defense Authorization Act for Fiscal Year 2010.

The NCR–MD will be fully aligned under the Defense Health Agency, thereby establishing a clear chain of authority from the joint hospitals (WRNMMC and FBCH), through the NCR–MD, and to the DHA. This will ensure maximum unity of effort and keep communications aligned.

TRICARE PROVIDERS

Question. According to a recent GAO report, an estimated 620,000 military health care recipients struggle to find private doctors who will accept them as patients as part of the TRICARE system. Many doctors reported that they turn away these patients because they are unfamiliar with TRICARE or they do not like how little they are compensated or how long it takes TRICARE to reimburse them. The number of private doctors accepting new TRICARE patients is trending downward; only about 40 percent of civilian mental health providers take these patients compared with 67 percent of primary doctors and 77 percent of specialty doctors.

Have you noticed a decrease in the number of private medical providers who accept TRICARE?

Answer. No. Despite the recent GAO report that summarized statistical representations of beneficiary and provider survey results, the actual number of participating providers rose slightly in Fiscal Year 2012 to a total of 415,500 providers. The total number of participating providers increased by 15 percent in areas near military bases and by 2 percent in areas not near military bases.

These numbers relate well to where Uniformed Services beneficiaries live. About 90% of the 9.6 million eligible Uniformed Service beneficiaries live in an area where TRICARE maintains contracted provider networks, most of which are near military bases.

Question. What categories of specialists are least likely to accept TRICARE and what is being done to ameliorate the problem?

Answer. Our survey results indicate behavioral health providers (psychiatrists and non-physician providers) generally report lower acceptance of new TRICARE patients. This should be considered a problem only if TRICARE beneficiaries are having systemic difficulty in actually accessing care from behavioral health providers. We have detailed and reliable claims data indicating exactly the opposite to be the case. Since Fiscal Year (FY) 2001, the number of private sector mental health outpatient visits by TRICARE beneficiaries has increased at a compound annual growth rate of 19 percent (from 2.4 million visits in FY 2002 to 13.4 million visits in FY 2012). That degree of annual growth in usage could not have been sustained if TRICARE beneficiaries were experiencing a widespread problem in accessing care.

Question. Has the Department looked at ways to restructure the TRICARE program in order to encourage more private doctors to participate?

Answer. Yes. About 90% of the 9.6 million beneficiaries enjoy access to a contracted provider network near where they work or live. However, we remain concerned with access for our beneficiaries and have submitted a legislative proposal to require providers who participate with Medicare to also participate with TRICARE. Although we have not experienced any significant issues with contracting for sufficient numbers of providers needed to meet the health care needs of beneficiaries that live or work near our contracted networks, the intent of the legislative proposal is to improve access for our TRICARE Standard beneficiaries who live outside of the network areas.

Study of Military Treatment Facilities

Question. During the fiscal year 2014 Department of Defense budget roll-out, officials have mentioned numerous times that the Department will start a study of Military Treatment Facilities, including hospitals and clinics, that are currently being underutilized. Furthermore, the Department claims that a restructuring plan to reduce such underutilization should be ready by the end of this year. No other details have been released at this time.

If this study is expected to be complete at the end of the year, has it already started? What is the impetus for the study? Would the closure of any Military Treatment Facilities or clinics be part of a potential BRAC round? Please provide any additional details regarding this study, its goals, its progress, and its level of detail.

Answer. The study has begun and is on track to complete by the end of the year. The study is a detailed assessment that seeks to address military treatment facility underutilization and assure maintenance of a ready medical force, while preserving or enhancing access to care for our beneficiaries. Depending on the assessment results, the study may recommend changing the capabilities of some Military Treatment Facilities to optimize efficiencies and clinical skills.

Pharmacy Co-Pay Increases

Question. Beneficiaries could continue to have prescriptions filled for free at base pharmacies, and generic drugs would be filled at no charge by mail until 2017 when co-pays would begin. The current $5 co-pay for generic drugs at retail outlets would be increased by $1 a year starting in fiscal year 2014.

What is the current average wait time to fill prescriptions at base pharmacies? Due to the fact that beneficiaries could continue to have prescriptions filled for free at base pharmacies, do you project an increase in wait times?

Answer. Due to the vast differences in the size of military treatment facilities (MTFs), geographic locations, density of the catchment area population, and mission of the facilities, i.e., regional medical center, dispensary, clinic, etc., there is no centrally tracked average wait time to fill prescriptions across the full range of all MTF pharmacies.

There have been pharmacy co-pay changes only twice since 2002. The co-pay change on 1 October 2011 and was independent of the fiscal year (FY) 12 National Defense Authorization Act (NDAA) and most recently, the FY13 NDAA established new cost-sharing rates under the TRICARE pharmacy benefits program that were implemented on 1 February 2013. Co-pay changes have impacted certain MTF pharmacies' prescription volumes. There has also been some movement of beneficiaries from retail pharmacies to mail order pharmacy over the past 18 months, most likely attributable to zero copay at mail order for generic medications and the DoD's marketing campaign to increase beneficiary mail usage. Additional time will be needed to determine the full effect of the February 2013 change on the distribution and volume of workload across all three points of service (i.e., MTF pharmacies, retail pharmacies and mail order pharmacy). The mix of prescriptions for acute and chronic

conditions and some seasonal variation of prescription workload must also be considered. There are several initiatives being evaluated through the Military Health System (MHS) Governance process that could enable better tracking and assessment of prescription workload movement and improved MTF pharmacy capacity as a shared service under the Defense Health Agency construct. The literature supports that changes in beneficiary cost-share does drive the decision process; however, there is no validated method to determine the effect on any one prescription delivery channel. While volume of work is a factor in MTF pharmacy wait times, there are a multitude of confounding factors, so a change of any one factor may not directly change the overall time to dispense. In addition, beneficiaries who do not live within driving range of a MTF may choose to use the national mail order pharmacy.

MILITARY HEALTH CARE SYSTEM

Question. However, in his written testimony, the Surgeon General of the Navy, Vice Admiral Nathan, states that he has "made recapturing private sector health care workload a priority for our Military Treatment Facility commanders and commanding officers."

Admiral Nathan, in your testimony you noted that there should be a shift back from private sector care to in-house care. Is there sufficient capacity in the Military Treatment Facilities to increase care and how does the Navy plan on reaching some of those service members who have left for the private sector?

Answer. The TRICARE program implements management improvements that include rules and procedures to optimize the use of our military treatment facilities (MTFs) by eligible beneficiaries to ensure that our military staff maintain the highest level of competency and readiness, as well as to achieve the maximum value from our nation's investment in the Defense Health Program (DHP). Within our MTFs, there are some services that are at capacity and some services that are under capacity. Our priority to recapture private sector care is the affirmation of our commitment to the TRICARE program and to ensure that available capacity within our military treatment facilities is maximized.

By law all active duty service members are required to enroll in the Department of Defense's managed care plan, TRICARE Prime. This plan requires the active duty service member to obtain a referral and authorization from their primary care manager (PCM) prior to receiving private sector care. This ensures that private sector care for the active duty service member is only obtained when it is truly not available within the military healthcare system as well as reduces the ability of the service member to leave the direct care system to seek the private sector care independently.

In addition, all Navy Medicine MTFs have implemented Medical Home Port which is focused on delivering high quality, accessible and cost-efficient primary care for all our beneficiaries. We are seeing improvements to same-day access, increased patient satisfaction and a decreased number of patients using the Emergency Room.

Question. How are the Services tracking the number of beneficiaries returning from private sector to direct care and what are the trends?

Answer. The return of beneficiaries to the direct care system from the private sector for primary care is measured in the market share of prime enrollment in the Prime service area around the military treatment facility. The return of beneficiaries to the direct care system for specialty care is measured by the number of network referrals accepted for care and the increase in specialty care workload within the direct care system. The trends in both of these metrics are increasing.

Question. Has recruiting and retention of medical professionals increased in the last year? What is needed to encourage recruitment and retention of these vital personnel? What funding is included in the budget request to address this?

Answer. Yes. In FY12 Navy Recruiting Command attained 103% of Active Component (AC) Medical Department officer goal, and 87% of Reserve Component (RC) Medical Department officer goal. For the fifth consecutive year, recruiting has attained 100% or more for the AC accessions goal, with the RC increasing by 2% from FY11. Overall AC Medical Department officer manning is 98% of requirements, a 10-year high, due to improved retention. RC Medical Department officer manning is 90% of requirements.

Medical Department officer recruiting and retention remains a top priority. Sustaining accession and retention incentive programs are important to our AC/RC overall manning as well as maintaining specialty requirements both now and in the future.

Our Health Professions Scholarship Program (HPSP) is an important pipeline for accessing Medical Department professionals. HPSP has two separate funding

streams: Defense Health Program (DHP) and Reserve Program Navy (RPN). The President's FY14 Budget includes our request of $141.5M (DHP $84.7M and RPN $56.8) which adequately funds our requirements.

EFFECTS OF SEQUESTRATION ON DEFENSE HEALTH PROGRAM

Question. The Navy has also cancelled the fiscal year 2013 deployment of the USNS Comfort for its humanitarian mission Continuing Promise, saving $37 million.

How are the potential furloughs going to affect the accessibility of health care for service members, retirees, and their families?

Answer. As a result of sequestration and the furlough of our civilian workforce, we expect to see some impact on the delivery of health care services within our Military Treatment Facilities (MTFs). Some facilities may need to delay elective procedures, and in some cases, refer patients to the private sector. Significant reductions have been directed to our facilities sustainment, restoration and modernization funding. Given our aging infrastructure, delaying maintenance is not a long term strategy, but will permit DoD and the Services to meet sequester demands in the short term while preserving patient care.

The impact on the delivery of health care services will vary across the enterprise, but could result in decreased access to health care services in some locations since nearly seventy percent (70%) of Navy Medicine civilian workforce are health care professionals directly involved in providing medical care. We will work with our TRICARE partners to refer care to the network as necessary, also recognizing that referring out care does not save money in the long run.

We remain concerned about the impact at our MTFs of sequestration and furlough of civilian personnel. Our civilian workforce is critical to our mission of caring for Sailors, Marines and their families. Furloughs and the associated reductions in pay will affect morale, retention and our capacity to deliver care.

Question. While the cancellation of Continuing Promise 2013 saves about $37 million, what affect does it have on diplomacy in the countries that it would have visited?

Answer. The desire of our partner nations to participate in further activities with the U.S. may be lessened as a result of the cancellation of CONTINUING PROMISE 2013 (CP–13).

Extensive multi-national planning took place prior to cancellations between participating countries (Belize, Costa Rica, Guatemala, Honduras, El Salvador, Jamaica, Nicaragua, Peru and the U.S.).

CONTINUING PROMISE, an integrated Humanitarian Assistance mission, was developed to build the capacity of our partners and our combined ability to respond to disasters and to provide an opportunity to improve military medical readiness, enhance the Navy's relationship with other federal agencies and the NGO community.

CONTINUING PROMISE also enhances stability in the U.S. Naval Forces Southern Command (NAVSO) region by establishing and improving relationships with multiple partners, as well as assisting them to develop improved medical capabilities. The CP–13 mission is a vehicle for strategic communications at the National and Local levels.

Question. Is the USNS Mercy's 2014 mission, Pacific Partnership, being planned and budgeted for in the fiscal year 2014 budget request?

Answer. Yes, the USNS MERCY is planned to deploy in FY 2014 for its Pacific Partnership mission and the budget request is $29,132K.

PROPOSED CHANGES TO DEFENSE HEALTH PROGRAM COSTS

Question. The budget request includes proposals to increase health care fees and implement new ones, including an enrollment fee for TRICARE for Life (which was prohibited in the fiscal year 2013 Department of Defense bill), an increase in fees and deductibles for retirees, and a proposal to peg fee increases to rising costs as measured by the national health care expenditure index (instead of to the percentage increase in military retirees' cost-of-living adjustment). None of the proposals affect active duty servicememembers, survivors of military members who died on active duty, or medically retired servicemembers.

Why have military health care costs increased so dramatically in the last several years? How do you plan to explain and encourage the acceptance of these changes to those who will be the most affected?

Answer. In addition to national trends in the growth in health care costs, the Department of Defense faces additional increases that can be traced to several key

causes. First, there are cost increases due to changes in benefits, such as the addition of TRICARE for Life and TRICARE Reserve Select. In addition, we have seen both an increase in utilization and intensity that came with advances in technology and changes in treatment protocols. Finally, we have seen more users accessing the system, which has also contributed to our overall cost increase. Our approach to communicating benefit reform is to provide a fact-based, transparent case for why we need to institute reforms combined with a proposed set of reforms that is fair, affordable, and sustains this great benefit into the future. We meet with many groups to explain our proposal, from members of Congress and their staff to advocacy groups, to interested individuals.

[CLERK'S NOTE.—End of questions submitted by Mr. Young.]

THURSDAY, APRIL 25, 2013.

U.S. AFRICA COMMAND

WITNESS

GENERAL DAVID M. RODRIGUEZ, USA, COMMANDER, U.S. AFRICA COMMAND

OPENING STATEMENT OF MR. FRELINGHUYSEN

Mr. FRELINGHUYSEN [presiding]. The committee will come to order. I would like to recognize the ranking member, Mr. Visclosky, for a motion.

Mr. VISCLOSKY. Mr. Chairman, thank you very much. I move that those portions of the hearing today which is all classified material be held in executive session because the classification of material to be discussed.

Mr. FRELINGHUYSEN. So ordered. Thank you, Mr. Visclosky.

This morning the committee will hold a hearing on the United States Africa Command. We will focus primarily on its unique mission with AFRICOM and the threats posed in that theater. The mission of the Africa Command is to protect and defend the national security interests of the United States by strengthening the defense capabilities of African states and regional organizations and, when directed, conduct military operations in order to deter, to defeat transnational threats, and to provide a security environment conducive to good governance and development.

Although Africa Command is a relatively new command, the command comes with great responsibility primarily due to the growing presence of al Qaeda and other terrorist organizations spreading across the continent.

We are pleased this morning to welcome General David M. Rodriguez, the Commander, U.S. Africa Command. This is General Rodriguez's first appearance before the subcommittee in his capacity as the AFRICOM Commander. He is a West Point graduate and has extensive combat experience, beginning with operation Just Cause and Desert Shield, Desert Storm, all the way through Iraq and Afghanistan. If you look at the number of battle ribbons on his uniform, indeed it is a testimony to all the things you have done on behalf of our Nation and we are indeed grateful. He has commanded at every level, and most recently commanded the U.S. Army Forces Command, the Army's largest organization.

General, thank you for testifying before the subcommittee this morning.

General, the committee is concerned that certain African countries offer ready made areas for terrorist training and recruitment activity. During a time in which our way of life has been threatened by those with radical beliefs, the area within your command

because of its vastness and countries with unmonitored borders is a prime target for terrorist activity.

We are interested this morning in hearing about your efforts to combat or contain that type of activity and also learn what the resources you need to accomplish your mission.

General, we look forward to your testimony, but first I would like to call on my ranking member, Mr. Visclosky, for his comments.

Mr. VISCLOSKY. Chairman, thank you for the recognition. I want to thank the General also for your service and for testifying and I look forward to that as well as the questions and answers. Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Thank you very much, Mr. Visclosky. General, please proceed with your summarized statement. Your entire statement will be placed in the record.

[CLERK'S NOTE.—The complete transcript of the hearing could not be printed due to the classification of the material discussed.]

[The written statement of General Rodriguez follows:]

HOUSE APPROPRIATIONS COMMITTEE

STATEMENT OF GENERAL

DAVID M. RODRIGUEZ, USA

COMMANDER

UNITED STATES AFRICA COMMAND

BEFORE THE SUBCOMMITTEE ON DEFENSE

25 APRIL 2013

Mission Statement

United States Africa Command protects and defends the national security interests of the United States by strengthening the defense capabilities of African states and regional organizations and, when directed, conducts military operations, in order to deter and defeat transnational threats and to provide a security environment conducive to good governance and development.

INTRODUCTION

This year marks the fifth anniversary of the formation of the command. Since our standup in 2008, our operational capabilities and capacities have markedly increased. In parallel, our relationships with African partners and our security cooperation engagements have matured in both focus and effectiveness. Our integrated approach seeks to address the greatest near-term threats to our national security while simultaneously building long-term partnerships and fostering regional cooperation.

The past year has witnessed both positive developments and sobering reminders of the threats in the U.S. Africa Command Area of Responsibility. Many African partners are more capable of addressing national and regional security challenges today than they were a year ago, and we have strengthened both new and enduring partnerships. In Somalia, sustained operations by African forces, with enabling assistance from the United States and the international community, significantly weakened al-Shabaab, providing space for Somalia's transition to a constitutionally based government. We are deepening our relationship with the Tanzanian military, a professional force whose capabilities and influence increasingly bear on regional security issues in eastern and southern Africa and the Great Lakes region. Senegal and Ghana, anchors of regional stability in West Africa, held peaceful, democratic elections last year and remain important U.S. partners in efforts to counter transnational threats. Similarly, in Botswana, a highly capable partner and positive influence throughout southern Africa, we are strengthening an enduring partnership grounded in shared commitments to

democracy and the rule of law. Liberia is progressing toward the establishment of a professional, capable military that is a force for good, as demonstrated by its border deployment in response to Cote d' Ivoirian rebel activities last fall. In Libya, a nation that witnessed its first election of the General National Congress since the overthrow of Qadhafi, we are developing a strong partnership with the new military.

Despite these positive trends, the regional security environment continues to challenge U.S. interests and increase the operational demands on U.S. Africa Command. In the past year, the United States lost four Americans in deadly attacks in Benghazi and three more in the terrorist attack on a British Petroleum facility in Algeria; al-Qa'ida in the Islamic Maghreb (AQIM) emerged stronger and better armed following the coup d'état in Mali; and Boko Haram continued its campaign of violence in Nigeria.

STRATEGIC ENVIRONMENT

Emerging Terrorist Networks

As al-Qa'ida has syndicated its ideology and violence, its affiliates and adherents in Africa and the Arabian Peninsula have become increasingly networked and adaptable in their recruiting, training, financing, and operations. Violent extremist organizations, insurgents, and criminal organizations are exploiting weak governance and under-governed spaces, and remain determined to harm the United States, our partners and Allies, and innocent civilians. The need to put pressure on al-Qa'ida affiliates and adherents in East, North, and West Africa has never been greater. The September 2012 attack on the U.S. Special Mission Compound and Annex in Benghazi and the January 2013 attack on the British Petroleum oil facility in Algeria illustrate the growing threat posed by violent extremist organizations in Africa to U.S. citizens and interests. This network of al-Qa'ida affiliates has already developed into a threat

to U.S. regional interests and if left unchecked, could pose a threat to Europe and the U.S. Homeland. Coordinated approaches that integrate diplomatic, development, and military efforts are needed to achieve both short- and long-term counter-terrorism objectives, including the disruption of terrorist financing and undermining of recruitment efforts by violent extremist organizations.

Arab Awakening

The Arab Awakening redefined the North African political landscape and continues to impact countries across the region. Two years ago, the actions of a single Tunisian citizen catalyzed a wave of change that continues to reverberate throughout North Africa and the Middle East. The post-revolutionary transitions currently underway in Tunisia and Libya are extraordinarily important to the future of these countries and to the region and have had significant consequences for regional security. The flow of fighters and weapons from Libya to violent extremist organizations in northern Mali serves as one example of how political instability in one nation can have a profound effect across a broad region. The United States has a stake in the success of these transitions, not least of all for their potential to serve as a powerful repudiation of al-Qa'ida's false narrative that only violent extremism can drive change. U.S. Africa Command's relationships with the Tunisian and Libyan militaries have important roles in supporting these transitions as new governments in Tunisia and Libya work to develop accountable and effective institutions, strengthen civil society, and improve security.

Increased Regional and International Integration

The rising political and economic influence of emerging powers is transforming the

international system, and this change is evident in Africa. Asian economic expansion is inflating global commodities prices, a major driver of strong economic growth in some African nations. Increased Chinese engagement in pursuit of economic development is deepening China's political and economic influence and increasing its access in the region. Other rapidly growing economies, including Brazil and India, are similarly increasing their engagement and investment in Africa. As Africa becomes more fully integrated into the global economy, African maritime security is growing in importance to the free flow of global commerce. In parallel with Africa's continuing integration into global political and economic systems, African nations are strengthening their regional economic and political integration. African nations and regional organizations are increasingly taking a lead role in multilateral responses to regional security threats, both within and outside the structure of the African Union and the regional standby forces that comprise its continental security architecture.

COMMAND APPROACH

U.S. Africa Command's approach reflects strategic guidance provided in the National Security Strategy, the Defense Strategic Guidance, the National Military Strategy, the Presidential Policy Directive for Political and Economic Reform in the Middle East and North Africa (PPD 13) and the United States Strategy Toward Sub-Saharan Africa. Based on this strategic guidance, U.S. Africa Command protects and advances vital U.S. national security interests in Africa, including protecting the security of the global economic system, preventing catastrophic attacks on the homeland, developing secure and reliable partners, protecting American citizens abroad, and protecting and advancing universal values. These universal values include the respect for and protection of human rights, the prevention of mass atrocities, and the provision of humanitarian assistance and disaster relief. In Africa,

military-to-military engagement plays a limited but important role in sustaining progress in countries undergoing democratic transitions, as well as those emerging from conflict.

In support of advancing regional peace and security, U.S. Africa Command focuses on priority countries, regional organizations, and programs and initiatives that build defense institutional and operational capabilities and strengthen strategic partnerships. Cooperative security arrangements are key to addressing transnational threats, and U.S. Africa Command utilizes operations, exercises, and security cooperation engagements to foster multilateral cooperation and build the capacity of regional and sub-regional organizations. U.S. assistance, including focused military support, has contributed to significant progress by African forces in the past year in both peacekeeping and combat operations.

U.S. Africa Command's strategic approach addresses both threats and opportunities. We simultaneously address the greatest near-term threats to our national security while building long-term partnerships that support and enable the objectives outlined in the U.S. Strategy Toward Sub-Saharan Africa: strengthening democratic institutions; spurring economic growth, advancing trade and investment; advancing peace and security; and promoting opportunity and development. Countering terrorism is the Department of Defense's (DoD) highest priority mission in Africa and will remain so for the foreseeable future. While prioritizing addressing emerging security challenges through both direct and indirect responses, U.S. Africa Command views these challenges also as opportunities to deepen enduring relationships, strengthen partner capabilities, and foster regional cooperation.

Our theater strategy and four subordinate regional campaign plans guide our operations, exercises and engagements, which focus on five functional areas: countering violent extremist organizations; strengthening maritime security and countering illicit trafficking; strengthening defense capabilities; maintaining strategic posture; and preparing

for and responding to crises. These activities are primarily executed by U.S. Africa Command's components: Army Forces Africa, Air Forces Africa, Naval Forces Africa, Marine Forces Africa, Special Operations Command Africa, and Combined Joint Task Force-Horn of Africa. Our headquarters interagency representatives from nine Federal agencies and liaison officers from eight countries are integral to the success of U.S. Africa Command's efforts.

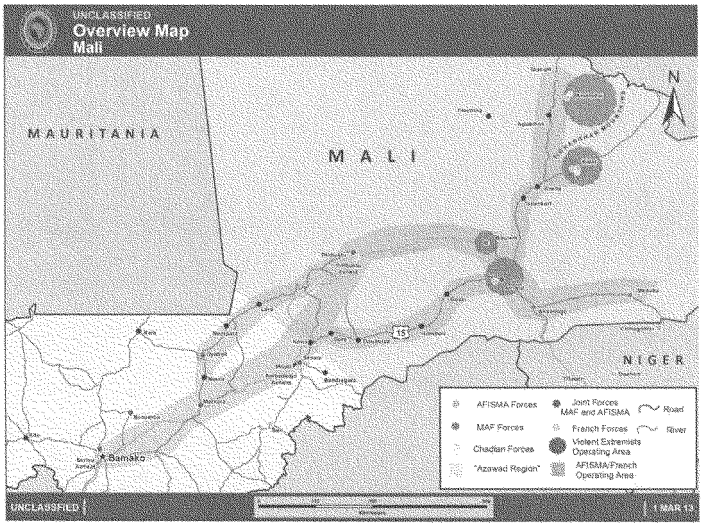
U.S. AFRICA COMMAND PRIORITIES

COUNTERING VIOLENT EXTREMIST ORGANIZATIONS

The September 2012 attack on the U.S. Special Mission Compound and Annex in Benghazi and the January 2013 attack on the British Petroleum oil facility in Algeria are evidence of the growing threat posed to Americans and U.S. interests by African violent extremist organizations (VEO) and the global VEO network. In the past year, U.S. Africa Command worked closely with regional and interagency partners to strengthen counter-terrorism partnerships grounded in shared security interests, assisted partner military forces and U.S. interagency partners in discrediting and defeating the appeal of violent extremism, and strengthened partner capabilities to provide security as an element of responsive governance.

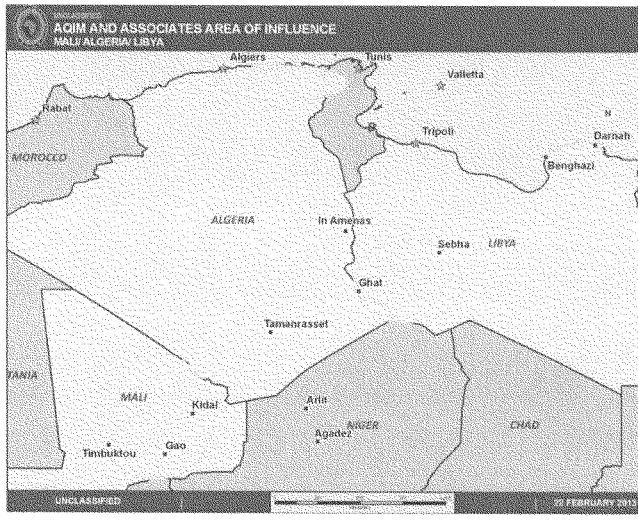
Three violent extremist organizations are of particular concern in Africa: al-Qa'ida in the Lands of the Islamic Maghreb (AQIM), active in northern and western Africa; Boko Haram in Nigeria; and al-Shabaab in Somalia. Although each organization individually poses a threat to U.S. interests and regional stability, the growing collaboration of these organizations heightens the danger they collectively represent. Of the three organizations, AQIM, which exploited the instability that followed the coup d'état in Mali and seeks to

establish an Islamic state in northern Mali, is currently the most likely to directly threaten U.S national security interests in the near- term.



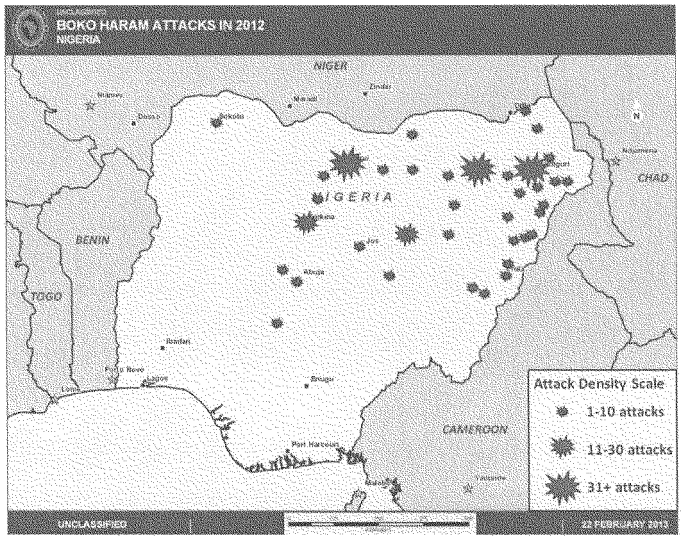
To counter AQIM and support the restoration of governance in Mali, U.S. Africa Command is providing support to French and African military operations in northern Mali, which are achieving gains against AQIM and other terrorist organizations. We are supporting French efforts with information, airlift, and refueling, and are working with the Department of State (DoS) to support the deployment of west African forces to the African-led International Support Mission to Mali (AFISMA). Recently, we began unarmed, remotely piloted aircraft operations from Niger in support of intelligence gathering efforts in the region. Although French, Malian, and AFISMA forces are achieving success in removing AQIM fighters from population centers, eliminating the long-term threat posed by AQIM will require the restoration of Malian governance and territorial integrity, political

reconciliation with northern indigenous groups, the establishment of security, and the sustained engagement of the international community.

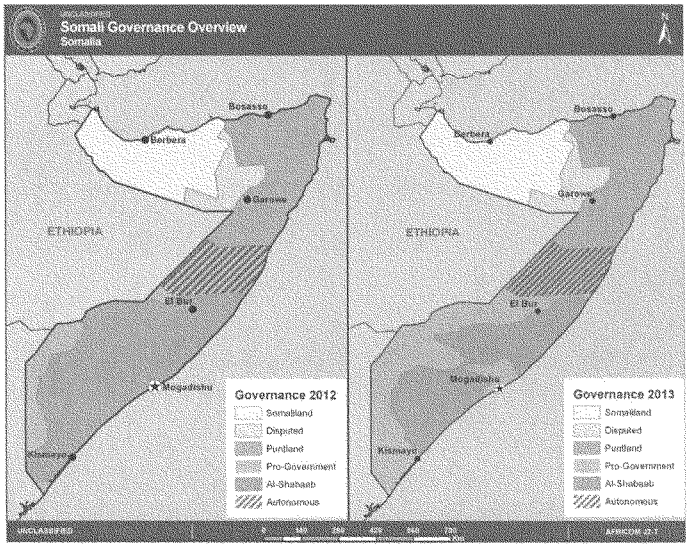


While international focus is currently on Mali, AQIM is not solely a Malian challenge. The organization is spread across the Sahel region and requires a regional approach to effectively address the threat. U.S. Africa Command continues to work closely with the Department of State (DoS) and the U.S. Agency for International Development (USAID) to support regional counter-terrorism efforts under the umbrella of the Trans-Sahara Counter-Terrorism Partnership (TSCTP). A partnership between 10 northern and western African nations and the United States, TSCTP is designed to support the development of partner nation military counter-terrorism skills and capabilities and foster regional cooperation among participating nations to address the evolving threat of AQIM and related extremist groups. One aspect of TSCTP's impact can be seen in the troop contributions of five participating countries (Burkina Faso, Chad, Niger, Nigeria, and Senegal) to AFISMA. Although Mali has historically been a TSCTP partner, U.S. Africa Command is not currently engaged in capacity-building with the armed forces of Mali,

consistent with U.S. legal prohibitions on the provision of security assistance to any military force that has been involved in a military overthrow of a democratically elected government.



In Nigeria, where Boko Haram is conducting a destabilizing campaign of violent attacks focused on the northern part of the country, U.S. Africa Command engages with the Nigerian Armed Forces to improve their military capabilities. We seek to support the development of a professional military that will support a coordinated Nigerian Government effort to address Boko Haram and provide the citizens of Nigeria with responsive governance and improved economic opportunity. Boko Haram is in contact with al-Qa'ida and recently kidnapped a French family in retaliation for French actions against AQIM in Mali. If pressure on Boko Haram decreases, they could expand their capabilities and reach to pose a more significant threat to U.S. interests.



In Somalia, al-Shabaab has been greatly weakened by the operations of African Union Mission in Somalia (AMISOM), Ethiopian, and Somali forces. While al-Shabaab is less effective, the group is still dangerous and capable of conducting unconventional attacks to disrupt AMISOM operations and the newly formed Somali government.

The significant gains achieved by AMISOM forces over the past year were critical in providing space for the political process that resulted in Somalia's transition to a government now formally recognized by the United States. While Somalia faces many challenges ahead, it is on a positive path. As military-to-military relations are normalized with Somalia, U.S. Africa Command will work with the DoS to develop security cooperation activities to assist with the development of a unified Somali security force. For the foreseeable future, focus must be maintained on Somalia to sustain security progress made to date.

Overall, we believe that our efforts to counter violent extremist organizations are having a positive impact. Our African partners are demonstrating strengthened capabilities

and are increasingly cooperating with other nations to address shared security challenges, including supporting African Union and United Nations operations and programs. The leadership of the African Union and the Economic Community of West African States in addressing the security challenges in Mali is indicative of the growing willingness and capability of Africans to address African security challenges.

MARITIME SECURITY AND COUNTER ILLICIT TRAFFICKING

Multilateral cooperation in addressing regional maritime security challenges continued to improve over the past year. Maritime security is not only vital to countering terrorism and illicit trafficking, but is also a critical enabler of trade and economic development. Coastal nations contend with a range of challenges off their coasts including trafficking in narcotics and arms, human trafficking; piracy and armed robbery at sea; oil bunkering; and illegal, unreported and unregulated fishing (IUU). Piracy and armed robbery at sea in the western Indian Ocean and Gulf of Guinea elevated insurance rates and shipping costs, resulting in increased costs to consumers. IUU fishing devastates African fisheries, which play a vital role in African economic growth and food security. Criminal organizations leverage ungoverned maritime space that could also be exploited by violent extremist organizations.

African partners are making progress in addressing challenges in the maritime domain through cooperative regional approaches supported by the international community. U.S. Africa Command and our Naval and Marine components work closely with the U.S. Coast Guard in the execution of our two primary maritime security programs, the African Partnership Station program (APS) and the African Maritime Law Enforcement Partnership (AMLEP), which are contributing to strengthening regional maritime capabilities and interoperability. African maritime forces used skills gained through participation in AMLEP

and APS to conduct operations that resulted in the seizure of over $100 million worth of cocaine and the levying of over $3 million in fines. Benin and Nigeria now conduct joint maritime patrols while South Africa, Tanzania, and Mozambique signed a counter-piracy agreement codifying their efforts and reflective of the trend of increasing regional cooperation in addressing maritime security challenges.

Countering illicit trafficking is linked to the challenge of increasing African maritime security. Illicit trafficking in the maritime, air, and land domains provides income to international criminal networks, has a destabilizing influence on governance, and is increasingly exploited by violent extremist organizations as a source of financing. U.S. Africa Command coordinates closely with U.S. government agencies and embassy law enforcement teams to conduct programs to counter illicit trafficking. Our efforts focus on increasing partner nation capacities to detect and interdict illicit trafficking throughout the African continent. Counter- trafficking skills are applicable to combating a wide range of criminal activity, including poaching.

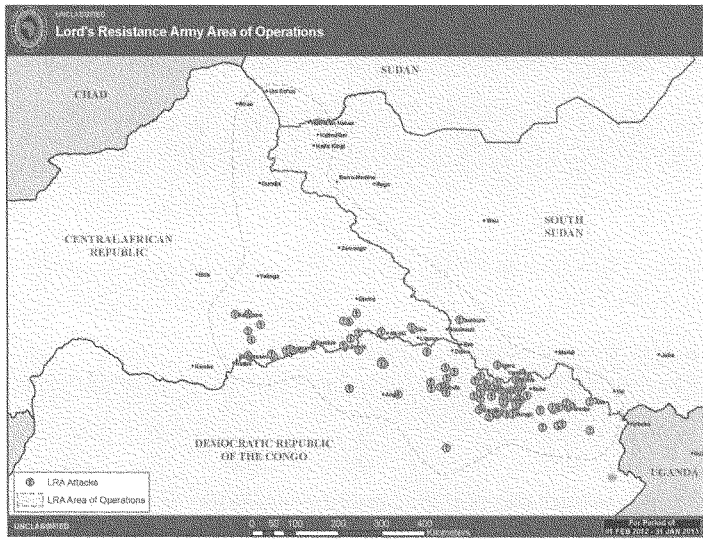
As part of our enduring partnership with Liberia, we are supporting the development of the Liberian Coast Guard and recently renovated the coast guard's pier to enable operations. U.S. Africa Command constructed a new Senegalese maritime operation center with follow on training and assistance to the new center's staff and advanced training to the Cape Verde Counter Narcotics and Maritime Operations Center. The U.S. Africa Command also assisted Cape Verde and Senegal in developing maritime operations centers that have facilitated the interdiction of suspect vessels.

STRENGTHENING DEFENSE CAPABILITIES

Strengthening partner defense capabilities enables African nations to provide for

their own security and helps U.S. Africa Command to develop enduring relationships that support freedom of movement and assured access for U.S. forces. We assist African nations in developing capable, accountable, self-sustaining military forces and defense institutions. Our capacity-building activities complement DoS programs and are planned in close coordination with embassy country teams and partner nations. Our engagements, which span the range of essential military capabilities, include combined humanitarian and medical assistance programs conducted in coordination with the USAID.

The success of AMISOM forces against al-Shabaab illustrates the positive impact of U.S. defense capacity-building efforts in the region. AMISOM forces receive pre-deployment training through the DoS Global Peace Operations Initiative's Africa Contingency Operations Training and Assistance (ACOTA) program. U.S. forces support and complement ACOTA activities with specialized training in skills that have played a critical role in enhancing the operational success of AMISOM forces, including intelligence analysis and countering improvised explosive devices. To date, the forces of five AMISOM troop contributing countries (Burundi, Djibouti, Kenya, Sierra Leone, and Uganda) were trained through the ACOTA program.



Advice and assistance from U.S. forces enhanced the capabilities and cooperation of military forces of Uganda, South Sudan, Central African Republic, and Democratic Republic of the Congo currently engaged in operations to counter the Lord's Resistance Army (LRA). Operational gains made by regional forces over the past year, combined with civilian efforts, resulted in increased LRA defections, the capture of key LRA leaders, and decreased LRA attacks on civilian populations. The formation of an African Union Regional Task Force will facilitate further cooperation among counter-LRA forces.

U.S. Africa Command is broadly supporting U.S. commitments to countries undergoing democratic transitions by assisting in the development of professional militaries that respect civilian authority, are respectful of the rule of law, and are increasingly capable of securing their borders and combating mutual threats, including transnational terrorism. We continue to develop our and strengthen partnerships with the armed forces of Libya and South

Sudan. In South Sudan we have developed a comprehensive program that supports the ongoing DoS security assistance program. Our current focus is on education of key institutional-level personnel and small-scale civil action projects with the South Sudanese military. Our engagement with the Libyan Armed Forces similarly focuses on education and also emphasizes the strengthening of Libyan counter- terrorism capabilities. As these relationships continue to develop, we look forward to deepening our partnership with both militaries.

U.S. Africa Command's engagements with African land forces will be enhanced as the command becomes the first combatant command to be supported by a brigade through the Army's Regionally Aligned Force (RAF) concept. Beginning in March 2013, 2nd Brigade, 1st Infantry Division will support U.S. Africa Command in developing enduring relationships and cooperation with partner nation land forces. RAF engagements will likely range from small travelling contact teams to support to major exercises. Initial planning for the RAF includes support to State Department-led ACOTA training for African forces deploying in support of United Nations and African Union peacekeeping operations.

An area of emerging focus is strengthening partner defense capabilities in air security and safety. Last year, our dual-hatted Air Force component, USAFE-AFAFRICA, launched the African Partnership Flight (APF) program, which promotes regional cooperation and strengthens the capabilities of partner nation air forces to provide airlift support to United Nations and African Union peacekeeping operations. 150 airmen from five African nations participated in APF's initial event last year, which addressed air mobility and logistics for peacekeeping operations, priority areas in which African air forces have very limited capabilities. APF will expand this year to include 175 students from eight nations.

The State Partnership Program (SPP) provides unique capabilities that augment our

ability to build enduring relationships with strategic partners in the region. SPP engagements build mutual U.S. and partner nation capacity to address shared security challenges. SPP activities currently contribute to our security cooperation with eight partner nations; Botswana, Ghana, Liberia, Morocco, Nigeria, Senegal, South Africa, and Tunisia. SPP engagements account for over 40 percent of military-to-military engagements each year. Expansion of the State Partnership Program, particularly in East and North Africa, would assist in developing stable and enduring relationships with additional strategic partners, providing a foundation for capacity-building efforts by rotational forces.

Over the past year, U.S. Africa Command increased activities in support of the National Action Plan on Women, Peace, and Security, including integrating gender training, which is tailored to partner nation socio-cultural dynamics, into our security sector reform activities. Liberia has established a goal of 20 percent female representation in its armed forces, a development that reflects the increasing regional interest in expanding opportunities for women in the armed forces. We are also working with the Botswana Defence Forces to assist in its efforts to expand the integration of women into their forces.

PREPARING AND RESPONDING TO CRISIS

U.S. Africa Command stands ready to respond to crises across the continent. Several incidents in the last year caused the Command to act to ensure the safety and security of American citizens including the January 2012 rescue of American citizen Jessica Buchanan and Danish citizen Poul Thisted from captors in Somalia. In November 2012, when rebel activities in the Central African Republic required the suspension of U.S. Embassy operations, we assisted the DoS in evacuating U.S. Embassy personnel and American citizens.

The dynamic security environments that followed the Arab Awakening have increased requirements for crisis response capabilities. U.S. Africa Command capabilities to respond to crisis have matured over the past year, including the establishment of a headquarters Command Center and the allocation of a Commander's In-extremis Force in October 2012. The Commander's in-Extremis Force is currently based in Colorado, with a rotational element forward in Europe. Forward basing in Europe would increase the capability of the command to rapidly respond to incidents on the continent. Our Special Purpose Marine Air Ground Task Force, which previously focused on supporting security cooperation activities, will be expanded to allow support to crisis response, further increasing our capabilities in this regard.

HOW CONGRESS CAN HELP

Sequestration and potentially, a year-long extension of the current continuing resolution, will have a negative impact on the command. The combined effects may force significant reductions in theater security cooperation activities and joint and combined exercises, potentially endangering progress in strengthening partner defense capabilities, gaining access to strategic locations, and supporting U.S. bilateral policy objectives. Meeting Africa's many challenges requires the collaboration and support of all agencies of the U.S. government and the support of Congress. Enactment of full year appropriations for defense, military construction, DoS, and USAID programs is critical to effective program planning and mission execution. Because U.S. government efforts are interconnected and often mutually dependent, fully resourcing one of these pillars without the others compounds the difficulties of planning and execution, and hinders mission completion.

Many of our programs use a mix of DoS and DoD authorities and funding. For example, DoS peacekeeping operation authority provides for training our African partner

nation forces, while DoD section 1206 authority provides for equipping those forces. The use of dual authorities requires close coordination between departments, and full funding of the DoS's security assistance programs is critical to success. We work with our interagency partners to ensure the resources provided by Congress are appropriately tied to our defense and foreign policy priorities.

We are keenly aware of the current fiscal environment and support all ongoing DoD efforts to decrease spending and ensure funds are wisely utilized. Our efforts under the Campaign to Cut Waste resulted in budget plans which reflect a savings of $1 million in both monetary and process efficiencies. We have also taken a hard look at our staffing levels, contracts, and conferences to determine where savings can be realized. We applied a self-imposed 5 percent personnel reduction for both FY13 and FY14 and are on a path to all but eliminate temporary hires and overhires. But sequestration and a possible year-long extension of the current continuing resolution will have serious negative consequences for our efforts.

I thank this committee and Congress for its support of our team and our mission. You have provided key authorities at appropriate times, as in extending through FY14 the temporary authority to build the counter-terrorism capacities of Djibouti, Ethiopia, Kenya, and countries engaged in AMISOM. Pursuant to this authority, we have worked with the DoS to plan and execute our support to counter-terrorism capacity-building at a critical time. We are currently providing logistical equipment to Djiboutian and Kenyan forces participating in AMISOM. We appreciate this authority and believe it will enable AMISOM forces to continue their progress against al-Shabaab.

We also appreciate the enhanced train and equip authority under section 1206 of the FY 2006 NDAA, as amended in the FY 2013 NDAA, to permit small scale military construction among the authorized elements.

Your annual reauthorization of the temporary, limited authority to use operation and maintenance funding for military construction in support of contingency operations in our area of responsibility has permitted us to meet critical operational support needs in a timely fashion, and we appreciate your recognition of its importance.

The recent volatility in North and West Africa demonstrates the importance of sufficient Intelligence, Surveillance, and Reconnaissance (ISR) assets to cover multiple crises simultaneously. ISR capabilities are required to protect American interests and to assist our close allies and partners. We appreciate the authorization in the FY 2013 NDAA of an additional $50 million for ISR in support of our counter-LRA efforts.

We appreciate your continued support for the Combatant Commander Exercise and Engagement Program. This program is the foundation of our exercises in Africa and funds strategic lift requirements as well as providing Service Incremental Funds to our components, ensuring we can provide the forces to work and exercise alongside our African partners.

Finally, we welcome visits by Congressional Members and their staffs. The Members and staff who have had the opportunity to travel in Africa gain a deeper appreciation for the challenges and the many opportunities that are presented in this large and diverse continent.

CONCLUSION

The African continent will continue to present a complex and fluid set of challenges and opportunities. African nations, the African Union, and regional economic communities are increasingly demonstrating their willingness to address African security challenges. At U.S. Africa Command, we will continue to engage with our African partner militaries to strengthen their skills and capabilities, so they are better able to address shared security concerns and are

able to contribute to regional stability and security. We also look forward to strengthening our existing partnerships and developing new partnerships, such as we have with the Libyan military.

Our contributions to protecting and advancing our national interests would not be possible without our interagency partners across the government, including the Department of State, U.S. Agency for International Development, the incredibly dedicated women and men of the U.S. intelligence community and others. Our team of Soldiers, Sailors, Airmen, Marines and Coastguardsmen – and our DoD and interagency civilian teammates – is dedicated to our mission and their achievements would not be possible without the strong support of their families.

Thank you for your enduring support to our men and women in uniform and for your interest in this increasingly important region of the world.

TUESDAY, MAY 7, 2013.

FISCAL YEAR 2014 NAVY AND MARINE CORPS

WITNESSES

HON. RAY MABUS, SECRETARY, U.S. NAVY
ADMIRAL JONATHAN W. GREENERT, CHIEF OF NAVAL OPERATIONS
GENERAL JAMES F. AMOS, COMMANDANT, U.S. MARINE CORPS

OPENING REMARKS OF MR. FRELINGHUYSEN

Mr. FRELINGHUYSEN. The subcommittee will come to order.

Good morning, gentlemen. Thank you for being with us.

Chairman Young has been unavoidably detained and will perhaps join us later. He has asked me to proceed and welcome everybody on his behalf.

This morning, the subcommittee will hold an open hearing on the posture and budget request of the Department of the Navy. We will focus on Navy and Marine Corps personnel training and equipment readiness, and we will also touch on acquisition issues to gain insights into the Department's priorities and decision-making.

We would like to welcome Secretary of the Navy Ray Mabus, Chief of Naval Operations Admiral John Greenert, and Commandant of the Marine Corps General James Amos. Welcome to you all.

General Amos, we missed having you with us last year, but General Dunford filled in for you very ably. And we recently saw him in his new role as commander of the International Security Assistance Force and U.S. Forces-Afghanistan.

And, General Amos, on behalf of our entire committee, we extend to you and the Corps our greatest sympathy at the loss of another two Marines. And we recognize the loss to their families and to the Corps, as we do, obviously, the loss of other soldiers in recent weeks. So, on behalf of the committee, we extend our greatest sympathy to you and the Marine Corps.

General AMOS. Thank you, Congressman. I appreciate that, and I will pass that to my Marines.

Mr. FRELINGHUYSEN. Please do.

Thank you all for being here today. I am sure I can safely speak for every member of this subcommittee in thanking you for your service to our great Nation.

Gentlemen, we look forward to hearing how you will be able to craft a workable budget for fiscal year 2014, although we understand that it remains very much a work in progress depending on how the sequestration reductions are absorbed in fiscal year 2013.

We are all very concerned with the state of the Navy's shipbuilding program. The Navy's new stated requirement for fleet size stands at 306 ships, down from a long-stated-but-never-achieved fleet size of 313 ships. The long-term shipbuilding forecast sub-

mitted with this budget shows that the Navy will reach its requirement of 306 ships in 2037, a full quarter of a century in the future. It seems that every year this subcommittee is assured that the shipbuilding plan is sufficient for our Nation's requirements and just as frequently the satisfaction of those requirements shift further into the future.

Secretary Mabus, you have been quoted as saying that the Navy has placed 43 ships under contract since you have been in office, but a good portion of those ships don't seem to be the classic combatants, such as large cruisers, guided missile destroyers, or submarines normally associated with the U.S. Navy's dominance. While some of these ships certainly are the classic type, several of them are small combatant ships like the littoral combat ship or auxiliary ships like the Mobile Landing Platform or transport vessels like the Joint High-Speed Vessel—in other words, to our way of thinking, support ships. There are likely even a couple of oceanographic research vessels being counted.

Also of concern in this request is incremental funding of a Virginia-class submarine. There have been 18 Virginia-class submarines appropriated and authorized prior to this one. We fail to see what makes this submarine so special and critical that it requires you to violate your own longstanding full-funding policy that is spelled out so clearly in your own financial management regulations.

Incremental funding of end items equates to buying merchandise on a credit card and letting balances accumulate. Since the practice started with aircraft carriers several years ago, it certainly has not resulted in the Navy's ability to purchase more ships. In fact, we would say the opposite is true. In this case, $950 million of fiscal year 2015 funding that could go to purchase new equipment will now be required to pay off the Navy's fiscal year 2014 debt accumulated as a result of incrementally funding this submarine.

This will be further exacerbated by the sequestration, as we understand that $300 million of the requirements for fiscal year 2013 submarines have been deferred to the out-years and will require payment in future years. Additional out-year requirements will most certainly result from other shipbuilding programs as a result of sequestration, further eroding what the Navy can purchase in the future. We think these times of budget uncertainty more than ever will require budget discipline and not such funding devices.

Despite all these challenges, as we have always done in the past, this subcommittee will work hard to ensure that the Department of the Navy is ready and able to conduct the very important missions you have been given. This year more than ever we will have to work together to ensure the best result possible is achieved.

So we welcome you. We look forward to your comments and a very informative question and answer question.

Now let me turn to our ranking member, Mr. Visclosky, for any comments or statements he would like to make.

Mr. Visclosky.

REMARKS OF MR. VISCLOSKY

Mr. VISCLOSKY. Mr. Chairman, thank you very much.

I would associate myself with the chair's remarks. I thank the gentlemen for their service and welcome you to the committee today.

Thank you very much, Mr. Chairman.

Mr. FRELINGHUYSEN. Mr. Secretary, thank you for being with us. We do have a copy of your remarks, and we will put those remarks in the record, but please proceed. We welcome you here today.

SUMMARY STATEMENT OF SECRETARY MABUS

Mr. MABUS. Thank you, Mr. Chairman.

Mr. Chairman, Ranking Member Visclosky, members of the committee, first let me thank you all for your unwavering support for the Department of the Navy, our sailors, our Marines, our civilians, and their families. General Amos, the Commandant of the Marine Corps, and Admiral Greenert, the Chief of Naval Operations, and I could not be prouder to represent those steadfast and courageous sailors, Marines, and civilians. No matter what missions are given them, no matter what hardships are asked of them, these men and women serve their Nation around the world with skill and dedication.

In the past year, the Navy and Marine Corps team has continued to conduct the full range of military operations. From combat in Afghanistan to security cooperation missions in the Pacific to disaster recovery operations on the streets of Staten Island, sailors and Marines have gotten the job done.

As the United States transitions from two land wars in Central Asia to the maritime-centric defense strategy announced 16 months ago, our naval forces will be critical in the years ahead. This strategy, which focuses on the Western Pacific, the Arabian Gulf, and continuing to build partnerships around the globe, requires a forward-deployed, flexible, multimission force that is the Navy and Marine Corps, America's away team.

Within this strategy, we have to balance our missions with our resources. We are working under Secretary Hagel's leadership on a strategic choices and management review to assess how we deal with the budget uncertainty facing the Department as we go forward.

2013 has been hard because we began the fiscal year operating under a continuing resolution that gave us little room to be strategic and to prioritize, limiting our ability to manage the Navy and Marine Corps through this new fiscal reality. Thanks to the efforts of this committee and your congressional colleagues, we have an appropriations bill for this fiscal year, but sequestration is still forcing us to make across-the-board cuts totaling more than $4 billion from our operations and maintenance accounts and about $6 billion from our investment accounts. These cuts will have real impacts.

We have prioritized combat operations in Central Command and deployments to Pacific Command. However, we have had to cancel a number of deployments to Southern Command in order to maintain our priority deployments in 2013 and 2014 to meet the Global Force Management Allocation Plan. Funding shortfalls will cause our units at home to cut back training and maintenance. Pilots will get less flight time, ships will have less time at sea, and Marines

less time in the field. It will take longer for repair parts to arrive when needed. Our facilities ashore will be maintained at a much lower level.

The Department's 2014 budget request is a return to a measured budget approach, one based on strategy that protects the warfighter by advancing the priorities that I have referred to as four P's: people, platforms, power, and partnerships.

We are working to make sure that our people are resilient and strong after more than a decade of very high operations tempo with programs like 21st Century Sailor and Marine. With this, we aim to bring all the efforts on protection and readiness, fitness, inclusion, and continuing service together as one coherent whole. This encompasses a wide range of issues from preventing sexual assault and suicide to fostering a culture of fitness, to strengthening the force through diversity, to ensuring a successful transition following 4 years of service or 40.

In the Marine Corps, we continued decreasing manpower to meet our new end strength of just over 182,000 by fiscal year 2016, but we are doing this in a way which keeps faith with Marines and helps retain the right level of noncommissioned officers and field-grade officers and their experience.

We are also working to make sure that our sailors and Marines have the tools and platforms they need to do the missions they are given. One of the most important of these is our fleet. As you pointed out, Mr. Chairman, the Navy of today has 47 ships under contract. For a little history, on September 11, 2001, the U.S. Navy had 316 ships. By 2008, after one of the largest military buildups in American history, that number was 278. In 2008, the Navy put only three ships under contract, far too few to maintain the size of the fleet or our industrial base. And many of our shipbuilding programs were over budget, behind schedule, or both.

One of my main priorities as Secretary has been to reverse those trends. Today, the fleet has stabilized, and the problems in most of our shipbuilding programs have been corrected or arrested. We, today, as I said, have 47 ships under contract, 43 of which were contracted since I took office, as you pointed out. And our current shipbuilding plan puts us on track for 300 ships in our fleet by 2019.

The way we power our ships and installations has always been a core and vital issue for the Department of the Navy. We continue to lead in energy, as we have throughout our history. From sail to coal to oil to nuclear, the Navy has led in moving to new sources of power, and every single time it has made us a better warfighting force. Today, for Marines making power in the field to alternatives on land, on and under the sea, and in the air, the Navy and Marine Corps are powering innovations that will maintain our operational edge.

Building partnerships, building interoperability, capacity, and capability in our partners is a crucial component of our defense strategy. The strategy directs that this be done in a low-cost, small-footprint, innovative way. This is precisely what the Navy and Marine Corps do.

The process that we used to craft the Department's budget request was determined, deliberate, and dedicated our responsibility

to you and to the taxpayer. And, like both the House and Senate budget resolutions, we do not assume that sequestration will continue in fiscal year 2014.

Mr. Chairman, members of the committee, the budget we are submitting supports the defense strategy. It preserves the readiness of our people, and it builds on the success we have achieved in shipbuilding. For 237 years, our maritime warriors have established a proven record as an agile and adaptable force. Forward-deployed, we remain the most responsive option to defend the American people and our interests.

Thank you very much.

Mr. FRELINGHUYSEN. Thank you, Mr. Secretary.

[The written statement of Secretary Mabus follows:]

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RELEASED BY THE HOUSE
SUBCOMMITTEE ON DEFENSE
COMMITTEE ON APPROPRIATIONS

STATEMENT OF

THE HONORABLE RAY MABUS

SECRETARY OF THE NAVY

BEFORE THE

HOUSE SUBCOMMITTEE ON DEFENSE

COMMITTEE ON APPROPRIATIONS

ON

07 MAY 2013

NOT FOR PUBLICATION UNTIL
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HOUSE SUBCOMMITTEE ON DEFENSE
COMMITTEE ON APPROPRIATIONS

Chairman Young, Ranking Member Visclosky, and members of the committee, today I have the privilege of appearing on behalf of the Sailors, Marines, and civilians who make up the Department of the Navy. This is the fifth time that I have been honored to report on the readiness, posture, progress, and budgetary requests of the Department. With my shipmates—Commandant of the Marine Corps, General James Amos, and Chief of Naval Operations (CNO), Admiral Jonathan Greenert—I take great pride in the opportunity to both lead and serve the dedicated men and women of the Department. This statement, together with the posture statements provided by CNO Greenert and Commandant Amos, present a comprehensive overview of the state of the Department of the Navy.

For 237 years the United States Navy and Marine Corps have been deployed around the globe, conducting missions across the full spectrum of military operations. Whether ashore, in the air, on or under the world's oceans, or in the vast cyberspace, The Navy-Marine Corps team operates forward, as America's "Away Team," to protect our national interests, respond to crises, deter conflict, prevent war or, when necessary, fight and win. The past year has been no different. Among myriad missions, our Sailors and Marines have continued to conduct combat operations in Afghanistan; maritime stability and security operations around Africa; ballistic missile defense with our allies in Europe, the Middle East and the Pacific; and humanitarian assistance and disaster relief missions from the archipelagos of Southeast Asia to the streets of Staten Island.

Today we continue to transition from a decade of war and counter-insurgency ashore to a time of increased global uncertainty. Eighty percent of the world's population live a short distance from the sea and 90 percent of global trade moves by sea, so our naval forces play a vital role in

delivering the security needed to help address today's global challenges. The Nation's Defense Strategic Guidance, as announced by President Obama, directs focus toward the maritime-centric regions of Western Pacific and Arabian Gulf and uses innovative, low-cost, light footprint engagements in other regions. These are tasks tailor made for the Navy-Marine Corps Team. The Commandant, CNO, and I are confident that with proper resourcing, the U.S. Navy and Marine Corps will meet today's and tomorrow's missions.

Almost a century ago the United States began a fruitful period of profound military development between the First and Second World Wars. Vice Admiral William Sims, commander of our naval forces in England during World War I, wrote that "we must be on our guard against the dangers of a lack of vision." As then, strategic thinking and innovative development of our operating concepts will be central to our success now and in the future. The ability to think and adapt to changes in the fiscal and operational environment has been and will be the key to the success of American naval forces.

The Department of the Navy has a proven track record of effective and efficient management of our nation's most important maritime resources: people, platforms, power, and partnerships. The most resilient and capable force in our history protects the Nation. In the past four years, we have stabilized the size of the Fleet, and we are building more capable ships with greater accountability and at a better value to the taxpayer and we are on a trajectory to restore the Fleet to 300 ships by 2019. The Navy and Marine Corps are seeking ways to lessen dependence on fossil fuel and volatile oil prices, some of our greatest military vulnerabilities, by using more efficient and varied forms of power. And we are building and maintaining the global partnerships that are so critical to the Navy and Marine Corps' ability to project power

throughout the world through forward deployment. As we sail into a new maritime century, the Navy and Marine Corps team is the most formidable expeditionary fighting force the world has ever known.

Naval Operations in 2012

Operational tempo in 2012 was high. On a daily basis, almost half the fleet was at sea and more than 70,000 Sailors and Marines were deployed; our reserve components mobilized over 3,700 Sailors and 5,000 Marines to support operations. Our forces conducted combat and maritime security operations, bi-lateral and multi-lateral exercises with our international partners, and humanitarian assistance missions.

Pacific Command (PACOM)

The Asia-Pacific is fundamentally a maritime region, and over 50 percent of the world's population and the world's five largest armed forces lie within the operating area of the U.S. SEVENTH FLEET. Emphasizing our existing alliances while also expanding our networks of cooperation with emerging partners is central to the defense strategy articulated by the President in January 2012. Our mission is to provide security with combat ready units, demonstrated by the forward basing in Japan of USS GEORGE WASHINGTON and her strike group as well as the USS BONHOMME RICHARD amphibious ready group and 31st Marine Expeditionary Unit. Destroyer Squadron 15 continues to conduct Ballistic Missile Defense (BMD) patrols that contribute significantly to this mission. When North Korea conducted launches using ballistic missile technology in both April 2012 and December 2012, our ships were on scene to monitor the situation and defend our forces and allies if needed.

The first Marine rotational force arrived in Darwin, Australia early last year. The Marines, part of the 3rd Marine Expeditionary Force (MEF) soon after embarked USS GERMANTOWN and began operations in the region. Working with naval assets like the destroyer USS LASSEN and the submarine USS BUFFALO the Marines participated in the long standing Cooperation Afloat Readiness and Training (CARAT) exercises with a number of our allies and partners including Thailand, Singapore and Bangladesh. Marines from 3rd MEF also participated in Mongolia's KHAAN QUEST 2013 exercise as part of a joint force that included the U.S. Army. The multinational exercise started ten years ago as a bi-lateral training opportunity between U.S. Marines and Mongolian forces and has grown to include participants from ten countries.

Exercise MALABAR, an annual bi-lateral exercise between U.S. and Indian Forces, continued to expand in 2012 and comprised training in numerous mission areas including maritime security operations and strike missions. U.S. units, including the USS CARL VINSON strike group, conducted operations both at sea and ashore with our partners from the Indian Navy. In cooperation with the Armed Forces of the Philippines in 2012 we expanded our annual BALIKATAN exercise to include 20 participating partners from the Association of South East Asian Nations (ASEAN). This year's exercise focused on Humanitarian Assistance, Search and Rescue, and helped develop interoperability with the participating forces.

In 2012 our west coast hospital ship, USNS MERCY executed a five-month PACIFIC PARTNERSHIP humanitarian assistance deployment, conducting medical and civic assistance missions in Indonesia, Vietnam, the Republic of the Philippines, and Cambodia. PACIFIC PARTNERSHIP began as a humanitarian response to one of the world's most catastrophic natural disasters, the 2004 tsunami that devastated parts of Southeast Asia. The PELELIU

Amphibious Ready Group and Marines from the 15th Marine Expeditionary Unit (MEU) conducted Exercise CROCODILO with the Defense Forces of Timor-Leste, demonstrating the importance of working with all partner nations, no matter the size of their naval forces, which share our commitment to peace and security.

Our largest operation in the Pacific this year was the biennial Rim of the Pacific Exercise (RIMPAC). The largest maritime exercise in the world, RIMPAC in 2012 had participants from 22 nations, including for the first time the Russian Navy. RIMPAC provides a unique training opportunity that helps foster and sustain the cooperative relationships that are critical to maritime safety and security not only in the Pacific, but across the globe. This year's exercise also displayed the Navy's commitment to energy security with the Great Green Fleet demonstration. USNS HENRY J. KAISER conducted an underway replenishment with USS NIMITZ, USS PRINCETON, USS CHAFEE, and USS CHUNG-HOON, refueling all the ships and types of aircraft in the NIMITZ Strike Group with a 50/50 blend of advanced biofuels and petroleum based fossil fuels. Every type of aircraft that flew from the strike group flew on this blend and all the surface ships sailed on this blend. No engines were changed in any way. This demonstrated the effectiveness and seamlessness of the use of advanced biofuels during operations at sea.

Central Command (CENTCOM)

Marines and Sailors, active and reserve, remain engaged in operations in Afghanistan. They have denied the Taliban safe haven and substantially calmed the violent Helmand Province. Along with Coalition partners from eight nations and the Afghan National Security Forces (ANSF), Marines have succeeded in pushing enemy initiated attacks outside populated areas, diminishing

the enemy's ability to disrupt governance efforts by Afghans and bringing increased security to population centers.

As 9,000 Marines have been drawn down in Helmand over the course of the year, our forces there helped to standup the 215th Corps of the Afghan National Army as well as units of the Afghan National Police and Afghan Local Police. Through these efforts, ANSF has increasingly taken responsibility for securing this area. ANSF units currently conduct 80 percent of operations on their own while leading 85 percent of all operations in Helmand Province.

Aircraft from Carrier Strike Groups in the Indian Ocean conducted thousands of sorties supporting combat operations in Afghanistan with Intelligence, Surveillance and Reconnaissance (ISR) and close air support. With two Carrier Strike Groups in the region for much of the year, regular flight operations were also conducted in the Arabian Gulf. USS PONCE also deployed to the region to demonstrate and employ the capabilities of our future Afloat Forward Staging Bases (AFSB).

Off the Horn of Africa, we continue to work with partners in Combined Task Force 151 and other counter-piracy missions. Primarily as a result of these efforts, there was a dramatic drop in the number of pirate attacks during 2012. While the primary purpose and goal of counter-piracy operations is to enhance maritime security in the region, an additional benefit is the development of operational relationships with a wide range of partners. For example, in September USS WINSTON S. CHURCHILL conducted exercises to expand counter-piracy expertise and promote interoperability with the Chinese frigate YI YANG, the first bi-lateral exercise of its kind between the navies of the United States and the People's Republic of China.

European Command/Africa Command/Southern Command (EUCOM/AFRICOM/SOUTHCOM)

US Navy ships teamed with 11 European and African partners for PHOENIX EXPRESS 2012, a maritime security exercise in the Mediterranean. AEGIS ships in EUCOM continued their BMD patrols for the European Phased Adaptive Approach to missile defense and planning continues to forward base four guided missile destroyers in Rota, Spain. The High Speed Vessel (HSV) SWIFT circumnavigated Africa for AFRICAN PARTNERSHIP STATION, making 20 port calls to conduct security cooperation missions and humanitarian assistance. Marines from Special Purpose Marine Air-Ground Task Force (SPMAGTF) Africa trained counter-terrorism forces and provided support to forces across the Maghreb region of North Africa.

In the Caribbean, western Atlantic, and eastern Pacific work continued with our regional partners to counter transnational organized crime. Aircraft from Helicopter Anti-Submarine (Light) and Carrier Airborne Early Warning squadrons flew detection and monitoring missions while our ships, working with the U.S. Coast Guard, helped confiscate millions of dollars of illegal drugs and illicit cargo.

SOUTHERN PARTNERSHIP STATION provided both military to military training opportunities and humanitarian assistance missions to countries in Central and South America. The Navy also supported the annual UNITAS exercises, multinational naval exercises designed to enhance security cooperation and improve coalition operations. UNITAS exercises are typically conducted annually in Atlantic and Pacific waters around South America, and in 2012 U.S. Southern Command conducted bilateral training opportunities with nations including Guatemala, Honduras, and Belize. PANAMAX, the annual U.S. Southern Command-sponsored multinational exercise series, focused in 2012 on ensuring the defense of the Panama Canal.

Personnel from 17 nations, including the United States, participated in simulated training scenarios from various U.S. locations.

Northern Command (NORTHCOM)

When Hurricane Sandy came ashore in October, the Navy and Marine Corps immediately gathered resources to support the Federal Emergency Management Agency (FEMA) and other Federal agencies in the response to this disaster. USS WASP, USS SAN ANTIONIO, USS CARTER HALL, and USNS KANAWHA steamed to the coast of New York and New Jersey and became logistics bases for relief efforts following the storm, working in concert with units deployed to Lakehurst Naval Air Station in central New Jersey. Marines from 26th MEU went ashore from WASP at Staten Island to clear debris and reopen streets, while Seabees ran supply convoys into hard hit areas and set up generators, removed beach sand from city streets, pumped over a million gallons of water from homes and removed tons of debris. Sailors from Mobile Diving and Salvage Units worked with FEMA and State officials in dewatering the World Trade Center site and the New York subway system, while members of the Coastal Riverine force cooperated with FEMA at the Hoboken Ferry Terminal to restore service.

Our sea-based strategic deterrent force of ballistic missile submarines continues to provide the most survivable leg of the nation's strategic deterrent triad. For 50 years, and for more than 4,000 strategic patrols, our Navy's submarine force has patrolled, undetected, below the sea. Our OHIO-class ballistic missile submarines promote global stability and provide credible and reliable deterrence.

There are countless other examples of Navy and Marine Corps units on, above and under the seas, on land both in the United States and in every corner of the globe, standing watch protecting this Nation.

Developing Capabilities for Future Operations

The 21st century presents us with new challenges or threats to both our national security and to global stability. The Navy and Marine Corps are working to develop new concepts and capabilities that will help address sophisticated anti access/area denial (A2/AD) networks, irregular and cyber threats, and the proliferation of precision guided munitions. The Navy, Marine Corps, Air Force and Army are working together to implement the Air-Sea Battle concept, which seeks to improve integration of air, land, maritime, space, and cyberspace forces. The Navy and Marine Corps are also developing the concept of an integrated battle force, taking many of the lessons we have learned about joint and combined operations, combining them with the results of exercises like BOLD ALLIGATOR 2012, the largest amphibious exercise in over a decade which was conducted on the coast of North Carolina in early 2012, and developing new frameworks for naval warfare and expeditionary operations.

Air Sea Battle

In order to ensure that U.S. forces remain able to project power on behalf of American interests, the Departments of the Navy, Air Force, and Army continue to develop the Air-Sea Battle concept and its capabilities. The Air-Sea Battle Office, jointly manned by all four services, is working on a series of initiatives to achieve the capabilities and integration required in future Joint forces so that Combatant Commanders have the tools they need, delivered with the most

efficient use of resources. Air-Sea Battle is building on the lessons learned by the joint force over the past three decades to enhance efficiency while confronting the challenge of A2/AD systems in all theaters of operations.

DON continues to work on the integration of advanced air and cruise missile defense capabilities, the development of BMD enhancements, and "soft-kill" capability. A new generation of Anti-Ship Cruise Missile (ASCM) remains a priority, which will increase the range and speed at which we can engage enemy surface combatants, the most capable of which are armed with advanced ASCMs. We are also developing the Virginia Payload Module for the VIRGINIA-Class submarines, to mitigate the loss of the undersea strike capacity of our guided missile submarines when they retire in the mid-2020s.

Defending Freedom of the Seas: Law of the Sea Convention

By custom, experience and treaty the traditional concept of freedom of the seas for all nations has developed over centuries. This vital part of the global order has been codified within the Law of the Sea Convention (LOS Convention). The DoD and DON continue to strongly support this important treaty. The LOS Convention guarantees rights such as innocent passage through territorial seas; transit passage through, under and over international straits; and the laying and maintaining of submarine cables. Nearly every maritime power and all the permanent members of the UN Security Council except the United States have ratified the convention. Our absence as a Party weakens our position and impacts our military, diplomatic, and economic efforts worldwide. Remaining outside the LOS Convention also undercuts our ability to challenge expansive jurisdictional claims that, if unchallenged, could undermine our ability to exercise our navigational rights and freedoms, conduct routine naval operations in international waters, and

provide support to our allies. Additionally, only as a Party to the Convention can the United States fully secure its sovereign rights to the vast resources of our continental shelf beyond 200 miles from shore. The uniformed and civilian leaders of the Department strongly support accession to the LOS Convention.

Departmental Priorities

Maintaining the world's most capable expeditionary fighting force means developing our Navy and Marine Corps as a strategic asset that provides our Commander-in-Chief with the broadest range of options in a dynamic and complex global security environment. As Secretary, I continue to charge the Department to focus on four key priorities: people, platforms, power, and partnerships, by ensuring we do the following:

> *Support our Sailors, Marines, civilians, and their families;*
> *Strengthen shipbuilding and the industrial base; Promote acquisition excellence and integrity; Continue development and deployment of unmanned systems;*
> *Recognize energy as a strategic national security issue; and*
> *Build partner capacity to help distribute the burden of securing the global maritime domain based on alliances, shared values and mutual trust.*

From training our newest Midshipmen and recruits, to supporting ongoing operations in Central Asia and the Pacific, to preparing for the future force, these principles will guide the Department in all of its many tasks.

Supporting Our Sailors, Marines, and their Families

Operational tempo is high and getting higher. The BATAAN Amphibious Ready Group and 22d Marine Expeditionary Unit's spent almost eleven months at sea, the longest amphibious deployment since World War II. Personnel with JOHN STENNIS Carrier Strike Group spent only five months at home between her two most recent seven-month deployments. Sailors, Marines, civilians and their families are being asked to do more with less, and it is the job of the Department's civilian and military leaders to provide them with the resources to maintain readiness, both physically and mentally, and to support families while loved ones are forward deployed.

The naval strategist and historian Alfred Thayer Mahan once wrote that being ready for naval operations "consists not so much in the building of ships and guns as it does in the possession of trained men." The Department is committed to our most important asset and the most critical combat payload for our ships, aircraft, and units ashore—our people. Over the last four years, I have visited with Sailors and Marines deployed in 96 countries across the globe. When our U.S. Navy and Marine Corps team is on the job, they are far from home and from the people they serve. One of my core missions is to remind them we are grateful for their service, and humbled by their sacrifice.

Pay and benefits are the most tangible example of our commitment to our Sailors and Marines, and an important focus for the Department. The President's budget includes a one percent pay raise for Sailors and Marines. The amount of this raise reflects the commitment to our Sailors

and Marines, while adhering to the current budget constraints faced by DOD. We support the modest TRICARE fee increase in the FY14 budget, which Congress has allowed the Department of Defense to link to CPI to help ensure an efficient and fair benefit cost, as well as efforts to introduce efficiency and cost savings into military pharmacies. These are important steps that help us introduce reform to the Department's personnel costs. The promise of a military retirement is one of the solemn pledges we make to compensate our service members when they volunteer for a full career. However, it is time for a review of this system. We fully support Congress's establishment of the Military Compensation and Retirement Modernization Commission to conduct a comprehensive review of military compensation and retirement systems. The commission must maintain a focus on ensuring any suggested changes support the required force profiles of the services. Keeping faith with those currently serving is a high priority, and the Commission and Congress should ensure that any resulting reforms protect our current service members through grandfathering those who prefer the current retirement structure.

We must manage resources to ensure support for the most combat effective and the most resilient force in history. The standards are high, and we owe Sailors, Marines, and civilians the services they need to meet those standards. I am very proud of the dedicated service provided by our civilian workforce, who despite economic sacrifices, continue to deliver outstanding products and services in support of the DON mission. The continued development of the 21st Century Sailor and Marine Initiative will help ensure that Sailors and Marines maximize their professional and personal readiness with initiatives that cut across previously stove-piped programs. In March 2012, aboard USS BATAAN, I outlined the five "pillars" of the 21st

Century Sailor and Marine which are: readiness and protection, safety, physical fitness, inclusion, and the continuum of service.

Readiness and protection will ensure Sailors, Marines, and their families are prepared to handle the mental and emotional rigors of military service. Ensuring the readiness of the force includes continuing campaigns by both services to deglamorize, treat, and track alcohol abuse.

It also means maintaining the standard of zero tolerance for sexual assault. The DON Sexual Assault Prevention and Response Office (SAPRO) is responsible for keeping the health and safety of our Sailors and Marines at the forefront. SAPRO has developed training initiatives, opened new lines of communication, and worked to ensure that offenders are held accountable while reducing the number of attacks. In the last year, SAPRO conducted dozens of site visits to Navy and Marine Corps installations world-wide. Their sexual assault prevention programs for leadership reached over 5,000 Navy and Marine officers and senior enlisted personnel at eight operational concentration sites. Simultaneously, live-acted and vignette-based programs, emphasizing the importance of bystander intervention in preventing sexual assault, were presented to packed theaters totaling roughly 15,000 Sailors and Marines. The Commandant of the Marine Corps has personally championed a Sexual Assault Prevention and Response (SAPR) Campaign Plan that engages his senior leadership in top-down, Corps-wide training initiatives anchored on the core values of Honor, Courage, and Commitment. He and the Sergeant Major of the Marine Corps have been tireless in conveying their expectations in special forums and personal visits to virtually every Marine Corps installation. Across both Services, literally every Sailor and Marine is receiving special SAPR training that emphasizes the concept of Bystander Intervention to prevent sexual assaults, and additional training tools are in development.

To enhance capabilities in the area of sexual assault prevention and prosecution, Naval Criminal Investigative Service (NCIS) created an advanced adult sexual assault training course. They have also launched a multidisciplinary Adult Sexual Assault Program, which synchronizes the efforts of investigators, prosecutors, and victim advocates. NCIS has continued its campaign to train the Department's leaders, conducting 389 briefings world-wide to over 48,000 service members. Last year they also introduced a 24-hour text-tip capability to enhance responsiveness to criminal allegations including sexual assault, receiving 1,300 web based referrals.

A ready force is also a force that understands how to respond to our shipmates in need in order to help stem the tide of military suicides. The Department will continue to work to improve suicide prevention programs to eliminate suicide from the ranks. This will not be easy. The complexities surrounding suicide requires an "all-hands" effort and comprehensive approach. New training programs, like the Marine Corps' R.A.C.E. (Recognize suicide warning signs, Ask one another about suicide, Care for one another through listening and support, and Escort fellow Marines to help), are just the start. Navy and Marine Corps commanders are fully engaged in promoting the psychological health of our Marines, Sailors, and family members and are receiving training on how best to provide solutions in their units. The message to all Navy and Marine Corps leaders is to look out for each other and to ask for help.

The fiscal uncertainty we live with today not only affects operational readiness; the impact may also manifest itself in safety performance. More than ever, we must emphasize safety and risk management, both on- and off-duty as operational tempo increases and our Sailors and Marines are asked to do more with resources that are being stretched. Efforts to ensure the safest and most secure force in the Department's history include more targeted oversight of our high risk

evolutions and training. To improve risk assessment, the Department is analyzing safety and safety-related data from a variety of sources and in 2012 committed to establishing a secure funding stream for the Risk Management Information System. The Department is also employing System Safety Engineers in the hazard and mishap investigation process.

Physical fitness is central to the ability of our Sailors and Marines to complete their missions. More than just another program, it is a way of life and supporting it resonates throughout the 21st Century Sailor and Marine Initiative. Throughout the force personal fitness standards will be emphasized and reinforced. That commitment extends to improving nutrition standards at Navy dining facilities with the "Fueled to Fight" program, developed and used by the Marines. Fueled to Fight emphasizes the importance of nutrition and healthy food items, and ensures their availability.

A cornerstone of the Department's commitments to individual Sailors and Marines is to ensure DON is inclusive and, consistent with military effectiveness, recruits, retains, and promotes a force that reflects the nation it defends. The aim to increase the diversity of ideas, experiences, expertise, and backgrounds to ensure the right mix of people to perform the variety of missions required of the services. With military requirements as a guiding tenet, the Department will reduce restrictions to military assignments for personnel to the greatest extent possible.

An officer corps must be representative of the enlisted force it leads. The United States Naval Academy, our Reserve Officer Training Corps programs, and Officer Candidate School have all continued to achieve high ethnic diversity rates as minority applications remain at historic levels. In recent years NROTC units have reopened at some Ivy League schools, and new units have opened at State Universities with large minority populations, including Arizona State University

and Rutgers University. The first group of women assigned to the submarine force have deployed aboard their boats. Three of these trailblazing officers already earned their qualifications in Submarine Warfare and were presented their "Dolphins" in a ceremony last fall. With success aboard Ohio Class ballistic missile submarines (SSBNs) and guided missile submarines (SSGNs) women will now be assigned to the attack submarine fleet and enlisted women will soon be included in the submarine force.

The final pillar, continuum of service, will provide the strongest transition support in the Department's history. The Navy and Marine Corps develop future leaders of our nation, in and out of uniform. For that reason, and for their service, individuals separating or retiring from the Naval Service should be provided the best assistance programs and benefits available to get a positive start in civilian life. The Department's education benefits, transition assistance, career management training, life-work balance programs, and morale, welfare, and recreation programs are keys to their future and have been recognized by human resource experts as some of the best personnel support mechanisms in the nation. Our transition efforts also bolster our ability to maintain a highly skilled Reserve force, ensuring those highly trained service members who want to continue to serve in a Reserve capacity are smoothly and appropriately aligned within the Reserve component.

Both the Navy and Marine Corps reached our recruiting goals again in the past year. The Navy is on track to meet its active duty-manning ceiling of 322,700 Sailors by the end of this fiscal year. The Marine Corps continues to draw down from 202,001 to the goal of 182,100 by FY2016 and stood at about 198,000 at the end of 2012. The quality of our recruits continues to rise, with high levels of physical fitness and increasing numbers of recruits with a high school diploma rather

than a GED. With high quality recruits the attrition numbers in Boot Camp have dropped, and more Sailors and Marines are successfully completing their follow-on schools, where they learn the basics of their military specialty.

In order to address many of the asymmetric military scenarios we face, the Department has initiated programs in our Special Operations and Cyber Forces to ensure we have the right personnel for the mission. For instance, the Department conducted a Cyber Zero-Based Review and developed a Cyberspace Manpower Strategy. Operating in and strategically leveraging cyberspace requires a sophisticated and technically savvy force and we must invest in their training and development. We also need an equally sophisticated officer corps to lead this force and therefore, I will make the construction of a cybersecurity studies facility at the U.S. Naval Academy a top priority in developing the FY2015-2019 military construction program, looking for opportunities to accelerate this vital project. With respect to Special Forces, the Department continues to work closely with U.S. Special Operations Command (USSOCOM) on their manpower priorities, including emphasis on targeted recruiting of personnel with language capability and ethnic diversity, compensation issues, and ensuring the proper balance of SOF manning during times of fiscal austerity.

The Department constantly evaluates its success at reintegrating the combat-wounded Sailor or Marine into civilian life. The Navy and Marine Corps have pressed forward in their efforts to support our wounded, ill, and injured (WII) Sailors and Marines. The Marine Corps' Wounded Warrior Regiment, based at Quantico, provides and facilitates non-medical assistance throughout all phases of recovery. With Battalions located on both coasts and detachments around the world, it has the global reach needed to support our men and women. The Navy has established

the Safe Harbor Program to coordinate the non-medical care of WII Sailors, Coast Guardsmen, and their families. The program provides a lifetime of individually tailored assistance designed to optimize the success of our shipmates' recovery, rehabilitation, and reintegration activities and has representatives at military treatment facilities all over the world, including partnering with some Veteran's Affairs facilities.

A key to successful integration is meaningful employment and the Department continues to lead by example in providing employment opportunities for Wounded Warriors and veterans. Civilian careers within the DON offer a wealth of opportunities that allow Wounded Warriors to apply the wide array of skills and experience gained from their military service. Last year, veterans represented more than 50 percent of new hires, with nearly one in ten having a 30 percent or more compensable service-connected disability. Additionally, nearly 60 percent of the Department's civilian workforce has prior military experience. The Department also continues to share best practices across the federal and private sector, and annually hosts the Wounded Warrior Hiring and Support Conference.

In addition to the successful efforts to help employ transitioning Sailors and Marines, the Department has also made tremendous strides to improve overall career readiness through the implementation of the newly designed Transition Assistance Program. Both the Navy and Marine Corps have reported compliance with the mandatory components of the transition program required by the Veterans Opportunity to Work to Hire Heroes Act (VOW Act) and implemented new and revised curriculum to facilitate pursuit of post-military goals. By the end of this year, program enhancements will also include the program's three individualized tracks for education, technical training, and entrepreneurship.

Strengthening Shipbuilding and the Industrial Base

Much has been said and written about the size of our Fleet. A few facts are in order. On September 11, 2001, the Navy's battle force stood at 316 ships. By 2008, after one of the great military buildups in American history, our battle force had shrunk to 278 ships. In 2008, the Navy built only three ships, and many of our shipbuilding programs were over budget or over schedule or both. Over the past four years, the Fleet has stabilized and many problems in our shipbuilding programs have been corrected or arrested. There are now 47 ships under contract, many under fixed-price contracts that ensure the Department receives the best value for our shipbuilding programs.

Maintaining and increasing current Fleet numbers is a challenge in the current fiscal environment. However, it is important that we succeed in this effort as our defense strategy calls upon us to focus on the maritime-centric theaters of Pacific and Central Command, while still remaining engaged globally. This is why building up the number of ships in our Fleet has been my priority from day one. With your support it will continue to be a priority as we allocate our resources moving forward.

The FY13 shipbuilding plan projected that, by the end of the five years of the Future Years Defense Plan (FYDP), the Fleet, because of a large number of retirements, would have 285 ships, about the same number as exist today. Beyond the FYDP, the Fleet would again experience growth reaching 300 ships before the end of the decade. The plan maintains a flexible, balanced battle force that will prevail in combat situations, including in the most stressing A2/AD environments, while living within the reduced means allocated.

Furthermore, our shipbuilding plan aims to build a Fleet designed to support the new defense strategy and the joint force for 2020 and beyond. A force structure assessment was recently completed and it found, due to the new defense strategy, forward basing and other variables that about 300 ships will be needed to meet the Navy's future responsibilities.

Regardless of the final battle force number, the Fleet's ship count will begin to rise as major surface combatant and submarine building profiles are sustained and as the Littoral Combat Ships (LCS) and Joint High Speed Vessels (JHSVs) built during the next five years begin to enter fleet service.

A healthy industrial base is necessary to support the Department's priorities going forward. Our nation faces tough economic times, so our plan, as we noted earlier, to grow the Fleet to 300 ships by 2019 means we have to work closely with the shipbuilding industry to ensure we maintain their skill and capability while growing a fleet affordable to the American people. The industrial base also includes our aircraft manufacturers, and the industry teams that develop the payloads aboard our ships. We will work to ensure diversity in supply as we move ahead, and we will look for opportunities to compete.

Promoting Acquisition Excellence and Integrity

One of the most important obligations of public service is a responsibility to be good stewards of the American people's money; it is particularly important given today's fiscal realities. Rebuilding the fleet with the right platforms continues to be a top priority, and requires efficient and smart spending based on a realistic vision of the future force. At the heart of the

Department's improved stewardship and leadership is the acquisition excellence initiative in force since 2009.

The central role Navy and Marine Corps play in the Nation's defense strategy drives the acquisition programs currently underway and those planned in the future. Contract requirements, aggressive oversight, and competition drive affordability. At every appropriate opportunity the Department pursues fixed price contracts like those in use for the LCS program, or multi-year procurements like those used to purchase the Virginia Class Submarines, MV-22 Ospreys and MH-60 helicopters. The Department continues to look for other innovative funding strategies that help ensure a consistent workload for the industrial base, as well as focus on increasing productivity and fostering innovation both in industry and government. Total ownership costs, eliminating unnecessary bureaucracy, and unproductive processes are always considered as programs are developed. Using these methods to inject affordability and refine requirements in the LCS and DDG 51 programs, the Department cut over $4.4 billion from the projected cost of the ships, and over $4.9 billion in projected life-cycle-costs.

To be responsible with the taxpayer's money also means we must take action against fraudulent contractors and shoddy work. The DON has greatly strengthened our suspension and debarment system, and enhanced its ability to protect the Department from unscrupulous and irresponsible contractors. NCIS has made significant investments in our major procurement fraud program and has realized a 300 percent return on investment through fines and recoveries associated with criminal prosecutions this year. During FY 12, the DON Suspending and Debarring Official (SDO) suspended or debarred 344 contractors, a 75 percent increase from the previous year. Most of this increase was the result of aggressive pursuit of "fact-based" debarments of

contractors who had been terminated for default or poor performance under a DON contract or who had mischarged costs against DON contracts, but also includes conviction-based debarments taken against contractors for fraud associated with Government contracts. The Government Accountability Office (GAO) has recognized the DON for its very active procurement fraud program, which actively pursues leads of contractor misconduct from numerous sources, and effectively carries out its suspension and debarment responsibilities under the Federal Acquisition Regulations.

To protect the Department's research, development and acquisition (RDA) process from a counterintelligence (CI) perspective, NCIS has partnered with intelligence community members at locations of special interest. For example, integration of NCIS resources at University Applied Research Centers (UARC) and the Applied Research Laboratories has allowed NCIS CI agents and analysts to intensify their operational efforts and investigations that protect these prioritized programs and technologies. Operation "Bigger Game", an integrated RDA CI effort, resulted in the arrest of seven individuals affiliated with a UARC for illegally exporting high-tech microelectronics from the United States to Russian military and intelligence agencies.

Over the past decade and a half the acquisition workforce was downsized. As a result, our expertise and experience was stretched too thin. With your support the Department has been slowly increasing the number of acquisition professionals, restoring the core competencies inherent in their profession and to our responsibilities in the Department to organize, train and equip the Navy and Marine Corps. Since starting the effort three years ago, the Department has grown the acquisition work force by 4,700 personnel, which has been key to increasing the

necessary technical authority and business skill sets, and improving the probability of program success.

Additionally the Department is keeping program managers in place longer to build up their expertise in and oversight of individual programs, which also contributes to program stability and success. The Department also invests in education for our program managers, who are sent to an intensive short course at the graduate business school at the University of North Carolina specifically targeting a better understanding of defense contractors. A pilot for mid-level managers began last year for a similar graduate level course at the University of Virginia Darden Business School. The Department is also changing the way program leaders are evaluated and now incentivizes them to work with their industry counterparts to manage costs. Finally, acquisition workforce professionalization is receiving the attention it deserves, and more resources are targeted to individual training, education and experience for individuals in key leadership positions.

Developing and Deploying Unmanned Systems

Unmanned systems will continue to be key military platforms, both in the maritime domain and ashore. Successful integration of the unmanned systems begins with the Sailors and Marines who support the effort. In October 2012, we established Unmanned Helicopter Reconnaissance Squadron 1 (HUQ-1), the first dedicated rotary-wing UAV squadron in the Navy, to train Sailors on the aircraft as well as provide deployable detachments. Across the entire spectrum of military operations, an integrated and hybrid force of manned and unmanned platforms is the way of the future. In the past year the Department has made significant movement forward in the development of unmanned systems.

In 2012 USS KLAKRING deployed with four MQ-8B Fire Scouts operated by Helicopter Anti-Submarine Squadron (Light) 42 to conduct operations in the FIFTH and SIXTH Fleets. The ship and squadron, which deployed with a Fire Scout detachment in 2011 in support of counter-piracy operations and operations off of Libya, continued to develop the tactics, techniques and procedures to integrate the Fire Scout helicopters into fleet operations. Another detachment of three Fire Scouts flew over 3,000 hours of ISR missions for Marines engaged in combat operations in Afghanistan. The next generation Fire Scout, the MQ-8C, made its first flight in 2010 and began production in 2012. It has greater range and payload capacity and it will fly its first missions to serve with Naval Special Warfare.

In unmanned rotary-wing aviation, the Marines have continued experimenting with the Cargo Resupply Unmanned Aerial System (CRUAS), using unmanned K-MAX helicopters for resupply in Afghanistan. These UAVs carry cargo to patrol bases and forward operating bases, eliminating the need for dangerous convoys. The contract was extended for another six-month deployment in Afghanistan, in order to build on the system's success.

A good example of integrating manned and unmanned systems is the Mine Countermeasures (MCM) Mission Module in LCS. This module includes the Remote Multi-Mission Vehicle (RMMV), which will tow the AN/AQS-20A mine hunting sonar to find mines, paired with a manned MH-60S helicopter with the Airborne Mine Neutralization System (AMNS) system to neutralize them. The development team is working with unmanned surface craft for autonomous mine sweeping and shallow water mine interdiction, as well as vertical take-off UAVs for detection and neutralization. USS INDEPENDENCE (LCS 2) has already conducted

developmental testing of the RMMV and continues to develop operating concepts and procedures.

This spring will bring the first flight of the MQ-4C Triton, the unmanned element of Navy's maritime patrol system of systems. Based on the proven Global Hawk, the Triton will play a central role in building maritime domain awareness and prosecuting surface targets. Further testing and evaluation will occur in 2013. Its experimental predecessor, the BAMS-D demonstrator aircraft, continues to provide maritime surveillance in FIFTH Fleet and to develop operating concepts for the aircraft.

The Unmanned Carrier Launched Airborne Surveillance and Strike system, or UCLASS, is changing the way reconnaissance and strike capabilities are delivered from our aircraft carriers. Designed to operate alone in permissive environments or as part of the air wing in contested environments, UCLASS will conduct ISR&T and/or strike missions over extended periods of time and at extreme ranges. Unlike manned carrier aircraft, UCLASS will not require flights solely to maintain pilot proficiency. The UCLASS airframe will be employed only for operational missions and operators will maintain proficiency in the simulator, extending its useful life expectancy considerably. Its airborne mission time will not be limited by human physiology but rather will be determined by tanker availability, ordnance expenditure, or the need to conduct maintenance. At NAS Lakehurst, the X-47 Unmanned Combat Air System, Aircraft Carrier Demonstrator (UCAS-D) conducted its first launch via catapult. In December, the X-47 went to sea for the first time aboard USS HARRY S. TRUMAN and conducted integration testing and evaluation with the flight deck crews for taxi checks and flight deck operability. Increased autonomy will continue to evolve and will continue to expand the

possibilities of what can be done with unmanned systems flying from a carrier. Integrated manned and unmanned systems will provide a more effective fighting force while helping to reduce risk to our Sailors and Marines.

Recognizing Energy as a Strategic National Security Issue

How the Navy and Marine Corps use, produce, and procure energy is a critical operational element. From the adoption of steam power over sail, the development of oil burning power plants, or the move to nuclear power more than half a century ago, the Navy has a history of leading in energy innovation. In this fiscally constrained environment we must use energy more efficiently and effectively. This fiscal environment also means that the Department must continue to lead on and invest in alternative energy. Failure to do so will leave a critical military vulnerability unaddressed and will expose the Department to price shocks inherent in a global commodity like oil.

The Department's energy initiatives are about combat and operational effectiveness. In wartime, energy is a tactical and operational vulnerability. Because of the massive amount of fuel that the Department uses, price shocks in the global market have a significant impact on budget resources. Every time the cost of a barrel of oil goes up a dollar, it effectively costs the Department an additional $30 million in fuel costs. These price spikes are mostly paid out of operational funds, which mean less steaming time, less flight time, less training time for our Sailors and Marines and lack of facilities sustainment. To help address these operational vulnerabilities and threats to our combat effectiveness, in 2009 I established energy goals for the Department. These goals drive the Navy and Marine Corps to strengthen our combat capability by using energy more efficiently and by diversifying our sources of power.

Efficiency and innovation are key starting points to changing the way we use energy. USS MAKIN ISLAND, the fleet's newest amphibious assault ship, is a great example. Designed with energy efficiency in mind, it has a unique hybrid electric power plant instead of the steam plant powering the rest of the WASP class. The ship returned from its maiden deployment last year and, between the highly efficient systems and the energy awareness of the crew, saved the Navy $15 million in fuel costs out of a budgeted $33 million over the seven-month deployment. Plans for the two following ships, USS AMERICA and USS TRIPOLI, include hybrid electric systems like MAKIN ISLAND and we are working on a similar system to back-fit it onto Flight IIA BURKE Class DDGs.

The Marine Corps has proven and is proving that energy efficient and renewable energy equipment increases combat effectiveness. Recognizing a combat multiplier, the Marines Corps came up with an innovative process to shorten the timeline from concept to combat. In just a year, using the Experimental Forward Operating Base (ExFOB) process, the Marine Corps equipped Marines with new capabilities that reduce the burden of fuel and batteries. Since Third Battalion, Fifth Marines deployed to Helmand Province in fall of 2010 with solutions identified through ExFOB, this equipment has become a standard part of the Marine Corps kit. Marine Battalions in Afghanistan are equipped with these energy technologies so we now have sniper teams, Special Operations teams, Communication units, Infantry and Artillery Units, and teams training our Afghan partners employing ExFOB-proven gear, from solar blankets to power radios, LED lights to illuminate tents, and solar generators to provide power at forward operating bases and combat outposts. These capabilities have made a real impact: enabling a foot patrol to operate for three weeks without battery resupply, reducing the backpack load on Marines, and increasing self-sufficiency at operations centers. Continuing to aggressively pursue solutions,

ExFOB deployed hybrid power solutions to Patrol Base Boldak in Afghanistan. With the lessons learned at Boldak, the Marine Corps is now writing requirements to redefine how they power the Force-with hybrid power systems and fewer generators that are right-sized for the mission. Capabilities that increase combat power through greater energy performance have become fundamental to Marine Corps modernization.

The Department continues to develop the drop-in, advanced biofuel initiative for our ships, aircraft, and shore facilities. Under the Defense Production Act, the Department of the Navy has teamed with the Departments of Agriculture and Energy to fund the Advanced Drop-in Biofuel Initiative to help the development of multiple, geographically dispersed biorefineries. Last fall, DoD issued a multi-stage solicitation under Title III of the Defense Production Act (DPA) that sought to construct or retrofit through public-private partnerships multiple, commercial-scale next generation bio-refineries geographically located and capable of producing cost-competitive, ready drop-in biofuels that meet or exceed military specifications. Soon, DoD will finalize negotiations with several companies that have met the criteria, including demonstrating the ability to domestically produce alternative fuels by 2016-2017 that are very cost-competitive with petroleum.

This past year the Navy purchased a B20 blend (80 percent conventional/20 percent biodiesel) for the steam plant at the St. Julien's Creek Annex, near Norfolk, VA. The cost of the B20 is 13 cents per gallon less expensive than conventional fuel, and is projected to save the facility approximately $30,000 over the 2012-2013 heating season.

Drop-in fuels are necessary so that no changes to our engines, aircraft, ships, or facilities are needed to burn the fuel and so we retain operational flexibility to use whatever fuel is available.

After testing individual platforms in 2011, in 2012 the Department took an important leap forward toward the goal of globally deploying ships and aircraft in maritime operations on competitively priced biofuels by 2016. At RIMPAC, the entire NIMITZ Carrier Strike Group, from the surface escorts to the helicopters flying patrol and logistics missions, conducted operations on a 50/50 conventional and biofuel blend. The ships of the strike group also demonstrated energy efficient technologies to reduce the overall energy use, including solid-state lighting, on-line gas turbine waterwash, and shipboard energy dashboards.

This year I issued the Department's "Strategy for Renewable Energy" to outline our path to procuring one gigawatt (GW) of renewable energy for our shore facilities by 2020. For reference, one GW can power a city the size of Orlando. This strategy will help us achieve the goal of obtaining 50 percent of our power ashore from alternative energy sources, at no additional cost to the taxpayer. The Department chartered a 1GW Task Force to create an implementation plan, calling on each region of our shore establishment to develop their own energy plans to help achieve these goals. In FY12 we initiated four power purchase agreements for large scale renewable energy including three photovoltaic projects, each of which will provide electricity cheaper than conventional sources and will save a total of $20 million over the lives of the agreements, and a waste-to-energy facility at MCAS Miramar that is cost neutral when compared to conventional power. All four of these projects have been developed with third party financing.

Continued leadership in this field is vital to the Nation's future. Our allies and friends around the world are actively exploring the potential of efficiency and alternative energy to increase combat effectiveness and strategic flexibility. The Australian Navy is drafting an alternative fuels

policy, and the Department is working closely with them to ensure interoperability so that our forces can use alternative fuels together. The British Army, partnered with Marines in Afghanistan, has begun to use alternative energy equipment developed by the Marines in their ExFOB program at the bases they operate in theater. These partnerships are emblematic of the types of engagements with our allies around the world on important topics such alternative fuels, energy efficiency and renewable energy that we must continue to lead to provide secure alternatives, improve reliability of fuel supplies, and enhance combat and operational effectiveness.

Energy, fuel, and how we power our ships have always been a vital issue for the United States Navy. Those who question why the Navy should be leading in the field forget the Navy's leadership in energy throughout history. From John Paul Jones rebuilding the sailing rig of USS RANGER in France in order to make the ship faster and more efficient before raiding the British seacoast, to the deployment of our first nuclear powered aircraft carrier USS ENTERPRISE, which was just decommissioned, the energy and fuel to propel the Fleet has been a key element of the U.S. Navy's success.

Maritime Partnerships and Forward Presence

For almost seven decades, U.S. Naval forces have maintained the stability and security of the global maritime domain, upholding the two key economic principles of free trade and freedom of navigation, which have underwritten unprecedented economic growth for the global economy. As ninety percent of worldwide trade and over half of global oil production are moved at sea, this system, and the sophisticated set of international rules and treaties upon which it is based, has become central to the economic success of the global marketplace. However its efficiencies,

and the demanding timelines of a "just in time" economy, place it at risk from the destabilizing influences of rogue nations and non-state actors. While our engagement with and assurance of this global system are not without cost, the risk of instability, stagnant global economic growth and a decline in national prosperity could be dramatic.

Providing security across the global maritime domain requires more capacity and capability than any single nation is able to muster especially within the current fiscal constraints. Building partner capacity helps distribute the burden of securing the global maritime domain based on alliances, shared values and mutual trust. The Navy and Marine Corps are naturally suited to develop these relationships. Trust and partnerships across the globe cannot be surged when conflict looms if they have not been established in times of peace.

Forward presence is the key element of seapower, which can help deter or dissuade adversaries from destabilizing the system or starting a military conflict. U.S. Naval forces operating around the world underwrite the credibility of our global leadership, and give meaning to our security guarantees. They demonstrate shared commitments and concerns, and reinforce regional security without a large and expensive footprint ashore. Forward deployed naval forces allow us to provide a full range of options to the President and the Combatant Commanders; from a single Patrol Craft to a Carrier Strike Group; from a platoon of SEALs to a Marine Air-Ground Task Force; that ensure our leaders have the adaptable and flexible forces needed to respond to any challenge and retain an element of control in the escalation of conflict. The ability to concentrate forces for military operations in times of crisis, or distribute them to engage allies, partners, and friends in times of relative peace, depends on maintaining naval forces forward. As does our ability to be present during a crisis and avoid the appearance of escalation.

In addition to the exercises and operations previously described, senior leader engagement and training opportunities for our allies, partners, and friends are important components of building international relationships and trust. As Secretary, I have had the opportunity to meet with 35 heads of state and government, over 60 ministers of defense, over 80 Chiefs of Navy, as well as additional military leaders and many foreign military personnel. The U.S. Naval Academy, the U.S. Naval War College, Marine Corps University, and the Naval Post Graduate School host international students who return home with not only a first-rate education, but with friendships and new perspectives on the United States and its people that can have a significant impact on future military-to-military relationships.

FY14 Budget Submission

Every strategy is a balance of responsibilities and resources. The Department's ability to meet the demands of today's operations, in support of our Defense Strategic Guidance, depends on anticipating and preparing for the changing geopolitical landscape and having the proper resources ready to deploy. The Department will continue to maintain the capabilities required to ensure that the Navy and Marine Corps is the finest expeditionary force in the world, however proper resourcing is needed to maintain our capacity for global operations.

With the resources as laid out in the FY14 budget request, the battle force of 2019 will include the following platforms.

Nuclear-powered Aircraft Carriers and Air Wings.

With the 2016 delivery of USS GERALD R. FORD, the first of a new class of nuclear-powered aircraft carriers, the number of carriers in commission returns to eleven. The Department will

sustain that number at a minimum through the middle of this century. The Ford class of carrier is a completely new ship within a rearranged NIMITZ hull. The Ford class contains new shipboard systems like an electromagnetic launch system and advanced arresting gear, and with advanced combat capabilities resident in the F-35C Lightning II Joint Strike Fighter, F/A-18E/F Super Hornet, EA-18G Growler electronic attack aircraft, E-2D Advanced Hawkeye airborne early warning aircraft, the MH-60 Sierra and Romeo tactical helicopters, and new unmanned aerial systems.

Nuclear-powered Attack Submarines.

There are nine VIRGINIA-class submarines already in commission and seven more at various stages of construction. The planned FY14-18 Multi-Year Procurement (MYP) of nine submarines remains intact, and, with the 2013 congressional action, advanced procurement has been authorized and appropriated for a tenth boat to be ordered in 2014. I would like to thank the Congress for their support of our submarine programs. Your continued support is needed for the advance appropriation required to complete the procurement of the tenth VIRGINIA-class boat. This means that these flexible, versatile platforms will be built at the rate of two per year during the FYDP with the cost-saving benefits afforded by the multi-year procurement contract.

With four guided missile submarines (SSGNs) decommissioning in 2026-2028, the Department will continue to invest in research and development for the VIRGINIA Payload Module (VPM). VPM could provide future VIRGINIA-class SSNs with four additional large diameter payload tubes, increasing her Tomahawk cruise missile capability from 12 to 40 and adding other payload options.

Guided Missile Cruisers and Destroyers.

Modular construction of the DDG 1000 Class Destroyers is proceeding apace, with commissioning of all three ships of this class planned between 2015 and 2019. The Arleigh Burke-class DDGs (DDG 51s) remain in serial production, with plans in place for a multi-year purchase of up to ten ships through FY17. As part of that multi-year purchase, the Navy intends to seek congressional approval for introducing the DDG 51 Flight III aboard the second FY16 ship based on the achievement of a sufficient level of technical maturity of the Air and Missile Defense Radar (AMDR) development effort. The Flight III Destroyer will include the more powerful AMDR providing enhanced Ballistic Missile Defense (BMD) and Air Defense capability. The modernization program for in-service Ticonderoga-class CGs and Arleigh Burke-class DDGs is progressing satisfactorily, with hull, machinery, and electrical system maintenance and repairs; installation of advanced open architecture combat systems, and upgrades to weapons/sensors suites that will extend the service life and maintain the combat effectiveness of these fleet assets.

Littoral Combat Ships.

With their flexible payload bays, open combat systems, advanced unmanned systems, and superb aviation and boat handling capabilities, LCSs will be an important part of our future Fleet. This spring we forward deployed the first LCS, USS FREEDOM, to Singapore and will forward deploy four by CY16. Crew rotation plans will allow for substantially more LCS forward presence than the frigates, Mine Counter-Measures ships, and coastal patrol craft they will replace, and will free our multi-mission capable destroyers for more complex missions. The Department remains fully committed to our plan of purchasing 52 Littoral Combat Ships.

Amphibious Ships.

Thirty amphibious landing ships can support a two-Marine Expeditionary Brigade (MEB) forcible entry operation, with some risk. To generate 30 operationally available ships, the strategic review envisions an amphibious force consisting of 33 ships total. The objective fleet will consist of 11 big deck Amphibious ships (LHA/LHD), 11 Amphibious Transport Docks (LPD), and 10 Landing Ship Dock (LSD). To support routine forward deployments of Marine Expeditionary Units (MEUs), the amphibious force will be organized into nine, three-ship Amphibious Ready Groups (ARGs) and one four-ship ARG forward based in Japan, plus an additional big-deck Amphibious ship available to support contingency operations worldwide.

Afloat Forward Staging Bases (AFSBs).

The Navy is proposing to procure a fourth Mobile Landing Platform (MLP) in fiscal year 2014, configured to serve as an Afloat Forward Staging Base (AFSB). This AFSB will fulfill an urgent Combatant Commander requirement for sea-based support for mine warfare, Special Operations Forces (SOF), Intelligence, Surveillance and Reconnaissance (ISR), and other operations. The work demonstrated by the interim AFSB, USS PONCE, has been very encouraging. To speed this capability into the fleet, and to ultimately provide for continuous AFSB support anywhere in the world, we are designing and building the FY12 MLP 3 to the AFSB configuration, resulting in a final force of two MLPs and two AFSBs. This mix will alleviate the demands on an already stressed surface combatant and amphibious fleet while reducing our reliance on shore-based infrastructure and preserving an important part of our shipbuilding industrial base.

Naval Aviation

The Department continues to evaluate the needs of naval aviation to ensure the most efficient and capable force in line with the Defense Strategic Guidance. The Navy procured the final F/A-18 Super Hornet in FY-13 for delivery in FY-15 for a total of 552 aircraft. EA-18 Growler will complete program of record procurement with 21 EA-18G in FY-14 for delivery in FY-16 for a total of 135 aircraft. The Department's review of aviation requirements has validated the decision to purchase 680 Navy and Marine Corps F-35s. The F-35 procurement remains steady, with 4 F-35C and 6 F-35B. The Marine Corps stood up the first F-35 operational squadron, VMFA-121, in November, 2012. The Fleet Replacement Squadron, VFA-101, is expected to receive its first F-35C in April 2013.

The Department of the Navy continues to monitor strike fighter capacity. Changes in the USMC force structure, accelerated transition from the legacy Hornet aircraft to the Super Hornets, high flight hour extensions for legacy hornets and lowered utilization rates resulted in an appropriately sized strike fighter aircraft inventory. Based on current assumptions and plans, strike fighter aircraft shortfall is predicted to remain below a manageable 29 aircraft through 2023, with some risk.

In the long term, the Navy will need to replace its F/A-18E/F Fleet. Pre-Milestone A activities are underway to define the follow-on F/A-XX aircraft. Navy continues to develop the first-generation Unmanned Carrier-Launched Airborne Surveillance and Strike System (UCLASS), which will provide long-range, persistent ISR&T with precision strike capability, enhancing the carrier's future ability to provide support across the range of military operations in 2020 and beyond. UCLASS will utilize the flexibility and access inherent in carrier operations to provide

the Joint Force and Combatant Commanders with on demand intelligence and strike capability against time-sensitive targets while on station.

In FY14 the DON is seeking approval for a MYP of 32 E-2D aircraft over a longer term than originally proposed. Over the FYDP, purchases of P-8s have been reduced by eight aircraft, which reflects the Department's intent to procure all the aircraft originally planned, but at a slower rate in order to distribute the costs more evenly.

Marine Corps

As the Nation's ready response force, the Marine Corps, by definition, remains at a high state of readiness. The demands of a ready force require careful balance across these accounts to avoid a hollowing of the force. The Department is executing an approved multi-year plan to draw down the Corps from an end strength of 202,100 in early 2012 to 182,100 by the end of FY16. The drawdown is on pace at approximately 5,000 Marines per year and anticipates that voluntary separations will be adequate to meet this planned rate. The Marines will resort to involuntary separations only if absolutely necessary. But, no matter how a Marine leaves, we remain committed to providing effective transition assistance and family support.

The Joint Strike Fighter continues as the Marine Corps number one aviation program. The F-35 will replace the Marine Corps' aging legacy tactical fleet; the F/A-18A-D Hornet, the AV-8B Harrier and the EA-6B Prowler, bringing the force to one common tactical fixed-wing aircraft. The integration of F-35B will provide the dominant, multi-role, fifth-generation capabilities needed across the full spectrum of combat operations, particularly to the Marine Air Ground Task Force (MAGTF) and the Joint Force. Having successfully completed initial ship trials,

dropping a variety of ordnance and completing hundreds of successful test flights, the F-35B continues to make significant progress, culminating with the standup this past November of the first operational JSF squadron, VMFA-121, in Yuma, AZ.

The Marine Corps' ground vehicle programs are also a critical element of revitalizing the force after age and operational tempo have taken their toll on the equipment. Two key programs for the Ground Combat Elements are the Joint Light Tactical Vehicle (JLTV) and the Amphibious Combat Vehicle (ACV). The JLTV will provide the Marine Corps tactical mobility with a modern expeditionary light utility vehicle. The initial planned purchase of 5,500 vehicles has been reduced based on our constrained fiscal environment, and the Marine Corps will need to refurbish the remaining High Mobility Multi-Purpose Wheeled Vehicle (HMMWV) fleet in order to fill out less dangerous missions. The ACV is central to the Marine Corps role as an amphibious force providing forcible entry and crisis response. The ACV program will develop the next generation amphibious, armored personnel carrier that will help ensure the Marine Corps can continue to bridge the sea and land domains. The Marines' Light Armor Vehicle (LAV) Mobility and Obsolescence program is on track to extend the service life of the LAV by replacing or upgrading several components including the suspension and drive systems. The Marine Corps' ability to exploit an obsolete but already produced suspension system from the Army's Stryker vehicles has saved at least $162 million taxpayer dollars.

Of particular concern is the fact that the Marine Corps modernization accounts represent only 14 percent of the Marines' total obligation authority. Because of this level of modernization funding, even proportional cuts have disproportionate impact on the many small programs essential to modernization of the Corps. Combining this with efforts to reconstitute the force as

it returns from Afghanistan, our reset strategy, which focuses on the most economical way to restore equipment readiness, is vital to the Marine Corps' future.

Keeping faith with our Marines as we reduce the force, maintaining our plans for the modernization of the force, and resetting our equipment after a decade in combat depend on appropriate funding.

Conclusion

The Founding Fathers, in their wisdom, placed in the Constitution the requirement that Congress "provide for and maintain a Navy." In the 21st Century, that force is as vital, or more so, to our national security as it has been throughout our nation's history. As we commemorate the bicentennial of the Battle of Lake Erie, we continue to recognize our Navy's history in the War of 1812. Captain Oliver Hazard Perry led his men through a bloody battle, in the end reporting that "we have met the enemy, and they are ours." It was the first time that an entire squadron of the Royal Navy surrendered to an enemy force. The battle was a critical naval victory and represents more than just the skill and daring of our Navy in the Age of Sail. The joint operations that followed, with Perry's naval forces conducting an amphibious landing and providing naval gunfire support for an Army invasion of Canada, were early examples of joint power projection. It serves as a reminder that the Navy and Marine-Corps Team has a vital role to play in the defense of our nation, but is a teammate with our joint partners who all contribute to success and victory.

The goals and programs we have discussed today will determine our future as a global force. We have worked to streamline our processes and increase efficiency, to work toward innovative new

solutions to our 21st Century problems, and to eliminate programs that no longer apply in the current strategic environment. We have done this to ensure that we retain the ability to deter regional conflict and respond rapidly and decisively to emerging crises.

Our specific requests are reflected in the President's FY14 budget submission. Today's economic environment and our nation's fiscal constraints demand strict stewardship and leadership. The process by which we arrived at the Department's budget requests was determined, deliberate, and dedicated to our responsibility to you and the taxpayer. I can assure you that the Department has thoroughly considered the risks and applied our available resources efficiently and carefully to align our request with the President's Defense Strategic Guidance.

Today, your Navy and Marine Corps are deployed across the spectrum of military engagement around the world, from direct combat operations to providing security in the maritime domain to humanitarian assistance. Our Sailors and Marines often seem to be everywhere except at home. Their hard work and success are based on the unparalleled professionalism, skill, and dedication that ensure their dominance in every clime and place. The Commandant, CNO, and I look forward to answering your questions. This Committee's continued and enduring support for our policies, payloads, platforms, and people enables us to fulfill the historic charge of the Founders to sail as the Shield of the Republic.

Thank you.

SUMMARY STATEMENT OF ADMIRAL GREENERT

Mr. FRELINGHUYSEN. Admiral Greenert, good morning.

Admiral GREENERT. Thank you, Mr. Chairman, Ranking Member Visclosky, distinguished members of the committee. It is my pleasure to appear before you today to testify on the Navy's fiscal year 2014 budget and its posture. I am honored to represent 613,000 active and reserve sailors, Navy civilians, and families who are serving today.

This morning, I will address three points: our enduring tenets for decision-making; our budget strategy for 2013 and the subsequent carryover from 2013 to 2014; and our intended course for 2014.

Two important characteristics of our naval forces describe our mandate: that we will operate forward where it matters and that we will be ready when it matters. Our fundamental approach to meeting this responsibility remains unchanged. We organize, man, train, and equip the Navy by viewing our decisions through three lenses, or what I call tenets, and they are: warfighting first, operate forward, and be ready. Regardless of the size of our budget or our fleet, these are the three tenets or the lenses through which we will evaluate each of our decisions.

If you refer to the chart provided in front of you, you will see that on any given day we have about 50,000 sailors and 100 ships deployed overseas providing forward presence. The orange bow ties on the chart represent maritime crossroads where shipping lanes and our security concerns intersect. A unique strength of your fleet is that it operates forward from U.S. bases, represented by the circles there, and from places provided by partner nations, which are represented by squares. These places are critical to your Navy being where it matters because they enable us to respond rapidly to crises and enable us to sustain forward presence with fewer ships by reducing the number of ships on rotational deployment.

In February, we faced a shortfall of about $8.6 billion in our fiscal year 2013 operations and maintenance account. Since then, thanks to the effort of this committee in particular, we received a 2013 appropriation in March. In accordance with our priorities and our tenets, we plan to invest our remaining 2013 O&M funds to fund our must-pay items, such as contracts, leases and utilities, and reimbursables, to reconcile the 2013 presence with our combatant commanders, and to conduct training and maintenance for forces next to deploy, and to prepare to meet the 2014 Global Force Management Allocation Plan. And we will restore critical base operations and renovation projects.

Although we intend to meet our most critical operational commitments to the combatant commanders, sequestration leaves us about $4.1 billion in operations and maintenance short and $6 billion in investment short in this year. This will result in our surge capacity of fully mission-capable carrier strike groups and amphibious ready groups being reduced by about two-thirds through 2014. Further, we will have deferred about $1.2 billion of facility maintenance as well as depot-level maintenance for 84 aircraft and 184 engines.

All combined, our operations and maintenance and our investment shortfalls will leave us about a $9 billion carryover challenge into fiscal year 2014. A continuation of sequestration in 2014 will

compound this carryover challenge from $9 billion to $23 billion. Further, accounts and activities we were able to protect in 2013, such as manpower, nuclear maintenance, and critical fleet operations, will be liable to reduction in 2014.

Our people have remained resilient in the face of this uncertainty. And, frankly, Chairman, I have been amazed throughout this process with the patience and the dedication of our sailors and our civilians.

Our 2014 budget submission supports the Defense Strategic Guidance. It enables us to maintain our commitments in the Middle East and rebalance to the Asia-Pacific region. We prepared our 2014 budget with the following priorities: deliver overseas presence in accordance with the Global Force Management Allocation Plan; continue near-term investments to address challenges in the Middle East and Asia-Pacific; and develop long-term capabilities at the appropriate capacity to address warfighting challenges in the Middle East and Asia-Pacific.

Our budget submission continues to invest in the future fleet. We have requested $44 billion in ships, submarines, manned and unmanned aircraft, weapons, cyber, and other procurement programs, like the Joint Strike Fighter, littoral combat ship, unmanned aerial vehicles, the DDG-1000, and the P-8, just to name a few. These investments will deliver a fleet of 300 ships by 2019 with greater interoperability and flexibility when compared to today's fleet.

We continue to fund important capabilities such as a laser weapons system for small boat and drone defense which we will deploy aboard the ship Ponce in the spring of 2014. Also in 2014 we will deploy on the carrier George Herbert Walker Bush a successfully tested prototype system to detect and defeat advanced wake-homing torpedoes.

We continue to grow manpower by about 4,600 sailors net compared to our plan in last year's budget. These new sailors will reduce our manning gaps at sea, enhance the Navy's cyber capabilities, and improve our waterfront training. We will continue to address critical readiness and safety degraders such as sexual assault, suicide, operational tempo increases, and at-sea manning.

Mr. Chairman, this budget places our Navy on a course which enables us to meet the requirements of the Defense Strategic Guidance today while building a relevant future force and sustaining our manpower for tomorrow. We appreciate everything you and this committee do for the sailors and civilians of our Navy as well as their families. And we again ask for your support in removing the burden of sequestration so that we may better train, equip, and deploy these brave men and women in defense of our Nation.

And I thank you.

Mr. FRELINGHUYSEN. Thank you, Admiral, for your testimony.

[The written statement of Admiral Greenert follows:]

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SUBCOMMIITTEE ON DEFENSE
COMMITTEE ON APPROPRIATIONS

STATEMENT OF
ADMIRAL JONATHAN GREENERT

U.S. NAVY
CHIEF OF NAVAL OPERATIONS

BEFORE THE

HOUSE SUBCOMMITTEE ON DEFENSE

COMMITTEE ON APPROPRIATIONS

ON

FY 2014 DEPARTMENT OF NAVY POSTURE

07 MAY 2013

NOT FOR PUBLICATION UNTIL
RELEASED BY THE HOUSE SUBCOMMITTEE ON DEFENSE
COMMITTEE ON APPROPRIATIONS

Chairman Young, Ranking Member Visclosky, distinguished members of the committee; it is my pleasure to appear before you today to testify on the Navy's Fiscal Year (FY) 2014 budget and posture. I am honored to represent the approximately 613,000 active and reserve Sailors and Navy Civilians serving today, as well as their Families.

Establishing the baseline for FY2014

Before discussing our FY2014 budget submission, we have to clarify our current situation in FY2013. This will form the baseline for our FY2014 program. In February, Navy faced a shortfall of about $8.6 billion in our FY2013 operations and maintenance (O&M) account due to a combination of requirements growth, the Continuing Resolution and sequestration. Since then, thanks to the Congress' efforts, we received an FY2013 appropriation in March as part of the Consolidated and Further Continuing Appropriations Act of 2013. This appropriation restored about $4.5 billion toward our total need in operations and maintenance. As a result, we have a FY2013 shortfall in operations and maintenance of about $4.1 billion, approximately 10 percent of the planned amount for this fiscal year.

In accordance with our priorities and strategy, we are applying our remaining O&M funds to the following:

- Pay "must pay bills": Ensure we have funding for bills such as utilities, contracts and reimbursables.

- Reconcile FY13 readiness: Sustain operations and maintenance for the priority forces in accordance with the defense strategy that will deploy to meet the current approved FY2013 Global Force Management Allocation Plan (GFMAP), which describes the forces required to be provided by the services to the Combatant Commanders (CCDR) as directed by the Secretary of Defense. Our remaining spending plan for FY2013 will address furloughs of Civilians and sustain non-deployed ship and aircraft operations so appropriate forces prepare to deploy, and other forces operate enough to be able to safely respond if needed to support homeland defense.

- Prepare to meet FY2014 GFMAP: Conduct training and maintenance for forces that will deploy as part of the FY2014 GFMAP, including guided missile destroyers (DDG) transferring to Rota, Spain as part of the Forward Deployed Naval Force (FDNF).

- Restore critical base operations and renovation: Sustain base infrastructure and port and airfield operations to support training and deployments needed for the FY2013 and FY2014 GFMAP. We will also conduct health and safety-related facility repairs and continue high-return energy efficiency projects.

However, sequestration will result in a fleet and bases less ready than planned. For example, at sea we were compelled to recommend the FY2013 GFMAP be changed to cancel one ship deployment to the Pacific, two ship deployments to Europe and cancel all but one FY2013 ship deployment to U.S. Southern Command. We continue to evaluate opportunities to add deployments to these regions as our fiscal position becomes clearer. In addition to reducing overseas deployments, we will also reduce the amount of operations and training our ships and aircraft will conduct when not deployed.

And, we reduced maintenance, including deferral of depot maintenance on 84 aircraft and 184 engines, and reducing the scope of two ship maintenance availabilities. We plan to recover this backlog during FY2014. With the Congress' approval of our proposed FY2013 reprogramming, we will restore all of our planned ship maintenance availabilities remaining in FY13.

The impact of reduced fleet operations and maintenance will be less surge capacity, but we will retain the ability to support the FY2014 GFMAP. All our forces deploying in FY2013 and FY2014, including two carrier strike groups (CSG) and two amphibious ready groups (ARG) (one each in the Middle East and the Asia-Pacific), will be fully mission-capable and certified for Major Combat Operations. All our forces supporting operations in Afghanistan, where Navy aircraft fly about 1/3 of all tactical sorties, will also be fully mission-capable and certified. For surge, we will retain one additional CSG and ARG in the United States that are fully mission-capable, certified for Major Combat Operations and available to deploy within 1-2 weeks. This is about one-third of our normal surge capacity. Overall, due to reduced training and maintenance, about 2/3 of the fleet will be less than fully mission capable and not certified for Major Combat Operations. Historically, about half of our fleet is in this status, since ships and squadrons are in training or maintenance preparing for their next deployment. While these forces will not be ready or certified to deploy overseas, they will remain able to respond, if needed, to support homeland defense missions.

Ashore, we deferred about 16% of our planned FY2013 shore facility sustainment and upgrades, about $1.2 billion worth of work. Recovering these projects could take five years or more, and in the meantime, our shore facility condition will degrade. We were able to sustain our Sailor and Family Readiness programs through FY2013, including Child Development Centers, Fleet and Family Support Centers, and Sexual Assault and Prevention programs. We also fully funded a judicious Tuition Assistance program for our Sailors. Despite these efforts to reduce the impact of sequestration on our people, however, we must still consider furloughs for our Navy Civilians.

Sequestration reduced the FY2013 funding for each of our investment programs by about eight percent, or about $6.1 billion total. We are still reconciling the impact of this reduction, but due to the mechanics of sequestration and limited reprogramming authorized by the FY2013 Defense Appropriations Act, it is likely we will be compelled to reduce the number of weapons we purchase and the number of aircraft we buy in some of our aviation programs due to the reduction – including one E-2D *Hawkeye*, one F-35C *Lightning II*, one P-8A *Poseidon* and two MQ-8C *Firescout*. Our ship construction programs will need to restructure schedules and shift some outfitting costs to future years to address the nearly eight percent sequestration reduction in FY2013. This will pass on "costs to complete" that will need to be reconciled in future years. These costs will not be an insignificant challenge as they may compel Navy to cancel the procurement of future ships to complete outfitting ships that are nearing delivery.

The impact of continued uncertainty

Over the past four months we slowed our spending, stopped new program starts, and proceeded very deliberately in choosing our operations, deployments and investments. We brought "all hands on deck" to work on revised plans for everything from how we provide presence to what we buy in FY2013. In the Fleet, this is standard procedure for proceeding through a fog bank – slow, deliberate and with limited visibility ahead; effectively, most other operations and planning stop because of the dangerous near-term situation. With a FY2013 appropriation, we are now coming out of this "fog," increasing speed, heading toward a national future, and reestablishing momentum behind our top priorities.

This momentum, however, may be short-lived. While the FY2014 budget submission includes deficit reduction proposals beyond that called for by the Budget Control Act of 2011

(BCA), it requires the BCA's lower discretionary budget caps are replaced in FY 2014 and beyond. If the discretionary caps are not revised, our FY2014 obligation authority could be reduced $10-14 billion. This would compel Navy to again dramatically reduce operations, maintenance and procurement in FY2014, preventing us from meeting the FY2014 GFMAP and negatively impacting the industrial base. While military personnel compensation was exempted in sequestration during FY2013, if the lower discretionary budget caps of the BCA are retained, we will evaluate options to reduce personnel and personnel costs, including compensation and entitlements.

The uncertainty inherent in our fiscal outlook prevents effective long-term planning and will begin to affect the "Health of the Force." We can ill-afford the distraction of planning for multiple budget contingencies, stopping and restarting maintenance, changing operational schedules and restructuring investment programs. This constant change negatively impacts our Sailors and Civilians and their Families here at headquarters and in the Fleet. It also precludes us from looking long-term at how we should build, train, develop and posture the future force as we end two land wars in Middle East and rebalance our effort toward the Asia-Pacific.

To begin planning for the long-term and ensure we are realistically confronting our strategic and fiscal challenges, the Secretary of Defense ordered a Strategic Choices and Management Review (SCMR). The review does not assume or accept that deep reductions to defense spending, such as those from sequestration, will endure or that they could be accommodated without a significant reduction in military capabilities. The review does reflect the Secretary's view that the Department of Defense must constantly examine the choices that underlie our defense strategy, posture, and investments, including all past assumptions.

The SCMR will consider the 2012 Defense Strategic Guidance as the point of departure. It will define the major strategic choices and institutional challenges affecting the defense posture in the decade ahead that must be made to preserve and adapt defense strategy and management under a wide range of future circumstances. The results of this review will frame the Secretary's guidance for the Fiscal Year 2015 budget and will ultimately be the foundation for the Quadrennial Defense Review due to Congress in February 2014.

Our strategic approach

Our first responsibility is to ensure Navy is able to deliver the overseas presence and capabilities required by our Defense Strategic Guidance (DSG) *Sustaining U.S. Global Leadership: Priorities for 21st Century Defense,* as manifested in the GFMAP.

Our mandate per the DSG is to be present overseas where it matters, and to be ready when it matters. A central element of the DSG to Navy is to field a ready force, with the right capabilities, postured in each region. The DSG concludes that a prompt, credible response by forward U.S. forces can demonstrate American resolve and can blunt the initial actions of an aggressor. This can in turn deter, assure, and – if necessary – control escalation, contain the conflict and prevent it from growing into a larger war.

Our fundamental approach to making decisions and implementing the DSG is unchanged since I assumed the office of the Chief of Naval Operations. We organize, man, train and equip the Navy by viewing our decisions through three lenses, or tenets. They are: *Warfighting First*, *Operate Forward*, and *Be Ready*. Regardless of the size of our budget or our fleet, these tenets are the key considerations we apply to each decision.

Warfighting First

Warfighting First is a first principle. It is our fundamental responsibility; each decision inherent in our FY2014 program was viewed in terms of its impact on warfighting. Our forces must have relevant warfighting capability today to be credible – not at some point in the future. If the credibility of our forces is lost (or perceived lost) they cannot rebuild it easily or quickly. In developing our FY2014 budget submission we did not "let perfect be the enemy of good – or good enough." For example, if a new system or capability would provide a probability of successfully defeating a threat 60 percent of the time, we will deploy it, particularly if today's probability of success is zero percent.

To develop future capability, *Warfighting First* compels us to look for the most effective way to defeat a threat or deliver an effect that can be realistically fielded, efficiently. The logic we use to identify our most effective capabilities is to analyze the adversary's "kill chain" or "effects chain" and pursue an asymmetric means to "break the chain." For example, to execute a successful attack, an adversary has to:

- Find the target
- Determine the target's location, course and speed (or relative motion)
- Communicate that information coherently to a platform or unit that can launch an attack
- Execute an attack using anything from a kinetic weapon to electromagnetic systems to cyber

Each (or any) of these "links" in the chain can be broken to defeat the threat. But some are more vulnerable than others and kinetic effects are not always the best way to break the chain. So instead of overinvesting and trying to break every part of the effects chain, we focus on those where the adversary has a vulnerability we can exploit or where we can leverage one of our own advantages asymmetrically.

Similarly, we analyze our own effects chains for strengths and weaknesses; our FY2014 budget submission emphasizes proven technologies that limit the adversary's ability to defeat our ability to project power.

We addressed challenges in the Arabian Gulf throughout 2012 and into this year by emphasizing *Warfighting First*. For example, in response to a Central Command urgent request and with the help of Congress, we rapidly outfitted the amphibious ship USS PONCE, previously an amphibious ship slated for decommissioning, to be an Afloat Forward Staging Base-Interim (AFSB-I) in support of mine warfare and special operations forces in the Arabian Gulf. To improve our mine warfare capabilities we rapidly deployed Mark 18 mine-hunting unmanned underwater vehicles (UUV) and SEAFOX mine neutralization systems to PONCE and our minesweepers (MCM). These systems became force multipliers and enable our forces to find and / or clear mines twice as quickly as the forces we deployed to the Arabian Gulf in 2012 – taking 1-2 weeks instead of 1-2 months depending on the size (and our knowledge) of the minefield. We tested these new capabilities and improved our ability to operate with a coalition by organizing and conducting an International Mine Countermeasures Exercise (IMCMEX) with 34 other navies in the Arabian Gulf last September. We will hold another IMCMEX next month.

In addition to improving our mine warfare capability in the Arabian Gulf, we increased our surveillance capability and our ability to counter fast attack craft and submarines in the

region. Through rapid fielding efforts supported by the Secretary of Defense and the Congress, we added new electro-optical and infra-red sensors to our nuclear aircraft carriers (CVN), upgraded the guns on our Patrol Coastal (PC) ships based in Bahrain, fielded upgraded torpedoes for our helicopters deployed in the Arabian Gulf and deployed additional anti-submarine warfare (ASW) sensors in the region. Each of these initiatives and our mine warfare improvements continue into FY2014 as part of our budget submission.

We also continued implementing the Air-Sea Battle concept as part of *Warfighting First*. We practiced and refined the concept in war games and real-world exercises including VALIANT SHIELD and Rim of the Pacific (RIMPAC) last summer. RIMPAC brought together 40 ships and submarines, more than 200 aircraft and over 25,000 personnel from 22 nations, including Russia and India for the first time. RIMPAC enabled forces to practice high-end ballistic missile defense, surface warfare and anti-submarine warfare in simulations and more than 70 live-fire missile and torpedo events. RIMPAC 14, supported by our FY2014 budget submission, will include as many or more live-fire events and nations, including China for the first time.

We reinvigorated our efforts to conduct integrated operations with the Marine Corps as the war in Afghanistan draws down and demands for naval crisis response grow in the Mediterranean and Middle East. The Navy-Marine Corps team conducted BOLD ALLIGATOR in 2012; our largest amphibious exercise in more than a decade, yielding dozens of lessons learned which we are incorporating into our capability development efforts. Some of these changes, particularly in command control organizations and communications systems, are reflected in our FY2014 program. BOLD ALLIGATOR 14, supported by our FY2014 budget submission, will build on the results of last year's exercise and will explore the concepts and capabilities needed for a range of amphibious operations from single ARG up to large-scale amphibious assaults.

Operate Forward

The Navy and Marine Corps are our nation's "away team" and first responders to crisis. History has demonstrated that the Navy is at its best when we are forward and ready to respond where it matters, when it matters. To *operate forward* we focus our deployed presence at strategic maritime crossroads such as the Straits of Malacca and Hormuz or the Suez and Panama

Canals. It is in these areas and others where sea lanes, resources and vital U.S. interests intersect that influence matters most.

On any given day, about 50,000 of our Sailors are underway on 145 ships and submarines, 100 of them deployed overseas as depicted in Figure 1. They are joined by about 125 land-based patrol aircraft and helicopters, 1,000 information dominance personnel, 1,000 Naval Special Warfare operators, and 4,000 Naval Combat Expeditionary Command sailors on the ground and in inland waters.

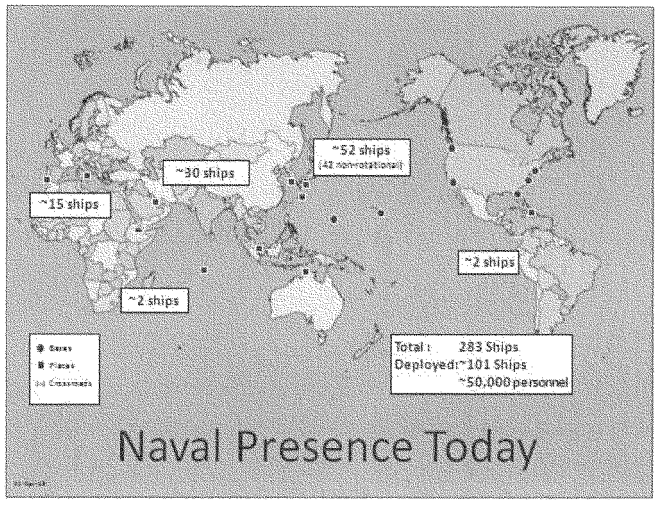


Figure 1

The tenet *Operate Forward* compels us to look for new ways to increase the amount of presence we can deliver at the right places – and to do so more efficiently. Each of these ways places ships overseas where they deliver continuous ("non-rotational") presence, instead of having to deploy from the continental United States (CONUS) to provide "rotational" presence. One ship operating from an overseas port in this manner provides the same presence as about four ships operating from homeports in the United States.

There are two basic ways in which we can sustain ships overseas.:

- Ships can be homeported overseas as part of the Forward Deployed Naval Force (FDNF) with their Sailors and their Families as we do in Japan and will soon do in Rota, Spain. This provides continuous presence, immediate response to crisis, and the means to build a strong relationship with the host nation.
- Ships can also Forward Station overseas and be manned by civilian or military crews that rotate out to the ship. Rotating civilian crews man our Mobile Landing Platform (MLP), Joint High Speed Vessel (JHSV), Afloat Forward Staging Base (AFSB) and Combat Logistics Force (CLF) ships. Rotating military crews man our Littoral Combat Ship (LCS) and nuclear guided missile submarines (SSGN).

Both of these ways of operating forward rely on "places" overseas where our partners and allies allow us to use their facilities to rest, repair, resupply and refuel. Our FY2014 budget submission continues to sustain development of these facilities. Military construction (MILCON) for these facilities comprises only 27 percent of our FY2014 MILCON program funding, a slightly smaller percentage than in FY2013. These 8 projects will provide essential support facilities at "bases" and "places" around the world such as Guam and Japan. Without this investment our forces will be less able to operate forward and more dependent on support from CONUS.

Our posture in the Arabian Gulf will improve this year with the addition of three PCs in Bahrain for a total of eight. Further, our FY2014 program supports the homeporting of two more PCs there for a total of 10 by the end of FY2014. During FY2013 we will permanently homeport all our PCs and our four MCMs in Bahrain, instead of manning them with crews rotating from the United States. This will increase the crews' proficiency and continue to build our relationship with partners throughout the Arabian Gulf.

In Europe, we continued preparations for the planned move of four destroyers to Rota, Spain, which highlights the benefit of FDNF ships. Conducting the European ballistic missile defense (BMD) mission today takes 10 ships deploying from CONUS. This same mission can be done with four destroyers based forward, freeing up six rotationally-deployed destroyers to deploy to other regions such as the Asia-Pacific.

In the Pacific, we deployed our first LCS, USS FREEDOM, to Singapore where it will remain for two crew rotations (8 months) to evaluate LCS operational concepts. Our posture in

the Asia-Pacific will increase as part of the Department's overall rebalance to the region. Our FY2014 program supports the basing of another nuclear attack submarine (SSN) in Guam (for a total of four) and the increase in the number of LCS operating from Singapore to four by FY17. In addition to the increase in rotational forces made available by FDNF DDG in Rota and the introduction of new ships such as JHSV in Africa and South America, our efforts to shift 60 percent of our fleet to Pacific homeports will increase our day-to-day presence there by 15-20 percent.

Fundamentally, *operate forward* is about making the most effective and efficient use of what we own. Each of these initiatives reflects that idea.

Be Ready

Our fleet must be ready to meet today's challenges, today. This means more than ensuring maintenance is done and parts and fuel are on hand. Those elements are essential to readiness, but our tenet to *Be Ready* requires that our Sailors be confident in their abilities and equipment and proficient in their operations. *Be Ready* compels us in our decision making to always consider what our Sailors need to be confident and proficient. We will buy proven technology that our Sailors can use and depend on instead of new, unproven equipment. We will use empirical data, such as Board of Inspection and Survey reports, as much as possible in our decision making. This is what our Sailors experience and we must work to make them as confident as possible in the warfighting capability of themselves and their gear. Applying our tenet to *Be Ready* requires that we consider all the factors that will detract from our Sailors' ability to effectively fight when the time comes.

In the past year we increased the proficiency of our Sailors by conducting more live-fire and practical training events. In addition to exercises such as RIMPAC and BOLD ALLIGATOR, we increased live-fire air defense and surface warfare and practical ASW training in our preparations for deployment and purchased additional training missiles, sonobuoys, ammunition and targets. To enhance the proficiency of our operators more efficiently, we funded completion and installation of trainers for new systems such as the P-8A *Poseidon*, E/A-18G *Growler* and LCS.

Current concerns

We are encountering four major factors now that detract from our Sailors' readiness and hinder our ability to make progress in line toward the vision described in *Sailing Directions*. They are: Sexual assault, suicide, at-sea manning shortfalls, and high operational tempo.

Sexual assault. Sexual assault is a crime that happens to about two Sailors every day. Sexual assault creates an unsafe workplace and degrades the readiness of our ships and squadrons. Last year we began a concentrated effort to change our culture and get after sexual assault in our Navy. We implemented a series of measures, including:

- Completed training for all Navy military personnel, conducted by mobile training teams of experts in sexual assault prevention and response. We have received superb feedback on this training.
- Refined our reporting criteria for sexual assault to help understand victim and offender demographics, find out where these attacks happen and focus our efforts accordingly. We also required that all sexual assault incidents be briefed by unit commanders to the first flag officer in the chain of command.
- Established programs in Fleet Concentration Areas such as our Great Lakes training facility and San Diego which reduced the number of reported sexual assaults – by 60% in the 20-month program at Great Lakes. We established a similar program in San Diego in December 2012 and will implement programs in Europe and Japan this summer. Our San Diego program provided insights that enabled us to address contributors to sexual assault there, and we are seeing a near-term downward trend in the number of San Diego-area Navy sexual assault reports – we'll watch this closely.
- Continued quarterly meetings with all Navy 4-star commanders to review the data from our "first flag officer" reports, refine our plan and adjust our approaches as needed.

We are seeing some clear trends regarding sexual assault in the Navy. There appears to be less stigma associated with reporting sexual assault, as indicated by an increased number of sexual assault reports – in particular delayed reports of sexual assaults that occurred weeks or months earlier. Most sexual assaults are Sailors assaulting other Sailors; most victims and

offenders are junior Sailors; more than half of incidents occur on base or on ship; and alcohol is a factor in the majority of sexual assaults. We are applying these findings to develop our efforts to prevent sexual assault. I see a great opportunity for future success in three main areas:

- *Disrupting the "Continuum of Harm"* – or the chain of events and contributors that tend to be associated with sexual assault. We continue to focus, in particular, on alcohol as a factor in sexual assault. This year we fielded Alcohol Detection Devices to the fleet to help educate Sailors on their alcohol use.
- *Prosecuting the offenders* using specially trained investigators, victim advocates, prosecutors, and paralegals. As part of this effort we established dedicated Naval Criminal Investigative Service (NCIS) agent-teams in Norfolk, San-Diego, Bangor, and Okinawa that exclusively handle adult sexual assault investigations. In Norfolk, these teams reduced the average sexual assault investigation timeline from 324 days to 80 days. NCIS is expanding this model during FY2013 to Yokosuka, Japan, Hawaii and Mayport, Florida.
- *Support for victims*. We prioritized prompt and effective care for victims of sexual assault that maximizes the ability to apprehend offenders. We continue to train and qualify our military and civilian medical care workers to conduct Sexual Assault Forensic Exam (SAFE); all our Military Treatment Facilities and operational settings will be able to perform SAFE exams by the end of this fiscal year. To support victims through the investigation and judicial process we will complete professionalizing our Sexual Assault Response Coordinator (SARC) and Victim Advocate (VA) cadre by hiring 10 additional SARCs and 66 full-time VAs in FY2013.

Suicide: Suicide is a growing problem in our nation, our military and our Navy. The number of suicides per 100,000 Sailors per year has risen steadily from 13 two years ago to 16 in the last 12 months. To help address this trend, Navy stood up a task force to examine Navy suicide prevention and resilience-building programs as well as evaluate DoD, other service, and non-DoD approaches and programs. The task force completed their assessment this month and is providing a comprehensive set of actions for implementation. Their findings showed that while no program to date has stopped suicides in the military, there are some key factors contributing to suicide that we can address. Their recommendations are being incorporated into our existing

efforts to prevent suicide, focused on education and awareness; intervention; Sailor care; and continued assessment of our progress.

In particular, the task force will revise our current collection of 123 programs designed to improve resiliency or prevent suicide and focus them on the factors they found to be most effective at preventing suicide. We will implement many of these recommendations in FY2013 and into FY2014. The Navy also works with DoD's Defense Suicide Prevention Office to promote awareness of the Military Crisis Line, a service that provides 24/7 confidential crisis support to those in the military and their families. This line provides immediate access to care for those who may be at risk for suicide, along with additional follow-up and connection with Metal health services.

At-sea manning shortfalls. Our goal for at-sea manning is 95 percent of billets filled and 90 percent "fitted" with a Sailor having the right specialty and seniority. At the start of FY2013, we were at about 90 percent fill and 85 percent fit – 5 percent short of our goal in each measure and about 7,000 short of our goal in at-sea manning. We put in place a number of initiatives to shift more Sailors to sea including Sea Duty Incentive Pay, changes to Sea-Shore rotation and shifts of Reserve Component Sailors to Active Duty. We are on track to reach our fit and fill goals by the end of FY2013. An enduring factor behind at-sea manning shortfalls is the fact we are about 4,000 Sailors below our planned and budgeted end strength. To permanently address our end strength shortfall we increased accessions by 6,000 per year and broadened and increased reenlistment bonuses for undermanned ratings, adding bonuses for 18 specialties and increasing them for 42 more. We expect to reach our end strength goal by the end of FY2013.

High Operational Tempo (OPTEMPO). Over the last decade, our fleet shrank by about 10% while our deployed presence remained about the same. As a result, each ship and aviation squadron spends on average about 15% more days away from home per year now than it did 10 years ago. This is an average, however. Our increased OPTEMPO is not evenly distributed. Our CSGs and ARGs will deploy on average 7-8 months in FY2013, but some will deploy for 9 months or more due to emergent maintenance or the effects of sequestration on operational schedules. Our BMD ships are similarly deploying for about nine months at a time. To better understand how unit OPTEMPO affects individual Sailors, this year we began monitoring the time each Sailor is away from home (ITEMPO) and will use this information to guide our future

decisions. For the long term, however, we have to adopt a more sustainable process to provide ready forces. For that reason, we are shifting to a "supply-based" model to prepare forces for deployment starting in FY2014. As part of this we will revise our Fleet Readiness Training Plan (FRTP) to make it more predictable and provide more presence from the same size fleet.

When Sailors are gone up to nine months at a time, Family readiness is vitally important. Our FY2014 budget submission sustains family support programs that provide counseling, education, child care and financial advice. We also continue developing our Sailors' readiness and protection, safety, physical fitness, inclusion and continuum of service as part of our 21st Century Sailor and Marine initiative. The actions described above to address sexual assault and suicides are part of this initiative. To improve our resourcing, management and oversight of the programs that support our Sailors and their Families, I am reorganizing my personnel headquarters to bring all these aspects of a Sailors' total health and personal readiness under a 21st Century Sailor office led by a 2-star Admiral.

Our responsibility of support to our Sailors and their Families is most important when they are wounded, ill or injured. Navy's "Safe Harbor" program helps about 1200 Sailors and Coast Guardsmen and their Families through their recovery with travel orders for treatment, lodging, child and respite care, employment and education assistance, mental health assistance and career counseling. We implemented a campaign over the past year that increased enrollment in Safe Harbor 30 percent by reaching out to service members who were eligible but had not signed up. Our FY2014 budget submission sustains Safe Harbor and improves the program's level of service.

Our Course for FY2014

Our FY2014 budget submission implements the DSG and continues our current efforts by making decisions based on our three tenets. Our approach to building our FY2014 program focused on three main areas, in order:

- *First*, we ensured sufficient forces and readiness to provide the presence required to meet the current and projected future GFMAP.
- *Second,* we sustained our FY2013 investments required to support our critical near-term capability to perform DSG missions.

- *Third,* we addressed our most relevant future capability requirements to support the DSG missions.

The resulting FY2014 program and associated plans implement DSG direction to rebalance our effort toward the Asia-Pacific region, support our partners in the Middle East, sustain our alliance commitments in Europe and employ low-cost, small footprint approaches to security on other regions.

1. Delivering presence: Our FY2014 submission includes the investments in force structure needed to meet the presence requirements of the FY2014 GFMAP. Our investments in ships and aircraft are complemented with the funding for training, maintenance and operations necessary for readiness today and to ensure they can continue to provide presence over their expected service life. Figure 2 depicts the presence levels generated by our planned investments in the FY2014 Future Years Defense Program (FYDP). Figure 2 also includes the number of "non-rotational" ships that are either homeported in the region or are Forward Stationed in the region and manned by rotational crews from CONUS.

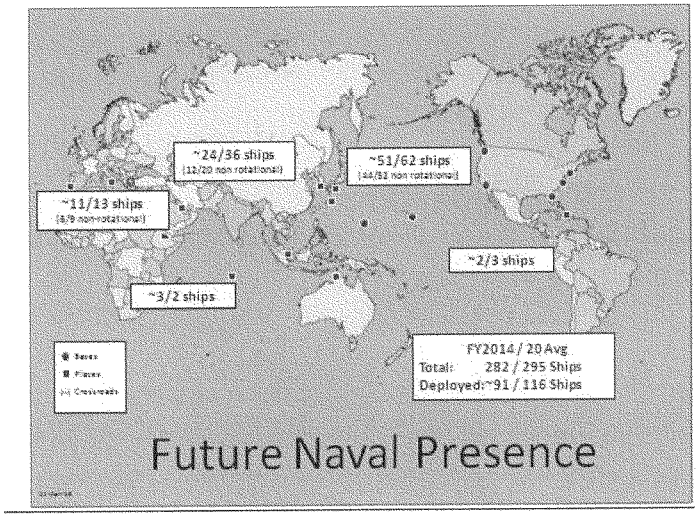


Figure 2

Shipbuilding: We determined the number and type of ships required over the long-term through a comprehensive, analytically-driven Force Structure Assessment (FSA). The FSA determined the day-to-day presence required to execute the DSG, informed by today's GFMAP and the introduction of new ships, systems or payloads, and concepts that deliver presence more efficiently or that better match capabilities to their theater. The FSA resulted in a required number of each type of ship to meet the projected presence requirements. Although presence is the governing factor for Navy force structure requirements, the FSA also ensured Navy's force structure would be sufficient to meet the surge requirements of CCDR operational plans and DoD Defense Planning Scenarios, informed by the DSG direction to reevaluate those plans in view of our resource limitations.

The FSA analysis resulted in a battle force requirement of 306 ships. This requirement is different from our previous 313-ship requirement because of: (1) reduced presence requirements resulting from the DSG's priorities; (2) increased forward basing of ships; (3) introduction of new payload capacity for SSNs (replacing the SSGNs) and; (4) the increased use of ships manned with rotating civilian and military crews which provide more presence per ship.

Our FY2014 long-term shipbuilding plan is designed and planned to deliver the fleet, by ship type, required per our FSA over the long term. Over the FY2014-FY2018 FYDP our program will fund construction of 41 ships. Our investments are not programmed to reach the precise number and mix of ships within this FYDP, but do deliver a fleet of 300 ships by 2019 with increased capability and flexibility compared to the fleet of today. To meet the required force mix and number, however, Navy will need the means to resource, in particular, construction of the next generation nuclear ballistic missile submarine (SSBN). Deputy Secretary of Defense Carter acknowledged this resourcing challenge in his memo of March 2012 that forwarded the FY2013 Shipbuilding Plan to Congress.

Our FY2014 program continues the construction of ships that employ rotational military or civilian crews to improve their ability to operate and stay forward. Our FY2014 budget submission funds the final MLP, which will be configured as an AFSB and manned by rotating civilian crews with military detachments, and four LCS that will employ rotational military crews. During FY2014 we will deploy the first JHSV, USNS SPEARHEAD, and continue the first deployment of USS FREEDOM. We will use these deployments to integrate these new,

highly adaptable platforms into the fleet and evaluate the ways we can employ their combination of persistent forward presence and flexible payload capacity.

During FY2014, seven ships will enter the fleet, including two new classes of ships. The first *Zumwalt* class DDG will deliver next year, bringing with it an all-electric integrated propulsion system and the Advanced Gun System, able to reach targets with precision up to 60 miles away. The amphibious assault ship USS AMERICA will join the fleet in FY2014 and empower new concepts for amphibious operations that take advantage of its expanded aviation capacity. Over the next five years, we will deliver 47 ships, including the GERALD R. FORD, the first of a new class of CVN that will provide much higher sortie generation with about 500 fewer Sailors.

Aviation: Our aviation requirements are tied to requirements for the ships from which they operate, and on our required forward presence of land-based aircraft such as the P-8A *Poseidon*. Our FY2014 program invests in aircraft to meet those requirements. To support our carrier air wings and independent deploying ships, our FY2014 budget submission continues construction of the proven and adaptable MH-60R/S *Seahawk* and E-2D *Hawkeye*. We also continue investment in development and low-rate production of the F-35C *Lightning II* to replace our older F/A-18 *Hornet* models (A-D).

Readiness: Our funded operations and maintenance in FY2013 will complete the manning, training, maintenance and other preparations necessary to enable Navy to meet the FY2014 GFMAP. Our FY2014 budget submission, combined with anticipated Overseas Contingency Operations (OCO) funding, fully funds our planned ship and aircraft maintenance and the ship and aircraft operations needed to execute the FY2014 GFMAP.

Our overall FY2014 readiness is dependent on OCO funding. OCO funding subsidizes about 20 percent of our ship and aircraft maintenance costs in FY2014, including depot maintenance, as our fleet supports operations in Afghanistan. We are requesting OCO funding for about 20% of our planned ship operations to support training and certification for deployment and deployed operations. Our dependence on OCO funding for baseline operations has decreased from $3.3 billion in FY2011 to $2.3 billion FY2013 as we "migrate OCO to base" funding. A more enduring funding strategy will eventually be required for Navy to maintain its current readiness and level of overseas presence into the future.

The Navy also continues to develop more efficient ways to generate presence. Our FY2014 budget submission requests investments needed to modify the Fleet Readiness Training Plan (FRTP), which is the means Navy uses to train and maintain ships and aircraft in our CSGs and ARGs in preparation for deployment. This change, called "Enhanced CSG Presence," will enable increased overseas presence of rotationally-deployed CSGs by: lengthening the overall FRTP cycle; adding time for maintenance and training; and increasing the total deployed time of each CSG per operating cycle. This transition will take about two years to complete, but when completed we will have established a more sustainable process for training and maintaining our rotationally deploying ships, aircraft and crews.

Enhanced CSG Presence addresses increased use and increased overseas presence of CSGs over the last decade, since the current FRP was first developed. The current FRTP organizes the training and maintenance of ships and aircraft in the CSG to conduct one deployment (nominally seven months) per 32-month cycle; the CSG is then available to deploy for contingencies for another 12 months. In the last several years, Requests For Forces (RFF) added to the GFMAP compelled Navy to routinely deploy CSGs twice in each operating cycle. This caused personnel to exceed DoD personnel tempo limits and expended the CVNs nuclear fuel at a higher rate than planned – causing some CVN to be constrained in the amount of operations they can do before they are refueled. Enhanced CSG Presence is designed to deploy CSGs twice each operating cycle while providing the time at home needed to stay within PERSTEMPO limits and maintain ships and aircraft. This model is more efficient because it trains and maintains the CSG once for up to two deployments. It is also a "supply-based" model because it delivers a set amount of overseas CSG presence and does not include "on demand" surge capacity except in most extreme contingencies. Our FY2014 program includes the near-term investment in personnel and shipyard capacity needed to implement Enhanced CSG Presence, but future investment in CVN and aircraft recapitalization may be needed to address increased usage over time.

Our shore establishment is a key contributor to our operational readiness. Sequestration in FY2013 reduced by more than half our planned facilities sustainment, renovation and modernization (FSRM) projects. This $1.2B reduction in shore investment will be "carried over" into FY2014 and beyond and will degrade our shore readiness over time. Our FY2014 budget

submission funds FSRM at acceptable levels of risk overall, but this "carryover" will have to be addressed.

One particular area of emphasis in our facilities investment remains unaccompanied Sailor housing. In 2001, 21,000 of our junior Sailors had to live on their ship even when the ship was in port because there were no quarters ashore for them. Our military construction in FY2013 will complete our effort to provide every Sailor a room ashore by 2016, while our FSRM investments going forward will improve the quality of our Sailor's quarters. These efforts are important to our Sailors' quality of life and personal readiness, but also will improve the safety and security of our on-base housing.

Arctic. Emerging projections assess that the Arctic will become passable for shipping several months out of the year within the next decade – about 10 years earlier than predicted in 2009 when we first published our Arctic Roadmap. This will place new demands on our fleet for presence in the Arctic and capabilities to operate in the Arctic environment. Between now and the start of FY2014 we will update our Arctic Roadmap, and accelerate many of the actions Navy will take in preparation for a more accessible Arctic. During FY2014 we will implement this revised roadmap, including developing with the U.S. Coast Guard plans for maintaining presence and search and rescue capability in the Arctic and pursuing exchanges with other Arctic countries to familiarize our Sailors with Arctic operations.

2. Fielding near-term capabilities: Mine warfare continues to be a significant emphasis in the near-term. Our FY2014 program increases investment in the new AQS-20 towed mine hunting sonar and the new unmanned surface vehicle that will tow it, freeing up manned helicopters and ships and further expanding our mine hunting capacity. Our budget submission funds upgrades for our existing helicopter-towed mine hunting sonar and MCM hull-mounted sonar and accelerates fielding of the Mk-18 UUV and Sea Fox mine neutralization system. To support our MCMs and PCs in Bahrain, Navy's FY2014 program sustains USS PONCE as an AFSB-I in the Arabian Gulf and funds the outfitting of its replacement – the first MLP modified to be an AFSB.

To address the near-term threat from submarines, our FY2014 program sustains accelerated procurement of Mk-54 torpedoes, improves sustainment and replacement of today's fixed and mobile undersea sensors and improves our current periscope detection radars on

surface ships and aircraft. To counter wake-homing torpedoes we installed a prototype Surface Ship Torpedo Defense (SSTD) system on USS GEORGE H.W. BUSH this year and it is being tested. The SSTD system will deploy with BUSH during FY2014.

Small boats with explosives or anti-ship missiles remain a potential threat to our forces in the constrained waters of the Arabian Gulf. Our FY2014 program funds integration of the Advanced Precision Kill Weapon System (APKWS) onto our MH-60R helicopters to counter this threat. We also will test the new Laser Weapons System (LaWS) during FY2014 in the Arabian Gulf aboard USS PONCE. LaWS brings capabilities to defeat small boats and unmanned air vehicles (UAV) for about $1 a shot compared to thousands or millions of dollars per artillery round or missile. To improve our ability to defeat larger surface combatants, our FY2014 program invests in development and testing of near-term modifications to existing weapons that would enable them to be used for surface warfare.

3. Developing future capabilities: Our development of future capability is benchmarked to support our rebalance toward the Asia-Pacific and is guided in large part by the Air-Sea Battle concept, which implements the Joint Operational Access Concept. Both these concepts are designed to assure U.S. forces freedom of action and access to support deterrence, assurance of our allies and partners, and the ability to respond to crises. Our investments focus on assuring access in each domain, often by exploiting the asymmetric capability advantages of U.S. forces across domains

Undersea. Navy's dominance of the undersea domain provides U.S. forces their most significant asymmetric advantage. Our FY2014 program continues improving our capability to deny the undersea to adversaries, while exploiting it for our own operations. Our ASW concepts combine U.S. air, space, cyber, surface and subsurface capabilities to prevent adversaries from effectively using the undersea domain. Navy's FY2014 budget submission sustains and plans production of proven ASW platforms including MH-60R *Seahawk* helicopters, P-8A *Poseidon* maritime patrol aircraft, *Arleigh Burke* class destroyers and *Virginia* class nuclear submarines (SSN) – including a second SSN in FY2014 thanks to Congressional support in FY2013. Our budget submission also funds Advanced Airborne Sensors for the P-8A Poseidon, accelerates torpedo defense systems for our aircraft carriers, transitions the PLUS system to an acquisition program and improves Navy's Integrated Undersea Surveillance System. To tie these manned

and unmanned air, surface and undersea systems together in a networked, our FY2014 budget submission continues development of the Undersea Warfare Decision Support System.

Our submarines and undersea vehicles can exploit their ability to circumvent anti-access challenges to conduct missions such as surveillance, strike, and ASUW into the air and surface domains with near-impunity. In addition to building two *Virginia* class SSNs in FY2014 our budget submission continues development of the Large Displacement Unmanned Underwater Vehicle (LDUUV) and additional payloads for our existing submarines.

Air. Our FY2014 program continues to improve the capability of our CSGs to project power despite threats to access. In FY2014 our budget submission funds two squadrons E/A-18G *Growler* electronic warfare aircraft and the Next Generation Jammer. E/A-18G provides key and critical capabilities to our CVW and expeditionary forces by jamming or deceiving adversary electromagnetic sensors while providing improved capability for sensing of adversary electromagnetic emissions. Our FY2014 budget submission also continues to invest in the development and low-rate production of the new F-35C *Lightning II.* We will continue to evaluate how to best integrate F-35C into our CVW from a training, logistics and operational perspective. In particular, we are concerned about the sustainment model and costs for F-35C and how to manage them. While we expect the F-35C to be able to do all the missions of today's F/A-18 E/F, it will also bring improved C4ISR capabilities that will make possible a number of new operational concepts.

Our FY2014 program funds the fielding of new "kill chains" that are better able to defeat adversary jamming. One chain uses infra-red sensors and weapons to provide air-to-air capability that operates outside the radiofrequency (RF) band and is therefore not susceptible to traditional RF jamming. The other kill chain uses networked sensors and weapons in the Navy Integrated Fire Control-Counter Air (NIFC-CA) system. NIFC-CA uses the Cooperative Engagement Capability (CEC) datalink between Aegis ships and E-2D aircraft and Link-16 between E-2D and F/A-18 aircraft to seamlessly share threat information between Navy ships and aircraft. NIFC-CA enables each platform to engage targets on another platform's data, even if the shooting platform does not even see the target on its own radar due to jamming or extreme range. Since NIFC-CA incorporates Link-16, other Link-16-equipped sensors such as the Army's Joint Land Attack Cruise Missile Elevated Netted Sensor (JLENS) and Airborne Warning and Control

System (AWACS) could also participate in the network. We will field the first NIFC-CA equipped CSG in 2015 and will pursue greater Joint and coalition employment of NIFC-CA as part of the Air-Sea Battle Concept.

Enhancements to our manned aircraft are still limited by the range and persistence of manned platforms. Our FY2014 program continues testing and development of the X-47 Unmanned Combat Air System Demonstrator (UCAS-D) UAV, which completed flight deck trials at sea aboard USS HARRY S TRUMAN, its first land-based catapult launches, and is slated for its first at-sea catapult launch and recovery in late May. This spring we will finalize the requirements for the follow-on Unmanned Carrier Launched Airborne Strike and Surveillance (UCLASS) system, followed by an initial request for proposals from industry. By FY2020, UCLASS will enhance the reach and persistence of our CSGs by conducting surveillance and strike missions several hundreds of miles from the carrier and with two to three times the endurance of a manned aircraft. The UCLASS can also be equipped to take on missions such as tanking that today take several F/A-18 E/F out of the tactical missions for which they were designed.

Electromagnetic spectrum (EMS) and cyber. Future conflicts will be fought and won in the electromagnetic spectrum and cyberspace, which are converging to become one continuous environment. This environment is increasingly important to defeating threats to access, since through it we can disrupt adversary sensors, command and control and weapons homing. Our FY2014 budget submission aggressively supports Navy's efforts to exploit the EMS and cyberspace. In addition to E/A-18G aircraft and Next Generation Jammer, our FY2014 budget submission funds seven SLQ-32 Surface Electronic Warfare Improvement Program (SEWIP) Block 1 upgrades and fields new deployable decoys to defeat anti-ship missiles. The FY2014 program also accelerates research and development on SEWIP Block 3, which expands the frequency range of the SLQ-32 electronic warfare system to address emerging missile threats and provides enhanced electronic attack capabilities. To disrupt adversary surveillance and communications, our FY2014 budget submission continues procurement of improvements to Navy's Ships Signal Exploitation Equipment (SSEE), which will host a growing number of electronic surveillance and attack payloads.

Improving the defense of our computer networks depends on reducing our "footprint" or the number of different networks; reducing the number of different applications on our networks; improving our day-to-day cyber "hygiene"; and developing an effective cyber workforce. Our FY2014 program continues fielding the Consolidated Afloat Network and enterprise Services (CANES) on ships and the Next Generation Network (NGEN) ashore to reduce the number of Navy networks and applications while we continue to expand the inspection of our cyber "hygiene" with improving results. To expand our cyber warfare capabilities, our FY2014 program funds the manpower and training to man and train a cyber force increase of about 1,000 personnel by FY2016 in addition to the 800 billets realigned in FY2013 from other specialties. These cyber specialists will help form 40 computer defense, attack and exploitation teams at U.S. Cyber Command. Navy studied the challenges associated with the EMS and cyber domains in 2012. We are now building on these initial capabilities with a comprehensive plan to improve our ability to exploit the EMS and cyberspace.

Amphibious warfare. Not all threats to access are from enemy missiles or torpedoes. Adversaries will exploit geography and coerce neighbors to not allow our forces to use their facilities. Naval forces also need the flexibility to come ashore in unexpected areas or from less predictable directions to catch the adversary off guard. Amphibious warfare exploits the inherent maneuverability of naval forces to provide an asymmetric advantage against adversary anti-access efforts. Our FY 2014 budget submission funds construction of an 11th "big deck" amphibious assault ship (LHA), LHA-8, which will bring enhanced aviation capacity and a traditional well deck to expand its ability to support the full range of amphibious operations. Our FY2014 program also extends the life of USS PELELIU through FY2015 and sustains our ship to shore connector capacity through life extensions and recapitalization. We are complementing this investment with revised concepts for Marines to operate at sea on a larger number of ships to conduct missions from peacetime security cooperation to wartime amphibious assault.

While developing new Navy-Marine Corps operating concepts, we will address in the near-term the need for improved communications systems on our amphibious ships. Our FY2014 program continues to install the CANES on *San Antonio* class Amphibious Transport Dock ships (LPD) and on LHAs and LHDs. This only addresses a part of our shortfall. We are analyzing the need for upgraded communications on our older amphibious ships and will correct those shortfalls in the near-term. We are also developing changes to our command and control

organizations to enable our amphibious forces to scale their operations from disaggregated Amphibious Ready Groups (ARG) up to large scale operations involving multiple ARGs and CSGs.

Asia-Pacific Rebalance. Our FY2014 program continues rebalancing our efforts toward the Asia-Pacific region in four main ways:

- Increased presence: As indicated in Figures 1 and 2, our FY2014 budget submission enables Navy presence in the Asia-Pacific to increase by almost 20 percent between now and 2020. This is in large part a result of more ships operating from forward locations, including an additional SSN homeported in Guam, LCS operating from Singapore and JHSV, MLP and AFSB operating from ports throughout the region. It also reflects additional DDG and amphibious ships rotationally deployed to the Asia-Pacific after being made available by forward homeporting of DDG in Rota, Spain or because they were replaced by JHSV and LCS in Africa and South America.
- Homeporting: We implemented a plan in FY2013 to shift 60 percent of our fleet to be homeported on the Pacific by 2020. Our FY2014 program continues this plan.
- Capabilities: Our capability investments for the Asia-Pacific are guided by the Air-Sea Battle concept and the future capabilities described above will be deployed preferentially and first to the Asia-Pacific region. For example, the P-8A will conduct its first deployment to the Asia-Pacific in 2014, followed by the MQ-4C and F-35 later this decade. Our improved aviation kill chain capabilities will go first to the CVW in Japan and NIFC-CA will be first fielded to the Pacific Fleet once it completes its operational testing.
- Intellectual Capital: Our investments in education, exercises, interoperability and engagement continue to focus on the Asia-Pacific region. We continue to conduct more than 150 exercises annually in the Asia-Pacific and our plan for RIMPAC 14 is to continue growing in sophistication and participation, including China for the first time. We established a permanent squadron staff to support LCS in Singapore and manage Navy security cooperation activities in the South China Sea.

Conclusion

Budget uncertainties or reductions may slow progress toward our goals, but the tenets which guide our decisions will remain firm. Along with our primary joint partner the U.S. Marine Corps we will remain America's "force in readiness," prepared to promptly respond to crises overseas. On behalf of the approximately 613,000 Navy Sailors and Civilians, I appreciate the support that the Congress has given us to remain the world's preeminent maritime force. I can assure the Congress and the American people that we will be focused on warfighting first, operating forward and being ready.

SUMMARY STATEMENT OF GENERAL AMOS

Mr. FRELINGHUYSEN. General Amos, good morning.

General AMOS. Chairman, good morning. Ranking Member Visclosky, members of the committee, I am pleased to appear before you today to talk about the 2013 posture of your United States Marine Corps.

I am equally grateful to this committee for what you did last February as you stood forward in support of the Department of Defense. Clearly, H.R. 933 would not have passed had it not been for the dedication and faithfulness of this committee. So, on behalf of my Secretary and Admiral Greenert and our men and women of the Navy and the Marine Corps, thank you very much.

For more than 237 years, your Corps has been a people-intense force. We have always known that our greatest asset is the individual Marine. That has not changed during 12 years of hard combat. Our unique role as America's premier crisis-response force is grounded in the legendary character and warfighting ethos of our people. Today's Marines are ethical warriors forged by challenging training and made wise through decades of combat. You can take pride in knowing that, as we gather here this morning in this hearing room, some 30,000 Marines are forward-deployed around the world, promoting peace, protecting our Nation's interests, and securing its defense.

Sergeant Major Barrett and I recently returned from Afghanistan and can attest to the progress there. Marines have given the Afghan people a vision of success and the possibility of a secure and prosperous society. The people of the Helmand province have a strong sense of optimism about their future. Afghan security forces have led the way now in every operation. Our commanders and their Marines now tell me that their Afghan partners overmatch the Taliban in every way and in every single engagement.

Focusing a bit more tightly on the reality of today's security environment, it is clear to me the intrinsic value of forward naval presence. With declining resources to address the world's security challenges, forward-deployed sea-based naval forces are affordable and just make sense. They proactively support our Nation's security strategy by shaping, deterring, and rapidly responding to multiple crises, all while treading very lightly on our allies' and our partners' sovereign territory.

Amphibious forces are a sensible and unmistakable solution in preserving our national security. Naval forces and the Marine Corps in particular are our Nation's insurance policy, a hedge against uncertainty in an unpredictable world. A balanced air-ground logistics team, we respond in hours and days, not weeks and months. This is our raison d'etre. This is what we do.

This year's budget baseline submission of $24.2 billion was framed by our following service-level priorities. First, we will continue to provide the best trained and equipped Marines to Afghanistan. Second, we will protect the readiness of our forward-deployed rotational forces. Third, we will reset and reconstitute our operating forces as our Marines and equipment return from nearly 12 years of combat. Fourth, as much as is humanly possible, we will modernize our force through investing in the individual Marine

first and by replacing aging combat systems next. And, lastly, as ever, we will keep faith with our Marines, our sailors, and our families.

We remain committed to these priorities in fiscal year 2013 despite significant reductions in our facilities sustainment and home station unit training accounts due to the loss of $775 million in operations and maintenance funding from sequestration. To maintain readiness in those units that are deployed and those that are next to deploy, I have paid the bill with infrastructure and sustainment moneys.

I have accepted a level of risk in fiscal year 2013 to ensure the Corps' deployability and relevance in the uncertain times we currently live in, but sequestration in fiscal year 2014 and beyond will drive me to reduced levels of readiness that I cannot responsibly accept. To pay my bills, I will begin major force structure reshaping efforts next year within America's 911 force—reshaping efforts that will directly affect our ability and capacity to respond to emerging crises around the world.

Ladies and gentlemen, your Marine Corps is aware of the fiscal realities confronting our Nation. During these times of constrained resources, we will be responsible stewards of scarce public funds. We will continue to prioritize and make the hard decisions before coming to Congress. I am acutely aware that our success as Marines is directly linked to the unwavering support of Congress and the American people. It has always been that way.

Once again, I thank the committee for your continued support, and I am prepared to answer your questions.

Mr. FRELINGHUYSEN. Thank you, General.

[The written statement of General Amos:]

GENERAL JAMES F. AMOS

COMMANDANT OF THE MARINE CORPS

2013 REPORT TO

THE HOUSE APPROPRIATIONS COMMITTEE

SUBCOMMITTEE ON DEFENSE

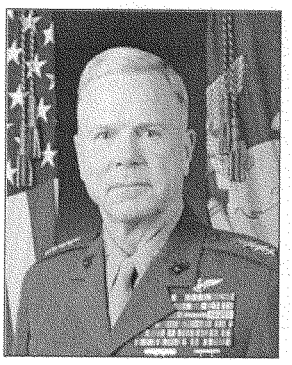
ON

THE POSTURE OF THE UNITED STATES MARINE CORPS

May 7, 2013

Not public until released by the
House Appropriations Committee

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.

I. Marines and the Nation's Defense

Our nation has long recognized the need for a ready expeditionary force, one able to deter those who would do us harm, swiftly intervene when they act to do so, and fight to win where the security interests of our nation are threatened. I am pleased to report that your Marines remain that ready force. Because of the faithfulness and trust of the American people, Marines are forward deployed today; on ships at sea, at our diplomatic posts, in key security locations, and alongside our allies. They are poised to respond wherever crisis looms. Thousands of your 21st Century Marines and Sailors remain deployed to Afghanistan where they are putting relentless pressure on a disrupted enemy, while setting the conditions for a transition of security responsibilities to the Afghans themselves. Marines here at home are in the field, training at their bases and stations. Wherever they serve, whatever their mission, your Marines are ready, motivated, and eager. Their professionalism and patriotism are undimmed by over a decade of combat. They carry the timeless ethos and deep pride Marines have built over 237 years of service to this nation. You can be proud of their service.

The need for this highly capable and ready force is more pressing now than ever. Today, we see a world marked by conflict, instability and humanitarian disaster. We see the disruptive changes that accompany a rapidly modernizing world; a world in which tyranny is challenged, power is diffused and extremism finds fertile ground in the disenfranchised. While America's continued prosperity and security are found in a stable global order; instability, extremism and conflict create disorder instead. In what has been described as a 'new normal,' extremism, economic disruption, identity politics and social change generate new potential security threats at an accelerating pace. While we desire peace as a nation, threats to our citizens, allies and national interests compel our response when crisis occurs.

The unpredictable and chaotic security environment in which we find ourselves presents security challenges that are aligned exactly with the core competencies of the Marine Corps. While Marines have acquitted themselves well during two long campaigns ashore, our fundamental ethos and character remains that of the Nation's Expeditionary Force in Readiness. The Marine Corps is purpose-built for the very world we see emerging around us...purpose-built to intervene in crisis, purpose-built to forge partnerships in collective security, purpose-built to defend our nation from the wide range of security threats it faces today.

This unique role is grounded in the special nature of the individual Marine. America's Marines hold to a professional ethos anchored in honor, discipline, fidelity and sacrifice. Today's Marines are ethical warriors, forged in hard training and made wise through years of experience in combat. Courageous in battle and always faithful, Marines stand as pillars of just action, compassion, and moral courage. This ethos defines our warfighting philosophy and is the timeless scale upon which we continually measure ourselves...it has always been this way.

The Marine Corps remains first and foremost a naval service, operating in close partnership with the United States Navy. We share with them a storied heritage that predates the signing of our Constitution. Together, the two naval services leverage the seas, not only to protect the vast global commons, but also to project our national power and influence ashore where that is required. The world's coastal regions are the home to an increasing majority of the

human population, and are thus the scene of frequent conflict and natural disaster. These *littoral* regions comprise the connective tissues that connect oceanic trade routes with the activities of populations ashore. In an era of heightened sensitivities over sovereignty, and where large foreign military footprints are unwelcome, the seas provide maritime forces with a means of less obtrusive access. Maritime expeditionary forces can be located close enough to act when crisis threatens and hours matter, without imposing a burden on host nations. Expeditionary maritime forces can operate in the air, at sea, and on land, without the necessity of infrastructure ashore. They can loiter unseen over the horizon, and can move swiftly from one crisis region to another. Importantly, maritime forces also have the ability to rapidly return to the sea when their mission is complete.

This flexibility and strategic agility make Marine forces a key tool for the Joint force in major contingencies. Operating in partnership with the Navy, the Marine air-ground-logistics task force creates the strategic asymmetries that make the joint force so effective on the modern battlefield. Amphibious and expeditionary capabilities contribute to each of the ten mission areas of the joint force, and are directly responsive to the security demands articulated in the President's *Defense Strategic Guidance for the 21st Century*. By design, Marines smoothly integrate with the other elements of the joint force, enable our interagency partners in response to disaster or humanitarian crises, and provide a naturally complementary team when working with special operations forces.

As the nation prepares for an uncertain future, its expeditionary Marine forces provide a highly-utilitarian capability, effective in a wide range of scenarios. Marines remain a cost-effective hedge against the unexpected, providing a national "insurance policy" against strategic surprise. Thanks to the support of American people, the Marine Corps remains responsive to its Congressional mandate to be the "most ready when the nation is least ready."

2012 Operational Highlights

This past year, Marines have been actively engaged in every corner of the global security environment. The Marine Corps continued to meet operational commitments in Afghanistan, while simultaneously working with more than 90 allies and partners to train, to learn, and to build effective security institutions. In addition to forces committed to Operation Enduring Freedom (OEF), our Marine Expeditionary Units (MEUs), in partnership with Navy Amphibious Ready Groups (ARGs), continued to patrol regions of likely crisis. Other task-organized Marine Air Ground Task Forces (MAGTFs), operating from expeditionary locations, supported US national security objectives through forward presence, deterrence, multinational theater security cooperation exercises, and building partner capacity. Marines have been active in every geographical combatant command, serving as a key component of the joint force. Even under fiscal restraint, we will continue to support these strategically important activities to the greatest extent possible.

Afghanistan

Our number one priority remains providing the best-trained and best-equipped Marine units to Afghanistan. As long as we are engaged there, this will not change. Active and Reserve Marines continue operations in Helmand Province, comprising approximately 7,000 of the 16,000 Coalition personnel in Regional Command Southwest (RC-SW). By the end of this year, we expect our contribution will be closer to half its current size. Through distributed combat operations conducted with their Afghan counterparts, Marines have continued to deny the Taliban safe haven. Your Marines, with Coalition partners from nine nations and the Afghan National Security Force (ANSF), have restored stability in one of the most critical regions of Afghanistan, creating breathing space for the establishment of effective tools of governance. These combat operations have been marked by the continued bravery and sacrifice of American, Coalition, and Afghan service members.

One measure of our battlefield success is the continued progress in implementing the mechanisms of effective governance in Helmand Province. In 2012, citizens of Helmand conducted three successful elections for district community councils, with more than 5,000 participants vying for approximately 45 council seats. There are new district governors in twelve of fourteen districts, and new provincial authorities in the capital of Lashkar Gah. Within the provincial judicial system, the numbers of judges, prosecutors and defense counselors are steadily growing.

Provincial social conditions also show marked improvement. Marines have helped open 86 schools, providing a new normal of daily classroom participation by over 121,000 children. This total includes more than 28,000 female students, a 432 percent increase since 2005.

Healthcare is another area of vast improvement. In 2006, only six health clinics served the needs of the population of Helmand province, an area nearly twice the size of Maryland. Six years later, 57 health care facilities provide basic health services to more than half of the population. Infrastructure improvements currently underway include a $130 million major electrical power system project and additional major road construction projects.

Transitioning from counter-insurgency operations to security force assistance in Afghanistan, we are adjusting our force posture into an advisory role in support of the ANSF. US-led missions have given way to US-Afghan partnered missions; and now are transitioning once again to missions conducted entirely by Afghan forces with only advisory support from US forces. As nearly all Districts in RC-SW have entered the transition process, the next year remains a delicate and extremely important time. Afghan local authorities, supported by the ANSF and their citizens, have welcomed their responsibility to lead and are taking it upon themselves to contribute to the transition process.

I recently returned from visiting your Marines in Helmand province, and I can attest to the progress there. Marines have given the people of Helmand a vision for a secure and prosperous society, and the responsibilities that come with that freedom. The Marines are proud of what they and their predecessors have accomplished, and want to see this mission through to completion.

That mission is not complete until the massive project of retrograding our equipment from our dispersed operating locations across southern Afghanistan is completed. I am happy to report to you the tremendous progress our Marines have made in recovering and redeploying our equipment. Our logisticians have spearheaded a recovery effort that has been proactive, cost-effective, and in keeping with the high stewardship of taxpayer resources for which the Corps is known. Much of our equipment, unneeded in Afghanistan but required for home-station training, has been successfully returned to the United States, where it can be refurbished and reissued. We are proud to preserve our reputation as the frugal force.

Global Crisis Response

Concomitant with our Afghan commitments, Marines have been vigilant around the globe, responding to crises ranging from civil conflict to natural disasters. Crisis response is a core competency of your expeditionary force in readiness. The Marine Corps provides six MEUs operating from the continental US, and one operating from its bases in Japan. Teamed with Navy ARGs, these expeditionary forces provide a rotational forward presence around the globe. Special-purpose MAGTFs, capable of rapidly responding when conditions deteriorate, augment the MEUs from forward security locations in key regions. The recent deployment of our 24th MEU and the Iwo Jima ARG is instructive. As this Navy-Marine expeditionary team transited the Mediterranean Sea and operated off the horn of Africa, they participated in their normal syllabus of exercises and operations to include African Lion with the Moroccan military, Eager Lion with the Jordanian Navy and the International Mine Countermeasures Exercise that included more than 30 international partners. While forward deployed participating in these partnership initiatives, however, they also provided an essential response capability for our national leadership when US interests or citizens were threatened due to violence in Syria, Gaza, Sudan, Libya, Egypt and Yemen. These forces planned against a variety of scenarios and were poised to swiftly intervene from the sea in each of these cases. Although past the end of their scheduled deployment, this Navy-Marine team was extended on-station, and maneuvered throughout the region in order to ensure our nation could respond if crisis necessitated intervention to protect our citizens. If even one of these smoldering situations had ignited into the flames of crisis, our Marines would have been quickly on the scene, protecting human life, preserving our interests, and evacuating our citizens. For our diplomats and citizens in these troubled parts of the world, there is no substitute for the capabilities brought by forward deployed Marines and their Navy partners. Their ability to quickly respond to a variety of missions gave decision makers at all levels time to develop their plans, created options for execution, and provided assurance that there was a force ready to be called-on if needed. This utility, flexibility and forward presence is an essential feature of our nation's ability to respond to crisis at a moment's notice.

In 2012, our diplomatic posts and embassies remained highly visible symbols of US presence and commitment. In the threat environment posed by the new normal, the protection offered by host states is often threatened by groups and organizations that do not respect the conventions of the state system. Marines are a key component in ensuring the security of these most vulnerable nodes of US presence. Marine Security Guards are currently deployed to 152 embassies and consulates around the world. With Congressional guidance, we are seeking to increase this number in close coordination with the State Department. Marine Embassy Security

detachments and Fleet Anti-terrorism Security Teams (FAST), alongside their State Department colleagues, also protect our diplomatic missions against a range of threats. During 2012, specialized FAST Marines deployed to reinforce U.S. diplomatic missions abroad, providing physical security and force protection. Last year we provided each Geographic Combatant Commander with FAST support to aid in protecting U.S. interests worldwide. These teams provided immediate relief in Libya following the deadly terrorist attack on the consulate that claimed the lives of the Ambassador and three other Americans. As demonstrations spread across the Middle East and North Africa, Marines from an additional FAST platoon deployed to Yemen when violent protests threatened American diplomatic personnel. These specially trained Marines remain forward deployed at naval commands around the globe, poised to respond on short notice when our citizens and diplomats are threatened.

Humanitarian Assistance and Disaster Relief

Over the past decade, in the Asia-Pacific Area alone, major natural disasters have claimed the lives of an average of 70,000 people each year. American leadership in response to global natural disaster is a clear and unambiguous demonstration of our strength, our values, and our good intentions. This demonstration gives credibility to our security promises, strengthens the value of our deterrence, and creates goodwill among our potential partners. Although built for war and maintained forward to protect our security interests, the utility of expeditionary Marine forces makes them a natural response option when disaster strikes. Forward deployed Marines responded to numerous natural disasters over the past year, smoothly integrating as a contributor to multiagency and multinational relief efforts. As an example, just this last December, Marines from the III Marine Expeditionary Force supported a USAID-led response by providing disaster relief in the aftermath of super typhoon Pablo in the Philippines. When hours mattered and the survival of large populations was at stake, Marines from their forward bases in Japan quickly organized and executed their participation in the US relief effort. KC-130J Hercules transport planes delivered critical food packages and other supplies to Manila for distribution by the Philippine military. This is but one example of a regular feature of the global security environment, and the utility of your forward-postured Marines.

Defense Support to Civil Authorities

In a similar vein, when Hurricane Sandy struck our own nation in October 2012, more than 300 Marines and Sailors from the 26th Marine Expeditionary Unit provided critical recovery and relief operations in support of Americans in need in New York City and Long Island. Marines were one part of a multiagency response that included ships of the USS Wasp ARG and other military assets. Marine aviation conducted disaster relief assessments and provided the necessary airlift for Marines to deploy into the hardest-hit areas. On the ground, Marines successfully coordinated with local leaders and residents for priority relief requirements, providing critical supplies and assisting with clearing debris and helping restore normalcy to people's lives. The swiftness of the Marine response, and their ability to conduct relief efforts from the sea made them an important contributor, without imposing additional strain on the roads, airfields and infrastructure supporting the broader relief effort.

Security Cooperation

In 2012, Marines participated in more than 200 security cooperation engagements, including multilateral and bilateral exercises, training, and military-to-military engagements. Forward-deployed MEUs participated in joint and coalition exercises around the globe from Morocco to the Philippines, strengthening our partnerships with allies such as Kuwait, Oman, Saudi Arabia, United Arab Emirates, Jordan, Thailand, Malaysia, Indonesia, Korea, and Japan.

In Europe, Marine trainers deployed to support battalions of the Georgian Army, strengthening a decade-long partnership with that nation. Because of this small investment of Marines, Georgian battalions have been effectively fighting alongside US Marines in Afghanistan since 2008. Marines continue to provide forces and leadership to activities such as the Black Sea Rotational Force, an annual US European Command initiative with the Romanians, Bulgarians, and other Black Sea regional allies.

In Africa, a Special Purpose MAGTF, tailored to conduct theater security cooperation in support of OEF-Trans Sahara, trained counter-terrorism forces and supported coalition forces combating al-Qaeda affiliates across the Maghreb region. This MAGTF also trained with forces from the African Union Mission in Somalia (AMISOM), providing well-trained African peacekeeping forces that are currently countering the Al Shabaab terrorist group in Somalia.

In Australia, our new rotational units continued to expand the training and partnership opportunities offered by one of our strongest and oldest allies in the Pacific. This past year, Marine Rotational Force Darwin conducted bilateral training with their hosts on the superb training ranges available in Northern Australia. The partnership of our Australian allies is a cornerstone of our Pacific rebalance. Marines are natural partners for an Australian military that continues to expand its expeditionary capabilities. As the Australians take delivery of their new big-deck amphibious ships, US Marines look forward to more combined training opportunities and reinforced crisis response capabilities. From Darwin, Marines embarked aboard USS Germantown to participate in the annual Landing Force Cooperation and Readiness Afloat Training (LF CARAT) amphibious patrol of the Southeast Asian neighborhood. Through LF CARAT, Marines conducted training exercises with our partners in Thailand, Indonesia and Malaysia.

Maintaining a sound international economic system and a just international order are the foundations of our nation's Defense Strategic Guidance. Your Marines remain forward deployed around the world, projecting U.S. influence, responding to contingencies, and building strong international relationships. By doing so, we significantly enhanced the security and stability of the global commons and contributed to the mechanisms of collective security that underpin the global economy and our own return to prosperity.

II. Fiscal Year 2014 Budget Submission Highlights

As we move into FY 2014 and beyond, our budget submission balances our force structure, our readiness and our capability to meet national security commitments. A critical measure of the effectiveness of our Marine Corps is its readiness. Our readiness is preserved through a careful balance of high quality people, well-trained units, modernized equipment, well-maintained installations and a force level sufficient to accomplish our many missions. Failure in any one of these pillars of readiness begins to set the conditions for an eventual hollowing of the force. We will do everything within our power to avoid this outcome, and request your continued support. The linkage between resources and readiness is immediate and visible, and our fiscal restraint has caused us to pay keen attention to our priorities. To guide us as we optimize investments and readiness in our force, our priorities are as follows:

- We will continue to provide the best trained and equipped Marine units to Afghanistan
- We will continue to protect the readiness of our forward deployed rotational forces within the means available
- We will reset and reconstitute our operating forces as our Marines and equipment return from more than a decade of combat
- We will modernize our force through investments in human capital and by replacing aging combat systems
- We will keep faith with our Marines, our Sailors and our families

This year we are seeking $24.2 billion to fund our baseline operations. This funding allows the Marine Corps to continue to provide forward deployed and engaged forces, rapid crisis response capabilities, and the necessary training to ensure readiness for our forces to fulfill strategic demands. In addition, this funding provides adequate resources for us to reset our combat-worn equipment, rebalance to the Asia-Pacific region, and keep faith with our Marines, Sailors and their families.

Two years ago, the Marine Corps initiated a Force Structure Review (FSR) whose mission was to re-shape the Marine Corps for a Post-OEF environment. This FSR sought to find ways to meet our national security responsibilities in the most resource-efficient manner possible. Our goal was to provide the most ready, capable, and cost-effective Marine Corps our nation could afford. Last year, we reported on our approved multi-year plan to draw down the Corps from the end strength of 202,100 in FY12 to 182,100 by the end of FY16. I am pleased to report that these reductions are being made in a measured and responsible way, maintaining our commitment to provide adequate transition time, effective transition assistance, and family support for our Marines who have given so much to our Nation...we remain committed to doing so.

We will continue to reshape the force, ever mindful of our operational requirements and our responsibility to keep faith with the Marines that fulfill them. As the nation's principal crisis response force, we must maintain a continuous high state of readiness in both our forward deployed and ready forces at home station. Maintaining an expeditionary force in a high state of readiness creates a hedge against the unexpected, giving the nation the ability to swiftly contain

crisis, respond to disaster, and buy time for strategic decision-makers. For us, a hollow force is not an option. This not only enables joint success, but also allows selected follow-on capabilities of the joint force to be maintained at more cost-effective readiness levels. Marines are poised to swiftly fill the temporal gap between crisis initiation and when the joint force is fully prepared to conduct operations; buying time for the deployment of the larger joint force in major contingencies. Readiness is a key to making this possible.

This high state of readiness is necessary for security of our global interests, but financing near-term readiness has caused us to continually decrement our modernization and infrastructure accounts. To meet strategic guidance during the current period of fiscal austerity, the Marine Corps has funded near-term manpower and readiness accounts at the cost of significantly increased risk in longer-term equipment modernization. Over the long-term, resourcing short-term readiness by borrowing-forward from long-term investment resources is unsustainable, and will eventually degrade unit readiness to an unacceptable level. Full implementation of sequestration and the associated cap reductions in the coming years will require a top to bottom re-examination of priorities, missions and what it will take to continue to be the Nation's Expeditionary Force in Readiness.

The current period of fiscal austerity significantly pressurizes each of our appropriation accounts, especially operations and maintenance, equipment modernization, and military personnel. Our challenge in balancing modernization and end-strength costs is especially acute, as we invest nearly 60 cents of every appropriated dollar on our most vital assets, our personnel. Our ground materiel modernization investment accounts comprise a mere 10 percent of our baseline budget. Because of this significant variance between personnel and ground modernization funding, even proportional cuts across the Services have disproportionate impacts on our already pressurized small investment programs. In the Marine Corps' ground investment portfolio, the top 25 programs consume 60 percent of the available budget, while the remaining 40 percent supports 171 small programs. These small programs are essential to equipping individual Marines and providing their qualitative edge. These programs, and the small businesses they support, have limited flexibility to respond to reduced funding, and are increasingly vulnerable as resource shortfalls become more acute.

Sustained combat operations in the harsh environments of Iraq and Afghanistan have also significantly degraded the readiness of our existing ground equipment. Our combat equipment has aged far faster than it would have given normal peacetime utilization rates. Accordingly, we are requesting funding to support the reset and restoration of our equipment to ensure we provide Marines the most combat ready equipment needed to respond to future crisis and contingencies around the world.

We are proud of our reputation for frugality, and will always remain good stewards of every defense dollar we are entrusted with. In a period of budget austerity, we offer a strategically mobile force optimized for forward presence and rapid crisis response for a notably small portion of the Department of Defense (DoD) budget. The Marine Corps will remain ready to fulfill its role as the crisis response force of choice for our nation's leaders.

III. Shared Naval Investments

The Department of the Navy's (DON's) investment in amphibious warships, maritime prepositioning ships, ship-to-shore connectors, mine countermeasures, and the Navy Expeditionary Combat Command (NECC) represent critical Navy investments that also support the Marine Corps. Due to current fiscal challenges, we have agreed to take risk in the number of amphibious ships to a fiscally constrained fleet of 33 amphibious warships, producing 30 operationally available ships if readiness levels are significantly improved. Thirty operationally available amphibious warships allow for the employment of two Marine Expeditionary Brigades (MEBs), the minimum capability and capacity necessary to fulfill our Combatant Commander commitments for sea-based forcible entry. This represents a minimal capacity for a maritime nation with global interests and key dependencies on the stability of the global system. By way of comparison, a two brigade force was necessary to wrest control of the mid-size city of Fallujah from insurgents in 2004. Two brigades of forcible entry capacity are required to create access for the rest of the joint force should defense of our interests make it necessary. There are no acceptable substitutes for this capability within our national defense inventory. This fiscal year, the total amphibious warship inventory will rise to 31 ships with the delivery of LPD-25. Within the next two years, the inventory will decline before rising to an average of 33 amphibious warships across the 30 year shipbuilding plan.

The Navy's programs and plans to sustain fleet quantities of landing craft include the Landing Craft, Air Cushion (LCAC) Service Life Extension (SLEP), LCAC Fleet Maintenance Program (FMP), and the Ship-to-Shore Connector (SSC) program which will produce the replacement LCAC-100 class craft to maintain the non-displacement ship-to-shore capability of the fleet. The LCU Sustainment Program is the single program to maintain the displacement component of the connector fleet. The Surface Connector (X) is Navy's planned program to replace and recapitalize the aging LCU. These Navy programs are important to Marines, and are essential for our nation's ability to project its influence from the sea. Additionally, we support the Navy's idea to extend the life of select LCAC SLEP craft for 10 years to reduce inventory shortfalls in the 2020s. The Marine Corps actively supports and depends upon these programs.

To complement our amphibious capabilities, the Maritime Prepositioning Force (MPF) program is designed to rapidly deploy the combat equipment and logistics required to support Marine Air Ground Task Forces from the sea. The MPF provides the capability to rapidly equip MAGTF personnel, who fly in to marry up with their gear. Although Maritime Prepositioning Ship Squadron One (MPS Squadron One) - home ported in Rota, Spain - was eliminated in 2012, efforts are currently underway to enhance MPS Squadron Two (Diego Garcia) and MPS Squadron Three (Guam) to ensure the two remaining squadrons are optimized for employment across the full range of military operations. The current 12-ship inventory has been re-organized into two Maritime Prepositioning Ship Squadrons that possess new sea basing-enabling capabilities, including at-sea selective offload of equipment and supplies, thereby providing Combatant Commanders a greater range and depth of sea-based capabilities. An additional two ships will be added during FY 15, for a total of 14 ships, seven in each MPS Squadron. Additionally, the Marine Corps Prepositioning Program in Norway (MCPP-N) is being reorganized to provide Combatant Commanders with balanced MAGTF equipment set for

training and operations. This combination of prepositioned equipment locations, afloat and ashore, greatly enhances our ability to swiftly establish critical combat capabilities in times of major crisis.

IV. Investing in Our Marines

The core of our overall readiness and combat effectiveness resides in the individual Marine. Recruiting and retaining high quality people is essential to attaining a dedicated and professional Marine Corps. Recruiting provides the lifeblood of our Corps; the foundational step in making Marines. To maintain a force comprised of the best and brightest of America's youth, the Marine Corps uses a variety of officer and enlisted recruiting processes that stress high mental, moral, and physical standards. We retain the most qualified Marines through a competitive career designation process for officers, and a thorough evaluation process for enlisted Marines. Both processes measure, analyze, and evaluate our Marines performance and accomplishments for competitive retention.

Our ability to attract young men and women is tied directly to our ability to establish and foster a dialogue with the American people. We do this through an aggressive outreach and advertising campaign that seeks to reach all sectors of American society. We continue to seek qualified young men and women of any race, religion or cultural background who are willing to commit to our demanding standards.

Marine Reserve Forces continue to serve as a strong force multiplier of the total force, and are a high-payoff investment in capability. Since September 11, 2001, more than 60,000 Marine Reservists, from all across the United States, have participated in over 80,000 activations or mobilizations. Our Reserve Marines are uniquely well-positioned to seamlessly integrate with the active component, to reinforce our service priorities, and to provide a reservoir of capacity for future national emergencies. Our Reserve Marines are well-equipped and highly trained professionals, providing an essential shock absorber for the active component in the uncertain global environment.

Professional Military Education (PME) is designed to produce leaders who are proficient in the thinking skills necessary to face the complexity of conflict we expect in the future. As such, PME represents a key, cost-effective investment in our most valued resource - our Marines. Marine Corps University (MCU), a part of Training and Education Command (TECOM), is a regionally accredited, degree-granting institution committed to providing world-class educational opportunities through both resident and distance/outreach programs. Marine Corps University is a globally recognized, world-class PME institution that is designed to advance the study and application of the operational art. Our commitment to improve the quality of our PME programs and advance the PME opportunities for our Marines is unwavering. Beginning in FY11, military construction projects totaling $180 million have helped dramatically improve MCU's educational facilities, to include staff non-commissioned officer academies across our

installations as well as an expansion of our primary campus in Quantico. In addition, we will continue to improve the quality and quantity of our active duty and civilian faculty.

V. Investing in Ready Units

The Marine Corps will continue to meet the requirements of strategic guidance while resetting and reconstituting the force in-stride. Our reconstitution efforts will restore our core combat capabilities and will ensure units are ready for operations across the spectrum of conflict. Sustaining combat operations for more than a decade has required the use of a large share of the available assets from our home bases and stations. This has produced ready forces where they have mattered most, but has taken a toll on non-deployed Marine units. Currently, 65 percent of non-deployed units are experiencing degraded readiness due to portions of their equipment being redistributed to support units deploying forward. While necessary in times of crisis, this commitment of our 'seed corn' to current contingencies degrades our ability to train and constitute ready units for their full range of missions over time. Unbalanced readiness across the force increases risk to timely response to unexpected crises or large-scale contingencies. We will continue to emphasize our reset and reconstitution efforts that cost-effectively restore combat equipment and return it to units for training.

Vital to maintaining readiness is the operations and maintenance (O&M) funding to train in our core missions and maintain our equipment. MAGTF readiness continues to improve with larger scale naval exercises that are maximized to enhance our ability to operate from the sea. Over the next two years, we anticipate incremental increases in the core training readiness of units as Marines return home from Afghanistan and have time to train to their full range of capabilities. The peacetime availability and readiness of amphibious warships and maritime prepositioning ships are critical dependencies for training readiness, and for supporting expeditionary, amphibious operations around the globe.

The Geographic Combatant Commanders (GCCs) continue to register an increased demand for crisis response and amphibious forces in order to meet requirements across the range of military operations. Forward deployments provide deterrence, reassure our allies, posture our forces for crisis response, and enable rapid contingency response to major conflict. GCCs recognize and appreciate the agility and operational reach of ready expeditionary capabilities. As we construct the forces for the next decade, we will continue to seek cost-effective ways of saying 'yes' to joint commanders on the leading edge of our national security effort, while preserving skills and training necessary for larger contingencies. The multi-purpose nature of Marine forces makes them a cost-effective investment for a wide range of application.

In addition to our traditional crisis response and expeditionary capabilities, the Marine Corps has reinforced its contributions to our Marine Special Operations Command (MARSOC) and Marine Forces Cyber Command (MARFORCYBER). The demand for our expeditionary MARSOC forces remains high as these Marines provide critically needed capability and capacity to theater special operations commands supporting both Special Operations Command

(SOCOM) and the GCC operational requirements. Marines have excelled as special operators, combining the Marine ethos with the training and skills of the special operations community. Additionally, the Marine Corps continues to expand its capability and capacity for cyberspace operations; including offensive and defensive cyber capabilities. The Marine Corps Information Operations Command (MCIOC) supports deployed MAGTFs, integrating information operations in support of forward deployed forces and joint commanders.

VI. Investing in Modernization

Across the spectrum of conflict, our adversaries have adapted their tactics to counter our significant technological advantage. Even many 'low-end' threats are now equipped with modern technologies and weapons. Our adversaries oppose us with tools of the information age, including modern communications, intelligence and cyber capabilities. While state-sponsored opponents continue their development of advanced technologies, non-state threats have likewise become increasingly sophisticated and lethal. An increasing number of threats now possess intelligence capabilities, precision munitions, and unmanned systems. This 'rise of the rest' erodes the technological advantage we have enjoyed for decades, making the qualitative advantages of the modern Joint force even more important. This situation creates an imperative for maintaining our investments in new equipment, better technology, research, and development.

Our desire for our Marines to maintain a qualitative edge over their opponents applies equally to both our large-scale weapons programs, and the numerous small programs that equip our individual Marines with modern capabilities. This modernization mandate is a fundamental pillar of a ready force, shared by all of the services. With the smallest modernization budget in the Department of Defense, the Marine Corps continually seeks to leverage the investments of other services, carefully meting-out our modernization resources to those investment areas which are the most fiscally prudent and those which promise the most operationally effective payoffs.

Innovative war-fighting approaches and can-do leadership are hallmarks of the Corps, but these cannot overcome the vulnerabilities created by our rapidly aging fleet of vehicles, systems and aircraft. Long-term shortfalls in modernization will have an immediate impact on readiness and will ultimately cost lives on the battlefield. At some point, sustaining fleets of severely worn vehicles becomes inefficient and no longer cost-effective. This inefficiency reduces available modernization resources from an already small account, degrading our ability to effectively operate in today's complex security environment. Our modernization investment requires a balanced approach across the Air-Ground-Logistics Team.

Aviation Combat Element Modernization

On average, more than 40 percent of our aviation force is deployed at any time, with an additional 25 percent preparing to deploy. All told, this means two-thirds of Marine Aviation forces are currently deployed or preparing to deploy. This creates an increasing cost burden as we work to sustain our heavily used and rapidly aging fleet of aircraft.

Accordingly, even as we invest in new aircraft as a part of our aviation modernization, we must take every opportunity to drive down operations and sustainment (O&S) costs while ensuring the continued safety, reliability, and operational relevance of our "legacy" and recently fielded platforms. The F/A-18A-D, originally designed for a 6,000-hour service life, has reached an average usage of 6,800 hours. Ongoing upgrades and analysis have extended service life to 8,000 hours, but this buys only limited time. A service life extension program to increase service life to 10,000 hours would rely heavily on depot capacity, rapid engineering assessment, and adequate funding. Our aging AV-8B fleet depends on careful stewardship of its supply chain and targeted capability enhancements to keep it relevant through the mid twenties. Similar oversight and investment in the CH-53E, UH-1N, and AH-1W will keep our helicopter fleet operating while the next generation is fielded. On a positive note, the MV-22 program has continued to excel in combat and crisis environments, even as it has reduced flight hour costs by 18% over the past two years. We intend to find similar savings throughout Marine aviation.

To do so, we will use our Aviation Plan – a phased, multi-year approach to modernization that encompasses aircraft transitions, readiness, aircraft inventory shortfalls, manpower challenges, safety and fiscal requirements. The following programs form the backbone of our aviation modernization effort:

F-35B: As we modernize Marine fixed-wing aviation assets for the future, the continued development and fielding of the short take-off and vertical landing (STOVL) F-35B Joint Strike Fighter remains the centerpiece of our effort. The capability inherent in a STOVL jet allows the Marine Corps to operate in harsh conditions and from remote locations where few airfields are available for conventional aircraft. It is also specifically designed to operate from amphibious ships – a capability that no other tactical fifth-generation aircraft possesses. The ability to employ a fifth-generation aircraft from 11 big-deck amphibious ships doubles the number of "aircraft carriers" from which the United States can employ this game-changing capability. The expanded flexibility of STOVL capabilities operating both at-sea and from austere land bases is essential, especially in the Pacific. Once fully fielded, the F-35B will replace three legacy aircraft – F/A-18, EA-6B, and AV-8B. Training continues for our F-35B pilots. In 2012, we flew more than 500 hours and trained 15 pilots. Just recently, in November 2012, we established our first operational squadron, VMFA-121, at MCAS Yuma. Continued funding and support from Congress for this program is of utmost importance for the Marine Corps as we continue with a plan to "sundown" three different legacy platforms.

MV-22B: The MV-22B Osprey has performed exceedingly well for the Corps and the Joint Force. This revolutionary tiltrotor aircraft has changed the way Marines operate on the battlefield, giving American and Coalition forces a maneuver advantage and an operational reach unmatched by any other tactical aircraft. The MV-22B has successfully conducted multiple combat deployments to Iraq, six deployments with MEUs at sea, and is currently on its seventh deployment to Afghanistan. In the Pacific, we have fielded our first permanent forward-

deployed Osprey squadron, VMM-265, in Okinawa. Our squadron fielding plan continues apace as we replace the last of our Vietnam-era CH-46 helicopters. The MV-22B's proven combat capability reinforces the necessity that we continue to procure the full program of record quantities. The record of performance and safety this aircraft brings in support of Marines and the joint force on today's battlefields has more than proven its value to the nation.

CH-53K: The CH-53K is a new-build heavy lift helicopter that improves on the legacy CH-53E design to increase operational capability, reliability, maintainability, and survivability; while reducing cost. The CH-53K will transport 27,000 pounds of external cargo under high altitude/hot conditions out to 110 nautical miles, nearly three times the lift capacity of the legacy CH-53E. It is the only naval rotorcraft able to lift all Marine Corps air-transportable equipment from amphibious warships and the Maritime Prepositioned Force. Our Force Structure Review has validated the need for a CH-53K program of record of eight CH-53K squadrons.

UH-1/AH-1: The H-1 program, composed of the UH-1Y utility and the AH-1Z attack helicopters, is a single acquisition program that leverages 85 percent commonality of major components between the two platforms. This commonality enhances deployability and maintainability while reducing training requirements and logistical footprints. Both aircraft are in full rate production. The H-1 procurement objective is 160 UH-1Ys and 189 AH-1Zs for a total of 349 aircraft. Currently, 181 H-1 aircraft are on contract, with 72 UH-1Ys and 30 AH-1Zs delivered to date. The UH-1Y has supported sustained combat operations in OEF since November 2009. The AH-1Z completed its first deployment alongside the UH-1Y in June 2012 as part of the 11th MEU. The AH-1Z performed extremely well on its initial MEU deployment. These aircraft had high Mission Capable (MC) readiness rates while deployed (89.9% MC for AH-1Z, 94.4% MC for UH-1Y). All subsequent West Coast MEUs are sourced with UH-1Y and AH-1Z aircraft. The continued procurement and rapid transition to these two platforms from legacy UH-1N and AH-1W assets in our rotary-wing squadrons remains a priority.

KC-130J: The new KC-130J Hercules has been fielded throughout our active component, bringing increased capability, performance and survivability with lower operating and sustainment costs to the Marine Air Ground Task Force. Using the Harvest HAWK weapon mission kit, the KC-130J is providing extended endurance Close Air Support to our Marines in harm's way. Currently, we have procured 48 KC-130Js of the stated program of record requirement totaling 79 aircraft. Continued procurement of the program of record will allow us to fully integrate our active and reserve force with this unique, multi-mission assault support platform.

Unmanned Aerial Systems (UAS): Marine Corps operations rely heavily on a layer of small UAS systems that complement the larger systems provided by the joint force. These smaller systems provide direct support for forces operating from sea-based platforms, and enable critical low-altitude and immediate responsiveness that enable small units on the ground. The RQ-7B Shadow unmanned aircraft system has provided excellent intelligence, surveillance, reconnaissance, and battlefield management capabilities in Afghanistan. The RQ-21A Small Tactical Unmanned Aircraft System is uniquely capable of operating from ship or shore, is transportable by High Mobility Multi-Purpose Wheeled Vehicles (HMMWV), and will be an integral part of the future MAGTF. We remain committed to these two critical programs.

Ground/Air Task Oriented Radar (G/ATOR): The TPS-80 G/ATOR system is the three dimensional short/medium range radar designed to detect low observable/low radar cross section targets such as cruise missiles, UAS, aircraft, rockets, mortars, and artillery shells. G/ATOR replaces five legacy radar systems and supports air surveillance, fire finding, and air traffic

control missions. G/ATOR provides fire quality data that supports the integrated fire control concept and the extension of defensive and strike capabilities from the sea to landward in the littorals.

Ground Combat Element Modernization

Age and operational tempo have taken a toll on our Ground Combat Element's (GCE) equipment, creating a requirement to recapitalize and modernize key components. Essential to modernizing the GCE is a comprehensive technologically advanced vehicle portfolio. Two key initiatives to modernize the GCE are the Amphibious Combat Vehicle (ACV) and the Joint Light Tactical Vehicle (JLTV). These systems, coupled with the recapitalization of our Family of Light Armored Vehicles (LAV), a refurbishment of a portion of our legacy High Mobility Multi-Purpose Wheeled Vehicle (HMMWV) fleet, and improvements in advanced simulations systems, are critical to sustaining individual and unit combat readiness while ensuring core capabilities of the GCE.

Amphibious operations are a core mission of the Marine Corps. Amphibious operations is a category which includes a broad range of missions including reinforcing diplomatic facilities from sea-based platforms, conducting strikes and raids against terrorism targets, delivering aid in the case of humanitarian disaster, and conducting forcible entry where our forces are not invited. The future security environment dictates that we maintain a robust capability to operate from the sea, placing special demands on our equipment. When operating in a maritime environment, Marine systems are exposed to the effects of salt water and extreme weather. Our operational concepts depend on rapid maneuver in littoral waters by which we avoid threat strengths and exploit weaknesses. Thus, our combat systems must bridge the gap between sea and land. Our tactics exploit swift action by Marines ashore, mandating a seamless transition from maneuver at sea to maneuver on land. In every operating environment we must provide a modicum of protection for our Marines while preserving all-terrain mobility and minimizing weight. The specialized craft utilized by Marines support the unique missions of the sea-based crisis response force, and are essential for swift maneuver and forcible entry across a range of environments.

Amphibious Combat Vehicle (ACV): Many of our systems show the signs of age, but none more than the current Amphibious Assault Vehicle (AAV) which has been in service since 1972. The legacy AAV has served the Corps well for over 40 years, but faces multiple component obsolescence issues that affect readiness, sustainment costs, safety, and our ability to respond from the sea. The Amphibious Combat Vehicle (ACV) is needed to replace this aging fleet. To meet the demands of both amphibious crisis response and forcible entry, the ACV program will develop and field an advanced generation, fully amphibious, armored personnel carrier to Marine Corps expeditionary forces. The ACV will provide the ability to maneuver from the sea and to conduct amphibious operations and combat operations ashore by providing the capability to self-deploy from amphibious ships and to seamlessly transition between sea and land domains. The ACV will enable the efficient, tactical mobility of infantry combat forces from ships to inland objectives across beach landing zones under uncertain, non-permissive, or hostile conditions in order to facilitate the rapid buildup of combat power ashore. Bridging this sea-land gap with surface vehicles is a necessary complement to the maneuver capabilities brought by our MV-22 aircraft. Our objective in the ACV acquisition program is to provide a

sufficient quantity of vehicles to ensure we can meet the requirement of the surface assault force for forcible entry and sustain MAGTF operations.

During the interval in which we design, build and field the ACV, we must ensure the continued safety, reliability, and operational capability of our "legacy" AAV. The current AAV platform faces significant maintenance challenges and obsolescence issues. Accordingly, AAV sustainment efforts, to include the AAV Upgrade program, remain a top Marine Corps recapitalization effort priority until fielding of the ACV.

Joint Light Tactical Vehicle (JLTV): The Joint Light Tactical Vehicle (JLTV) will provide the Marine Corps with modern expeditionary light combat and tactical mobility while increasing the protection afforded our Marines in the light utility vehicle fleet. Working closely with the Army as the lead Service, the Marine Corps is a partner in developing this key system for the tactical-wheeled vehicle fleet of the Joint Force. A relatively light system is necessary to retain our expeditionary capabilities aboard amphibious warships, and to support transport by rotary wing aircraft. The program also seeks to provide a level of protection that is an improvement over the HMMWV. As a reflection of a constrained fiscal environment, our initial planned purchase is 5,500 vehicles, only enough to meet critical needs in the most dangerous combat mission profiles of the light vehicle fleet. The JLTV development will benefit from early user and life cycle cost analysis to ensure its long-term cost-effectiveness. The Marine Corps also seeks funding to refurbish the balance of the HMMWV fleet that will be retained. This is a cost-effective strategy to use these older vehicles in mission profiles where a lack of the advanced capabilities of the JLTV can be mitigated.

Light Armored Vehicle (LAV): The Family of Light Armored Vehicles (LAVs) enables combined arms reconnaissance and security missions in support of the GCE. This family of vehicles has proven itself over more than two decades of combat, and is an essential element of the combat power of the MAGTF. Heavily utilized in crisis response, conventional combat, irregular environments and stability operations, this fleet now requires robust recapitalization and modernization in order to sustain its capabilities. Additionally, obsolescence issues with several critical components threaten the sustainability of the LAVs through the expected end of service. Funding is requested to maintain the operational availability of these platforms and provide upgrades to adapt to the current and anticipated operating environments.

Ground Training Simulation Systems: Modernization efforts in ground training simulation systems have capitalized on advancements in technology developed over a decade of preparing Marines for combat deployments in Iraq and Afghanistan. Leveraging our success with these programs, we will further enhance combat training to maintain our readiness for the current and future security environments. These critical simulation systems develop combat unit proficiency in core skills such as command and control, leadership decision-making, and combined arms coordination. They develop proficiency in individual skills through combat convoy vehicle operator training, advanced gunnery training, and individual marksmanship. These systems complement necessary live ammunition and range training, but allow the fundamentals of these capabilities to be practiced in a much more cost-effective manner. Training simulation systems conserve training and maintenance funds, reduce ammunition expenditures, and mitigate limited availability of training ranges.

Joint Nonlethal Weapons Program: As DoD's Executive Agent for the Joint Nonlethal Weapons Program, the Marine Corps also continues its efforts, in concert with the other Services, to advance nonlethal technologies, and to provide capabilities in support of operational commanders and our Allies to minimize collateral damage and unnecessary loss of life. These capabilities are becoming increasingly relevant in the security environment of the new normal of instability, non-state actors, and a desire to minimize collateral damage.

Logistics Combat Element Modernization

Our logistics modernization efforts include the Global Combat Support System-Marine Corps (GCSS-MC) as the Information Technology enabler for logistics supply chain management throughout the Marine Corps. When fully developed, GCSS-MC will provide an unprecedented capability for inventory accountability, providing accurate logistics data to commanders and logisticians in near real-time at any location in the world.

The past decade's operational tempo and the continuing evolution of warfare have also emphasized the importance of engineer equipment modernization. Explosive Ordnance Disposal (EOD) capability has become increasingly important with the rise of the improvised explosive device as the enemy's weapon of choice. Development of the Advanced EOD Robotics System and Route Reconnaissance and Clearance Sets have proven themselves in combat, saving lives and preempting casualties.

Energy Modernization

Expeditionary Energy is a multi-year initiative integrated with our approach to amphibious and expeditionary operations. Over the last decade of combat, Marines have increased their lethality and situational awareness, but at the expense of increased requirements for fuel and batteries. These dependencies increase the logistics footprint and combat weight of our force, impairing our expeditionary responsiveness. The Marine Corps takes seriously the necessity to increase energy efficiency, deploy renewable energy technology where it makes sense, and train Marines to employ resources more efficiently. We have made tremendous strides in weaning ourselves from external energy dependencies, and we remain committed to continue our investments in expeditionary energy. For expeditionary Marines operating in austere environments, these energy efficiency measures represent a significant increase in combat effectiveness.

VII. Investing in Installations and Infrastructure

Infrastructure Sustainment

Marine Corps Installations are a foundational support element to our Air-Ground-Logistics teams. Our bases and stations serve as launch platforms for our combat deployments, and are host to the realistic training and facilities that make our Marines successful on the battlefield. Our installations also provide for the safety and support of our military families, our combat equipment, and our civilian workforce. The quality of life for our Marines, Sailors, and families is measurably impacted by the condition of our facilities. Our installation commanders are required to be good stewards of their properties, to respect natural and cultural resources and to operate in a manner that sustains the environment and their mission. We will continue to ensure that Marine Corps facilities are well planned, built, and maintained, and that they cost-effectively support Marine Corps readiness. To maintain our physical infrastructure and the complementary ability to train and deploy highly ready forces, we must adequately resource the sustainment and readiness of our bases and stations.

In FY14, the Marine Corps Facilities Investment strategy ensures that our infrastructure can adequately support Marine Corps' needs. The proposed FY14 budget provides $653 million for facilities sustainment of Marine Corps facilities and infrastructure, maintaining funding at 90 percent of the sustainment model requirement. Our budget request adequately supports environmental compliance, family housing improvements and the replacement of inadequate and obsolete facilities across our installations. The FY14 budget request provides proper stewardship of Marine Corps infrastructure. Sequestration necessitates significant cuts in facilities investments and subsequent degradation in infrastructure conditions and readiness.

With over $800 million requested in FY14 for required Military Construction projects, we are prioritizing funding to support new mission and new platform requirements, force structure repositioning, replacement of aging infrastructure, and support to enduring missions. Our efforts to improve force protection, safety, and physical security requirements are continuous.

The FY14 budget provides $69 million for military construction and $31 million for operations and maintenance funding to continue improvements in our installations energy posture. This funding will target energy efficiency goals established by the Energy Independence and Security Act of 2007 aimed at reducing consumption by 30 percent from a 2003 baseline. Additional efficiencies will be gained by decentralizing older, inefficient steam heating plants and by improving our energy management and control systems. Overall, our planned investments are intended to increase energy security on our installations while reducing the cost of purchased utilities. Lean and efficient basing infrastructure allows us to put every precious dollar to use making Marines and deploying them where they are needed most.

To enable essential changes in training requirements as well as new weapon systems, we are seeking Congressional support to expand the Combat Center at Twentynine Palms, California, extend the existing withdrawal of land for the Chocolate Mountain Aerial Gunnery

Range, California, as well as purchase private property to expand the Townsend Bombing Range in Georgia. At Twentynine Palms, we are requesting the withdrawal of approximately 150,000 acres from the public domain as well as the purchase of approximately 2,500 acres of California State Land and 10,000 acres of privately held land enabling it to support training and exercises for a Marine Expeditionary Brigade size force. The Marine Corps is also requesting to extend the existing withdrawal of land for the Chocolate Mountain Aerial Gunnery Range in southern California. The current withdrawal expires in 2014 and requires renewal by Congress so that this vital range can continue its use for air and ground training. Finally, the current 5,000 acre Townsend Bombing Range, adjacent to Savannah, is not large enough to meet the required safety or space requirements for use of precision guided munitions. We are seeking to purchase privately held land to increase this facility as well, allowing us to drop a wider range of ordnance in training. This is a critically important Marine Corps aviation training requirement that would be safely supported with the proposed expansion by approximately 28,000 acres. For decades, Townsend Range has been used by the joint aviation community as a centrally located and preferred Air-to-Ground training facility on the east coast; the fielding of the F-35 Joint Strike Fighter to all three Services makes the expansion of Townsend Range even more critical.

VIII. Orienting to the Future

Rebalancing Toward the Pacific

As the world's leading democracy and largest economy, the United States is a global nation with economic and security interests inextricably linked to the Asia-Pacific. The arc extending from the chain of our own Alaskan islands down the Asian continent follows a vast littoral and archipelagic swath that is home to close allies, emerging partners and potential threats. It contains vast resources, vibrant populations, and great cities. It continues through the narrow straits of Southeast Asia and extends all the way into the Indian Ocean. Our return to prosperity as a nation (and thus achieve our lasting security) depends on the restoration of global growth. No engine of growth is more powerful than the Asia-Pacific. Rebalancing to the Pacific theater is a central element of strategy. Geographically, culturally, economically, even by name, the "Pacific" is a maritime theater. The vast stretches of ocean, the thousands of small islands that dot its map, and the vast inland waterways that shape its demography are all artifacts of this maritime character, and have implications for the types of forces required to achieve our security there. The tyranny of distance underscores the value of forward deployed maritime forces in the Pacific region. The Navy-Marine Corps team is uniquely suited to operate in this vast blue water and littoral environment. Marines have a long legacy of serving in the Pacific; it is where the Marine Corps 'came of age.' We are proud of our heritage in that theater through a world war and the many smaller conflicts, crises and contingencies that have followed. Strategic imperatives demand that our nation continues to build on the presence of Sailors and Marines who operate daily throughout this region.

As we draw down our presence in Afghanistan we will reset in stride, resuming our Unit Deployment Program in Okinawa and re-establishing our force posture in the Pacific. The

Marine Corps has developed a comprehensive campaign for a future force lay down in the Pacific that retains the ability to contribute a stabilizing presence, continues to contribute to deterrence and regional stability in Northeast Asia, revitalizes our traditional partnerships while developing new ones, and postures forces to take advantage of key partnership opportunities in Southeast Asia. Our desired end state through this rebalance is four geographically distributed and operationally resilient Marine Air Ground Task Forces (MAGTFs) trained and prepared to conduct combined arms and amphibious operations in support of the global requirements of the joint force.

In the Pacific, forward presence is a key necessity for timely response to crisis. Where hours matter, a response measured in weeks or months wanes in relevance. Expeditionary Marine forces operating in the Western Pacific can trim two weeks off the response time of units coming from the continental US. Forward naval presence and training with our Pacific allies demonstrates our commitment to the region, and builds trust that cannot be surged during times of crisis.

Innovation and Experimentation

The Marine Corps has remained at the forefront of innovation, especially during the last decade. Through experimentation and realistic training, the Marine Corps has adapted to the challenges of the modern operating environment, and has developed new concepts, tactics, techniques and procedures to ensure Marines are prepared to meet the challenges of the future. Two key components of our training innovation are our Marine Corps' Tactics and Operations Group (MCTOG) and our Marine Corps Logistics Operations Group (MCLOG). These organizations represent the collective wisdom of years of combat operations rapidly turned directly into our training curricula. Combined with the Marine Aviation Weapons and Tactics Squadron One (MAWTS-1), we are implementing a professionalization syllabus and certification process for our mid-level combat leaders.

Through a rigorous process of wargaming, technological assessment, and experimentation, the Marine Corps Warfighting Laboratory (MCWL), works closely with the Office of Naval Research and other partners to produce material and non-material solutions for our operating forces. This mix of combat veterans, technical experts and forward thinkers conducts timely innovation to meet current needs and emerging threats. We intend to build on this ability to adapt and innovate through MCWL and the Marine Corps University. Leveraging the human capital represented in a combat-proven generation of Marines is essential for our future force.

Large Scale Exercises

Nations around the world, many of whom are our allies, are purchasing and constructing amphibious capabilities at an increasing rate. Even as total fleet numbers decline, the number and tonnage of amphibious fleets is on the rise, and the growth of expeditionary maritime capabilities is similarly resurgent. Our allies and partners, especially in the Pacific, continue to improve amphibious arsenals and realize the importance for this capability, as do our competitors and potential adversaries. The forward deployed Navy-Marine Corps amphibious team

continues to be a significant power projection capability and a compelling model for other countries to emulate. Our ability to train with and mentor this global force development is essential.

In 2012, the Navy-Marine team conducted a number of large-scale amphibious exercises to revitalize, refine and strengthen our core amphibious competencies. Exercises such as Bold Alligator on the US East Coast, Cobra Gold in Thailand, and Ssang Yong in South Korea each draw significant international participation. Our allies have seen the broad utility of expeditionary forces in achieving national security objectives, and are investing to achieve these capabilities themselves. These large exercise series, and others like them, leverage the explosive growth of amphibious capabilities among our allies and partners. They contribute not only to the training readiness of our own forces, but also achieve combined training objectives with our allies. They demonstrate our collective ability to provide the mechanisms of collective security in the global commons. The investment of operating funds to conduct these large-scale exercises not only trains forces, but also builds strong security relationships.

IX. Keeping Faith with our Marines, Sailors and Families

Family Readiness

The Marine Corps remains acutely aware of the critical relationship between quality of life and Marine Corps combat readiness. The strong support of Congress in providing quality of life funding continues to yield needed enhancements in family support programs. Our Marine Corps Family Team Building (MCFTB) trainers and Family Readiness Officers support the Unit, Personal and Family Readiness Program to ensure Marines and their families maintain a high level of family readiness. Over the last year, we have made significant strides in making our entire syllabus of MCFTB training available online via computer based training modules. As of 1 March, families are now able to register for an account and utilize computer based training on our Marine-Net training website. With over 227,000 subscribers and growing, our online family readiness website, e-Marine, continues to be a valuable and innovative tool to securely and safely share family readiness information while improving lines of communication within individual commands. Marines, family members, and unit commanders can access documents, view photos and videos, participate in forums, and receive important information about their Marine's unit from anywhere in the world.

Wounded Warriors

The Marine Corps' Wounded Warrior Regiment (WWR) is a fundamental component of the Marine Corps' pledge to "keep faith" with those who have served. The WWR supports Marines wounded in combat, those who fall severely ill, and those injured in the line of duty. The WWR administers the Marine Corps' Recovery Care Coordination Program that ensures

medical and non-medical needs fully integrate with programs such as the Warrior Athlete Reconditioning Program. Facilities such as our new Warrior Hope and Care Centers provide necessary specialized facilities that allow us to support our wounded warriors and their families.

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

One of my greatest concerns is the long-term care and support for our wounded veterans. Many of our young men and women have sustained injuries that will necessitate support for the remainder of their lives. Given the youthfulness of this wounded population, this represents a debt to our nation's warriors that will have to be paid for several decades. Our Wounded Warrior capabilities are an enduring measure of our commitment to keep faith with our young men and women, and we expect this capability will continue well beyond our return from Afghanistan.

Resiliency

We continue to invest, treat and care for our Marines with Post Traumatic Stress (PTS) and Traumatic Brain Injury (TBI). We are working to ensure that Marines understand that, "it's OK to not be OK." Our efforts will continue to ensure that Marines seek help and are provided effective care when they need it. We stress that all Marines and Sailors have a responsibility to look out for one another and to assist anyone who might be struggling.

PTS and TBI are invisible enemies we cannot ignore. We are thoroughly screening all Marines and Sailors prior to deployment, enhancing the delivery of care in theater and identifying and testing all at-risk personnel as they return from deployment. Enhanced resilience, achieved through training and improved physical, spiritual and psychological fitness, can decrease post-traumatic stress, decrease incidents of undesirable and destructive behaviors, and lead to greater likelihood for future good health. Most service members who seek and receive psychological health support improve, and are eligible to remain on active duty.

Since January 2010, we have been building Operational Stress Control and Readiness (OSCAR) teams at the unit level. These teams consist of selected unit Marines, leaders, medical and religious personnel, and mental health professionals who work together to provide a network of support. This model empowers Marines with leadership skills to break stigma and act as sensors for the commander by noticing small changes in behavior and taking action early. OSCAR teams strengthen Marines, mitigate stress, identify those at risk and treat those who need

support, with the goal of swiftly re-integrating Marines back into the force. This investment comes at a cost, and places increased demand on an already stressed Navy medical capacity.

In Fiscal Year 2013, we will continue to advance our Marine Total Fitness concept to develop Marines of exemplary physical, psychological, spiritual, and social character. Marine Total Fitness infuses fitness-based information and concepts into all aspects of a Marine's training and readiness and prepares Marines to successfully operate in and respond to the rigors, demands, and stressors of both combat and garrison.

Sexual Assault Prevention and Response (SAPR)

Sexual assault is a crime. Like other serious crimes, it is incompatible with our core values, negatively impacts individual Marines, and directly undermines readiness, unit cohesion, and morale. Protecting our Marines and eradicating sexual assault from our ranks are top priorities for me and our Corps. I believe we are making real and tangible progress. Over the last year, we have taken deliberate and substantive steps toward dramatic changes in our sexual assault prevention and response capabilities. The focus of effort has been on changing our culture - specifically, changing the behavior of those who might commit sexual assault and the actions of those who respond to it. We believe that all Marines are part of the solution, from small unit leaders to peer and bystander intervention, to legal professionals, to unit commanders. In April 2012, I handpicked a two-star general to lead an Operational Planning Team (OPT) comprised of our Corps' most credible officers and senior enlisted Marines. They were tasked with defining the sexual assault problem in our Corps and providing me recommendations on how we could eliminate it from within our ranks. This study led to our Sexual Assault Prevention and Response Campaign Plan. While recognizing that there is no single solution to preventing and responding to sexual assault, this plan makes every Marine accountable in our fight against it. We reconfigured the entire SAPR program at the Headquarters level, assigning oversight to a General Officer and a newly established team of experts. In an unprecedented move, we pulled one of our very best Colonels from his operational command to implement the initiatives outlined in the Campaign Plan. We brought back all of our General Officers to Quantico in July for two days of training and cross-leveling of their responsibilities in turning this crime around. On the heels of that effort, the Sergeant Major of the Marine Corps brought all of his top senior enlisted leaders back to D.C. in August to deliver the same message.

The campaign's first phase consisted of 42 tasks, including new large-scale training initiatives at all levels. It was comprised of Command Team Training for senior leaders, bystander intervention training for Non-Commissioned Officers, and All Hands training for every single Marine. In these training sessions, we employed ethical decision games and interactive discussions to engage all Marines in this difficult topic. To achieve long-term cultural change, this training will be sustained through enhancing the training curricula in all of our professional schools, customizing the training based on the rank and experience of the individual Marine.

Protection of the victims of sexual assault, even while cases make their way through the legal system, is an immediate and enduring requirement which we take very seriously. Regarding response to sexual assault, we professionalized our victim advocate community by revising our advocacy training and implementing credentialing requirements for SAPR

personnel. Additionally, we have added 47 full-time Sexual Assault Response Coordinator and Victim Advocate billets for FY13. We have completely reorganized our legal community to improve our ability to successfully prosecute these complex cases after they have been investigated. The centerpiece of this new model is the Regional Complex Trial Team, which ensures we have the right prosecutor on the right case. Our complex trial teams are staffed with experienced military prosecutors and augmented by civilian - Highly Qualified Experts - giving us a wealth of experience to prosecute complex sexual assault cases. These teams will not only be able to prosecute "special victims" type cases, but all types of complex cases.

This effort complements our Campaign Plan's central Phase II initiative: the establishment of Sexual Assault Response Teams (SARTs). SARTs will be established regionally to prevent a fragmented approach to victim care. This requires continued collaboration with various entities, such as the US Navy Bureau of Medicine and Surgery and Naval Criminal Investigative Service (NCIS), adding to the enhanced training and surge capability that NCIS has already implemented to expedite assault investigations.

Perhaps counter-intuitively, one potential manifestation of our intensified institutional response will likely be an increase in unrestricted reported cases. If this represents an increase in the bonds of trust between our junior Marines and their chain of command, I will consider that a successful step on the path to eliminating this issue in the Marine Corps. Eliminating sexual assault in our ranks is our ultimate goal, and I will stay personally and actively engaged in leading this campaign.

Suicide Prevention

During 2012, the Marine Corps experienced a rise in suicides and suicide attempts after two encouraging years of declining numbers. During Calendar Year 2010 and 2011, 37 and 32 Marines, respectively, died by suicide. For Calendar Year 2012, the number of suicides increased to 48. We remain committed to preventing this great tragedy. Suicide is an issue that belies simple or quick solutions; it is an important issue that demands our continual attention. We have learned that the most effective methodology for us to prevent suicides is vigilant and persistently engaged leadership at every level. Proactive leaders are alert to those at risk for suicide and take action to help Marines optimize their physical, psychological, social and spiritual aspects of their lives. To counter suicide, affirming and restoring the indomitable spirit of Marines is an enduring mission.

Our primary challenge remains teaching Marines to engage our many services early, before problems worsen to the point where they contemplate or attempt suicide. Last year we signed the first formal policy and procedural guidance for the Marine Corps Suicide Prevention Program. *Never Leave a Marine Behind* suicide prevention training focuses on how Marines can help one another, and how they can seek help early before a situation becomes a crisis. In 2012, we also expanded our successful - *DSTRESS* - Line worldwide, which provides anonymous 24/7 counseling services to any Marine, Sailor or family member. Additionally, we have trained and implemented Suicide Prevention Program Officers for every battalion and squadron. We will continue focusing our efforts on preserving the health of our greatest and most cherished resource, our Marines, Sailors and their families.

Civilian Marine Workforce

Civilian Marines exemplify our core values. They embrace esprit de corps, teamwork, and pride in belonging to our nation's Corps of Marines. The 95 percent of our civilian workforce that is employed outside the Headquarters element in the Pentagon, are located at our installations, bases, and stations; they are the guards at our gates, the clerks who pay our bills, the therapists who treat our wounded, the experts who repair our equipment, our information technology support, and the teachers who instruct our children. Sixty-eight percent of our civilian Marines are veterans who have chosen to continue to serve our Nation. Of those, a full 13 percent have a certified disability. Still, our civilian workforce is very small in comparison with similar organizations. The Marine Corps maintains a very frugal ratio of one civilian to every ten active duty Marines. Our civilian non-appropriated funded workforce continues to steadfastly provide vital support to our Marines, reserve Marines, their families, and our wounded, ill and injured. Since 2009, the Marine Corps has taken proactive measures to prioritize civilian requirements and realign resources to retain an affordable and efficient workforce directly linked to our mission. In our effort to restrain growth, we implemented a hiring freeze from December 2010 through December 2011 to achieve our appropriated funded civilian end strength commensurate with a goal of 17,501. We started into this era of budgetary uncertainty not fully recovered from the hiring freeze and we have no chance of recovering in fiscal year 2013. In pursuit of the leanest possible institution, the Marine Corps' 2013 budget restrains growth in our civilian Marine workforce; our 2014 and beyond budget plans are based on a stabilized workforce. Further civilian reductions will severely jeopardize our ability to meet mission requirements.

Women in Service Restriction Review

The Marine Corps continues its efforts to review the laws, policies, and regulations that restrict the service of female Marines. As our policies evolve, we must ensure the effectiveness of our combat units, the long-term physical well-being of all of our Marines, and the broadest possible career opportunities for all. To that end, I initiated a measured, deliberate, and responsible research effort to provide the meaningful data necessary to make fact-based recommendations to the senior leadership of the Department of Defense and Congress. Our research efforts will continue as we implement the 24 January 2013 Secretary of Defense decision to rescind the 1994 Direct Ground Combat Definition and Assignment Rule. Additionally, in order for us to collect performance data in our most demanding and rigorous ground combat skills training environment, female graduates of our Basic Officer Course at The Basic School are afforded the opportunity to volunteer to attend our Infantry Officers Course. That effort is ongoing and will continue into 2016 as we collect the necessary data.

During this past year, we requested and received approval for an exception to the 1994 Ground Combat Exclusion Rule. Under this Exception to Policy (ETP), the Marine Corps opened 371 Marine and 60 Navy positions in combat arms units previously closed to females. These 19 previously closed operational units include artillery, tanks, assault amphibians, combat engineers, and low altitude air defense communities. The assessments and feedback from these units to date has been encouraging.

Following SECDEF's required notification to Congress later this spring, we intend to further expand the ETP beyond these original 19 battalions to include opening Military Occupational Specialties (MOSs) within Air-Naval Gunfire Liaison Company units and the 0203 Ground Intelligence Officer MOS. During 2013, ETP participants and Commanders will continue to provide assessments which will afford our leadership the opportunity to address issues such as optimum cohort size, mentorship and career development. Currently, 90 percent of our military occupational specialties are open to females.

Additionally this year, the Marine Corps will continue our measured, deliberate and responsible research effort by completing our review and validation of standards for those MOSs with the greatest physical demands. Once complete, our goal is to correlate and norm these proposed physical standards with our already established Physical Fitness Test (PFT) / Combat Fitness Test (CFT). The goal is to develop a safe, predictive mechanism to use during the MOS assignment process for all Marines, both male and female, to ensure they are assigned where they have the greatest likelihood to excel to their fullest potential.

Returning Quality Citizens

It is vital that we meet the needs of our Marines who transition from service. In March 2012, we implemented the new Transition Readiness Seminar (TRS) to maximize the transition-readiness of all service members. In accordance with the Veterans Opportunity to Work (VOW) to Hire Heroes Act, TRS revolutionized our approach to meet the individual goals of each Marine as he or she transitions to the next phase in their life. The seminar is a week long program which includes a mandatory standardized core curriculum and also provides four well defined military-civilian pathways: (1) College/Education/University, (2) Career/Technical Training, (3) Employment or (4) Entrepreneurial. Each pathway has associated resources and additional tools to better prepare our Veteran Marines. An essential feature of the TRS is that it allows Marines to choose and receive transition information and education in line with each Marine's future goals and objectives.

X. Summary

Even in challenging times, our great nation remains the world's largest economy and an indispensable leader in the global community of nations. Our interests span the globe, and our prosperity and security are to be found in the protection of a just international order. That order is threatened daily by the instabilities of a modernizing world, putting our citizens, our interests, and our allies at risk. While we seek peace as a nation, the headlines remind us that those who would do us harm continue to bring conflict to our doorstep. The Marine Corps remains the nation's ready hedge against unpredictable crises, an insurance policy that buys time when hours matter. In special partnership with the Navy, and on the ready leading edge of the larger Joint force, your Marines provide the capability to respond to today's crisis, with today's force...TODAY. The American people can rest assured that their Marines are poised around the globe, ready to respond swiftly when danger, difficulty or disaster strikes.

I pledge that your Marine Corps will continue to work with Congress and the Department to provide the nation's ready expeditionary force with economy, frugality and good stewardship. Through Congress, the American people entrust us with their most-precious capital: their sons, their daughters, and their hard-earned resources. With your continued support, we will carefully invest this capital to provide young Marines with the ethos, training and equipment that have made them successful for over two centuries. We will uphold high standards of training, leadership and discipline. We will keep faith with our Wounded Warriors. We will care for our families. Most importantly, we will ensure that your Marines are ready when the nation needs us the most. We will do this all with dignity, humility, and a keen sensitivity to the sacred trust the American people have placed in us. Thank-you for your continued faith in us. We remain...Semper Fidelis.

Mr. FRELINGHUYSEN. We have a high level of interest this morning. Thank everybody, all the Members, for being here on time. We want to have as many rounds of questions as possible, so I am going to yield my time to Ms. Granger.

JOINT STRIKE FIGHTER

Ms. GRANGER. Thank you.

And thank you, Secretary Mabus, General Amos, and Admiral Greenert. Thank you for your service, and thank you for being here.

I have one question only, and that is for General Amos.

You have been a really unwavering supporter of the F–35 and helped keep us on target to make that happen because you repeatedly said how important it is to the Marines. So I would like you to tell us how the training of the F–35B is going at Eglin for the Marine Corps.

General AMOS. Congresswoman, thanks for the opportunity. In fact, I was down there on Saturday. I was down at a memorial service for our explosive ordnance disposal. Admiral Greenert and I were there. And I took the time to go over to the training squadron at Eglin Air Force Base, VMFAT–501. Thirteen F–35s, two of them belong to the United Kingdom. We are partnered with them. And they are outpacing their training, their planned training; they are ahead of schedule. They have completely trained two pilots completely through the syllabus. It is exciting times down there.

We have stood up our first squadron, our first what we call fleet squadron out in Yuma, Arizona. It has four airplanes and has begun training out there. We will get 2 more airplanes by the end of this month and 16 by the end of this year.

So things are actually on track or ahead of schedule, Congresswoman. Thank you.

Ms. GRANGER. Thank you very much.

That is all I have.

LITTORAL COMBAT SHIP

Mr. FRELINGHUYSEN. Ms. Granger, thank you.

Mr. Moran.

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

I have several issues, but let me focus on one because it is particularly current. I was just shown an article that came out this morning in Bloomberg, information that was classified, but I guess now that it is out in the press, we can talk about it publicly. It is with regard to the LCS, and it addresses some of the issues that some of us have raised in the past.

This was the Perez report. A Navy spokeswoman said that it identified areas where the program needed improvement and further development. Of course, construction costs have doubled, exactly doubled, from $220 million to $440 million per ship. But to quote some of the report, the Navy—and the Navy did acknowledge that the vessels are being built to the service's lowest level of survivability.

Now, some of the quotes: The ship is not expected to be survivable and that it is not expected to maintain mission capability after taking a significant hit in a hostile combat environment. Even in

its surface warfare role, when all armaments are working as intended, the vessel is only capable of neutralizing small fast attack boats, and it remains vulnerable to ships with antiship cruise missiles that can travel more than 8 kilometers, or 5 miles, according to this report.

Now, Iran has 67 such vessels, according to a chart in the report. So it is not going to do us much good in a situation like that. The LCS, again in quotes, is ill-suited for combat operations against anything but small fast boats not armed with antiship missiles. And the vessel's beam at the widest width may be a navigational challenge in narrow waterways and tight harbors.

I could go through a lot more of the critical observations, but, you know, the bottom line is what this subcommittee has expressed concern about in the past. A combat ship that doesn't survive in combat is only marginally useful. And we are now in a context of sequestration. We are furloughing folks. We are cutting back on programs. So I do think we need to address the appropriateness of putting as much money as we planned to, 55 ships—I guess it is now down to 52. Two different variants, we have questioned that.

I think we ought to get on the record an explanation of why we continue to move forward in the manner that we do.

Mr. Secretary, I think you would probably be the best one to respond to this.

Mr. MABUS. Congressman, I appreciate the chance to talk about LCS. And I am going to talk about the program, and I am going to ask Admiral Greenert to talk about the combat capabilities of this ship.

This has become one of our best performing programs. It certainly did not start that way, but by having the two variants compete against each other based mainly on price, prices came down dramatically. And while the first of each variant's 10-ship buy will cost $439 million, the last ship of that buy will cost $350 million. So the price is coming down fairly dramatically, or actually dramatically.

When Congress was briefed in the early part of the last decade about the cost of this ship, it was estimated that it would be $220 million, as you pointed out, with a commercial hull, without a combat hull. We have changed that. But it was also seen that the weapons systems would be far more costly. These ships are coming in, if you count the weapons systems, at almost exactly the total price that Congress was briefed on more than a decade ago. We have two great shipbuilders building these: Austal in Mobile, Alabama; Marinette in Wisconsin. And these ships are coming out now under budget and on time.

The ship itself, which has the modular construction so that you can drop one weapons system in and take another one out, thereby not making it a single-mission ship and not having to build a new ship when technology changes—these weapons systems, the antisurface, antisubmarine, antimine warfare, are in development now. All are in the water, all are associated with ships. And they are in a spiral development, so as technology improves, so will those weapons systems.

Mr. MORAN. Mr. Secretary——

Mr. FRELINGHUYSEN. Let me just jump in here.

I think Mr. Moran is focusing, obviously, cost but vulnerability. And I do want to make sure that every—we have a few rounds of questions here, so, Admiral, if you could briefly address the issue of vulnerability, and then we are going to move on to Mr. Crenshaw.

Admiral GREENERT. The ship is designed what we call level 1. There is a level of, if you will, survivability, and we said level 1. And what that means is, you take a hit, if the ship takes a hit, it is able to survive, and then it returns to base. It doesn't stay and fight. And it depends on what the mission of the ship is and what you are willing to pay for that.

It is designed and it has met the standards of that level. So if the criticism is that we made the decision on level 1 as opposed to 2 or 3, then that is a criticism, but it is built to those design standards. It is testing appropriately so.

I could paint you a picture, Congressman, really, my goodness, where you drive a ship into a certain scenario and it is vulnerable to being overwhelmed by cruise missiles, all of our ships, even the very best, which are quite capable. We don't send ships out alone as sole platforms to do it all. We do this in packages. We are, if you will, improving the armament on the ship, and we will continue to do so.

Lastly, the study is over a year old, the one that was published. We have done a lot since then. We have had a littoral combat ship council, and we have had the ship inspected by our INSURV, which is very objective. We are taking a lot of actions, and I would be happy to talk to you in more detail offline if you want.

Mr. FRELINGHUYSEN. Mr. Moran, I want to get a couple of rounds of questions in here.

Mr. MORAN. Yeah. I didn't want to ask a question, but I wanted to make a quick response to a point that was made, just for the record, if I could.

Mr. FRELINGHUYSEN. If you would make a quick response, and——

Mr. MORAN. Sure.

Mr. FRELINGHUYSEN [continuing]. Then we are going to go to Mr. Crenshaw.

Mr. MORAN. Because in the report it says that the war game demonstrated that getting all the right people and equipment on station to conduct the exchange of personnel and equipment could take several weeks, and that process removed LCS from the tactical fight. So the point that was made I think is subject to some question.

But thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Mr. Crenshaw.

STRATEGIC DISPERSAL OF AIRCRAFT CARRIERS

Mr. CRENSHAW. Thank you, Mr. Chairman.

And thank you all for being here today. Particularly, Admiral Greenert, you were in my district last week, and I appreciate it. That was well-received.

But I think the committee members should know that when I got up to speak, the lights went out and the mike went off.

Mr. FRELINGHUYSEN. It could happen today, too.

Mr. CRENSHAW. So the sequester evidently had an impact in that area.

But before I ask two quick questions, I want to ask Secretary Mabus just to clarify the issue of a strategic dispersal. Because after Secretary Hagel was here, I think it got a little fuzzy, but I don't want to rehash the whole history. You know that before we had an all-nuclear carrier force that we had two homeports on the east coast and we had three on the west coast. Now we have all nuclear, and we only have one on the east coast. And there has been some study, and the Quadrennial Defense Review said we ought to have two homeports on the east coast. We have three on the west.

So just clarify for me and the subcommittee, what is the Navy's current policy on strategic dispersal of nuclear aircraft carriers?

Mr. MABUS. Congressman, the Navy continues to support strategic dispersal of our carriers and of all of our ships. And last year, purely as a budget decision, we deferred the movement of one carrier and its strike group, but it was not cancelled. It was merely deferred.

CRUISER RETENTION

Mr. CRENSHAW. Well, thank you, sir.

And a question to Admiral Greenert. We talked a lot about ships, and at one time we wanted to have 313. There was a time we wanted to have 600. And I hear you talk about those that are under contract. And I guess my question is, it seems like we still need ships, and we ask you to do a lot of things: chase pirates off the coast of Somalia, interdict drug runners in the Caribbean, ferry humanitarian aid to Haiti, and send destroyers to the Mediterranean, all those things.

But I guess I have to wonder, when the decision was made to decommission seven cruisers that seemed not to be obsolete and still had some life left in them, I think it was this committee as well as, I guess, the other committee in the House and the two committees in the Senate that said, we think it would be better not to make a short-term, budget-driven decision but to actually modernize those ships and keep them a little bit longer. And so we put some money in for modernization. But I think the plan now is to still decommission those in 2015.

If that is the case, if I were to ask you, do you think we need less ships, you would probably say no. So why are we still planning on decommissioning those cruisers?

Admiral GREENERT. We don't need less ships, so I will go on the record with that, Congressman. You are right there. The issue is strictly budget-driven. In 2013, as we described, the Budget Control Act compelled us to do what we did in the fiscal year 2013 submission.

You are right, this committee did provide the funds for 2013 and 2014 for those ships. And our situation in 2015, as I mentioned, I have carryover from the sequestration in 2013 into 2014. 2014 is uncertain. 2015 is even more uncertain. So it is very difficult. We are in no better shape in 2015 than we were in 2013, sir, strictly budgetarily speaking. And so I can't predict that.

Lastly, I would say, when we submitted our 2014 budget from the Navy, it was before Public Law 113–6 came in, which gave or provided those funds. And so we were kind of crossing, if you will, in the night. We were out of sync in that regard, so we couldn't even consider it in that regard.

Mr. CRENSHAW. Are there any plans to reprioritize? I mean, that is what we did, I think, you know, in terms of our appropriation process to try to find some money. Is that something you all are thinking about, or is that just kind of out the window in terms of 2015?

Admiral GREENERT. I assure you, Congressman, I am always thinking of ways to, you know, retain and sustain force structure as a balance. As stated before, 306 is my goal. The soonest I can get there and balancing our ship to you—we have a lot of things to do. It is always under consideration, sir.

Mr. CRENSHAW. Thank you.

Thank you very much, Mr. Chairman.

Mr. FRELINGHUYSEN. Ms. McCollum.

SEXUAL ASSAULT IN THE MILITARY

Ms. MCCOLLUM. Thank you, Mr. Chairman.

I want to first thank all of you for being here today.

And I am going to ask you to expand on the pervasive issue of sexual assault within our military ranks. According to your department's own numbers, an estimated 19,000 sexual assaults occurred in 2011 alone. Of the estimated 19,000 instances, only 3,193 sexual assaults were reported, and far fewer went to trial.

As you are aware, the news broke yesterday that firmly demonstrates how pervasive sexual assault is. Just this past weekend, one of the chiefs of the Sexual Assault Prevention and Response Office was arrested for none other than a sexual assault. It was in the Air Force, but, you know, you would think this person would have been vetted, that there would have been due consideration to have had a topnotch person put in that office.

So it is pretty unbelievable to women all across this country and, I am sure, to the men and women who wear the uniform, who are living up to the high standards and high codes that you expect your service men and women to live up to.

But we absolutely need to do more about this. And recently I had written a letter to the chairman of this committee, where I was hopeful that we would be having a briefing or a hearing on sexual assault in the military and what we can do to help you with this.

Now, I noticed in your testimony you addressed it. The highlights of the Department of Navy 2014 budget—please, I am prepared to be corrected—didn't see it in here at all.

So I am glad you addressed it in your testimony, but I am wondering if you could elaborate a little more on what you are doing—and I don't mean the videos that you are showing the recruits—what you are really doing to prosecute, hold people accountable.

Mr. MABUS. Congresswoman, I would be very happy to do that, and I ask my colleagues to do it as well.

I have been asked if I am concerned about this, and my answer is, no, I am angry about this. I think you are absolutely right; this is an attack on the men and women in our military. It is a crime.

If somebody was walking around taking random shots at people, we would figure out a way to fix it. And I think that we have taken a lot of actions, and I think we are making progress.

First, I am the only service Secretary that has a sexual assault prevention office that reports to me, and their budget is under my budget. And I apologize for it not being broken out, but they have a strong budget there.

Second, I think we are beginning to learn what works in the fleet. For example, we took a hard look at our recruit training at boot camp. We found that there were relatively few issues there, but where the issues came were at the school right after that, at "A" school that came right after boot camp.

So we have become far more intrusive there with things like shore patrol, things like working with local hotels to make sure that if parties are going on that we know what is going on about it, things like bystander intervention to make sure that sailors and Marines know that these are shipmates that are being attacked and they have a responsibility to intervene. We are rolling those things out across the fleet.

The Commandant and his sergeant major has gone worldwide talking to Marines and stressing the importance of this. The CNO has done likewise.

We cannot be a great military force as long as we have attacks like this occurring inside the military. And we are working, I hope, in the right direction. And I think that at least some of the early feedback we are getting from some of the actions we are taking are positive. But as long as there is a single sexual assault, it is too many.

General AMOS. Congresswoman, thank you for asking that question. It is an issue, it is a problem, it is a crime. And in my service alone, in fiscal year—actually, calendar year 2011, we had 334 sexual assaults, both restricted and unrestricted combined. As you imply or talk about in that report, the numbers are four to five times higher than that. That is the reality of it.

So the issue is, in my service, we have 14,020 females as of this morning in the United States Marine Corps, 7 percent of our population. So if I took that 334, you just multiplied it times 4 or 5, the numbers are up there at, you know, 1,200 or so. And you start looking at the population and you realize that the stark reality is it could be 10 percent of my female population is being sexually assaulted, and from a variety of different things, from everything from just touching to saying bad things to something really heinous happening.

Ma'am, it is a crime. And I will tell you, we started last summer under the Secretary's actual guidance and motivation, we started last summer to change our culture. As the Secretary talked about, the sergeant major and I traveled around the world, 27 different presentations to every officer and staff NCO in the Marine Corps, saying, we have to stop it. I brought every general officer in for 2 days this last summer, all the sergeant majors in.

So we started a campaign plan. It really began in earnest probably around September, so we are just into phase 2. Phase 1 was a complete reorganization of our legal community. We have doubled—I just got the statistics, and it is part of the report that Con-

gress will get either yesterday or today—we have doubled the amount of convictions, the amount of prosecutions and the amount of convictions, just in the last 12 months.

So we are heading in that direction. I am determined to change our culture. And I apologize to this committee for the shameful behavior of my Marines.

Mr. FRELINGHUYSEN. Admiral, would you respond, as well, too?

Admiral GREENERT. Sure.

Mr. FRELINGHUYSEN. And then I am going to move to Mr. Calvert.

Admiral GREENERT. Ma'am, I would characterize it as a safety problem and a readiness problem in the Navy. I, like the Secretary, am angry about it, but, more importantly, I think we are focused and have some tangible things in place.

You are right, we can't train our way out of this. But in order to change a culture, you have to make sure that our people are aware of the problem. So we have done some very good actions, I think, on training them.

Okay, they are trained. Next, we have to get the reports right so we understand the problem—where is this happening, how is this happening, what are the demographics of it—so that when we—and get away from the stigma of not reporting so that we can now go to those places.

And what I mean by that is, we have had some success in the Great Lakes area. That is where our recruit training is and our "A" schools. Those are our initial schools. Through efforts done by leadership there, we have reduced the reports of sexual—the reports of sexual assault have reduced by over two-thirds, 66 percent over 2 years. What are they doing right? We have taken those best practices and recently applied them to San Diego. And it involves getting businesses involved, getting leadership involved, the shore patrol now going and looking on base, off base where people gather, and get away from the occasion where things are going in the wrong direction based on what we know about the previous events.

We have talked with the mayor in San Diego, with the businesses. They are very much on board, like they were in the Chicago area and Great Lakes. And we are starting to see some changes there. I am not declaring victory in San Diego; I am just saying we are starting to see some tangible reductions there.

Next, we are going to do the same thing in Japan and also in Naples, going to the places where we are finding these things are occurring.

Lastly, I would say again with regard to prosecution, we have worked with NCIS and have reduced the time to do adjudication from 300 days in many cases down to about 80 days, an average case is, over the last 6 months. So it is coordination with the law and with the, if you will, the officials in that regard.

And it is taking care of the victims. We have increased by 66, numbers, and that was our goal, to get sexual assault victim advocates as well as counselors.

So it is a series of things going on, ma'am, but it is looking for what is the tangible means so we can measure it and understand where to go from here and adjust.

Ms. MCCOLLUM. Thank you.

And I hope that the committee does do a briefing or hearing on this because we need to help them. They are trying to do the right thing, but it is a stain on anyone who wears the uniform when another person is assaulted. And I want to lift that stain away from all the men and women who serve in our military.

Mr. FRELINGHUYSEN. Thank you, Ms. McCollum. This is a very important issue.

Mr. Calvert.

DEFENSIVE MEASURES FOR SHIPS

Mr. CALVERT. Thank you, Mr. Chairman.

And I hope that the Navy and the Marine Corps does a better job in vetting their people in sexual assault than the United States Air Force. I guess this weekend the Air Force chief of sexual assault prevention, Lieutenant Colonel Jeffrey Krusinski, was arrested for sexual assault. That doesn't look good to our United States military.

One comment that was made about our ship vulnerability, Admiral—and all ships are vulnerable, like you say. And one thing that I know you have been putting a lot of investment in, you said in your testimony, is defensive mechanisms, whether they are laser or other mechanisms, against this WaveRunner-type torpedo or missile, which really is very frightening even to your carrier groups.

Do these defensive mechanisms have a lot of promise to them, that you believe that these ships can be protected by these mechanisms?

Admiral GREENERT. I believe so, sir. We have compelling evidence—that is, we have done a number of runs—that the laser works with regard to that. That is why we are going to take it out to the gulf, for two reasons: Put it in situ and see how does it perform in the heat and waves and all that, and it is also a quick turnaround, so——

Mr. CALVERT. Now, is this the laser or the railgun?

Admiral GREENERT. This is the laser. The railgun is an electromagnetic giant capacitor that generates energy that flings a large, if you will, hunk of metal, a projectile, great distances at huge, huge energy, and so when it hits, it makes a tremendous—it makes an explosion like. But it isn't an explosive, so you don't have to go through all the care and feeding that goes on with putting explosives and having ammo bunkers. You are just having large chunks of metal, if you will, on board—quite simple.

But, anyway, to answer your question, yes, sir, we feel much better with the help of this committee, by the way, putting better guns on our patrol craft over there, better guns on our carriers, better guns on our destroyers and cruisers over there that counter small craft.

We have better ISR. You detect them coming, you can prepare yourself accordingly. But I think this laser technology has great promise. That is why we are going to put it out there and check it out.

LITTORAL COMBAT SHIP

Mr. CALVERT. Okay.

Mr. Secretary, one thing, and we discussed this. Is there one—and it is not just the Navy. But is there any major procurement program that you know of that is on budget and on schedule?

Mr. MABUS. Yes, there are. The Virginia-class submarine, the DDG–51, LCS——

Mr. CALVERT. LCS is on——

Mr. MABUS. Yes, it is.

Mr. CALVERT. The price on that has gone up significantly in the last——

Mr. MABUS. The price on that has actually come down by more than 40 percent from the first four ships that were built. We are, as I said to Congressman Moran——

Mr. CALVERT. But the initial costs on those ships, those original four, aren't they substantially higher than they thought they were going to cost?

Mr. MABUS. I am sorry?

Mr. CALVERT. Weren't the original four LCS ships substantially more expensive than what we thought they were going to be?

Mr. MABUS. Absolutely. And it was a program that was——

Mr. CALVERT. If you are bringing them down 40 percent, that is getting them back to just a little bit more than what we thought that was going to be. I mean——

Mr. MABUS. You are absolutely right.

Mr. CALVERT. But isn't the——

Mr. MABUS. The LCS program, when I got there, it was—and this is a technical term—a mess. Prices were out of control. And that is why I made the decision to make the two variants compete against each other based mainly on price. And prices came down. Prices came down dramatically, by 40 percent from the first four ships.

But prices continue to come down. We have a 10-ship block buy from each manufacturer. The first ship of the class will cost $439 million; the last ship of each one will cost $350 million. Each one of the same ship is costing less, which is the way procurement programs should operate.

Mr. CALVERT. Well, I would hope so, because it seems, from my perspective and I think from the committee's perspective, that most of these procurements aren't on time or on budget.

The submarine program was brought up in the earlier part of the hearing, and back in the old days, you had one individual—I don't know if that is the right answer—one individual that was responsible for the submarine program, and it seemed to work. And he took the responsibility. And it seems these program managers in the military—and, again, it is not just the Navy—but just kind of come and go, come and go, come and go, and nobody takes responsibility.

And the F–35, for instance. How many program managers have we had in the F–35 program since its inception? I don't think we could count them.

General AMOS. About four.

Mr. CALVERT. Four or so? Yeah, at least.

Mr. FRELINGHUYSEN. If you could briefly reply. Then we are going to move on to Mr. Owens.

Mr. CALVERT. But, anyway, that is my—I think we just need a lot of work on the procurement system that we have in the United States military to build these weapons systems approximating the original estimates.

Mr. MABUS. Congressman, I agree with you absolutely. And I am proud of where we are in the Navy now on that.

And one thing on the *Virginia*-class submarine, the last one that we commissioned, the USS *Mississippi*, came in a year early at $170 million under budget.

Mr. CALVERT. Thank you.

Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Mr. Owens.

PIVOT TO THE PACIFIC

Mr. OWENS. Thank you, Mr. Chairman.

Gentlemen, thank you for coming in to testify today.

To follow on some of Mr. Calvert's questions, as we move forward in the environment we are currently in, have you prioritized in your budget those programs that you feel are absolutely essential, particularly in light of rebalancing into the Pacific? And how have you gone through that prioritization in terms of how you will refocus assets in the Pacific and also how you will acquire new assets?

Admiral GREENERT. Well, we are going to rebalance the Pacific in four ways.

One is the force structure movement, and the chart in front of you describes that. If you flip it over and you look at 2014, 2018, 2020, you will see how we are operating forward and moving our ships out to the Asia-Pacific. So it is force structure, and that is aircraft and ships.

Number two, capability. We sat down and benchmarked the challenges in the Western Pacific toward ASW, electronic warfare, electronic attack, strike, and cyber, and said that is the theater we benchmark against. And we have invested in capabilities to that benchmark.

Three, we also have migrated, if you will, homeports toward the Western Pacific so that by the end of this decade we will have 60 percent of our ships in the West and 40 percent in the East, if you will, homeported.

And, lastly, it is in intellectual capacity, improving and increasing the complexity of exercises in the Western Pacific. It may not be generating a whole bunch more, but those that we do with India, with Indonesia, with Japan and Korea and all of our partners out there, much more comprehensive and complex.

It is all of that brought together that makes up the rebalance, Congressman.

Mr. OWENS. Thank you.

General.

General AMOS. Congressman, we are all in, with regards to rebalance in the Pacific. But to a larger degree, to answer your question right up front, we have gone through now, as a result of sequestration, and prioritized everything—everything from the training we get for sexual assault, suicide prevention, family readiness, operations and maintenance, forward-deployed forces getting ready,

training and preparation for deploying. And then we have racked and stacked those so it is almost an inverted pyramid kind of thing, where we have a lot of things up at the top of this thing that we are going to divest ourselves of as we work our way down toward the more important things.

The things we are protecting are the reorientation of our forces in the Pacific. We just put our third infantry battalion in the Pacific, whereas we had one in there a year and a half ago. We have just put our force back on the ground in Darwin, Australia. We are training in Guam. We are training in the Philippines. So we are committed to the reorientation in the Pacific to support the President's strategy.

So that is all prioritization for us. There are things that are going to fall off over the next year, but we have a list and we are just going down those things, and we are saying, okay, that is not nearly as important.

I will give you an example. There were some things that we were going to buy new in the way of ground equipment. We simply can't afford to do that. We have asked ourselves a question, what is good enough? So are our seven-ton trucks that we have been driving for the last 7 or 8 years in Afghanistan good enough? Yes. We have 23,000 Humvees. We weren't going to keep those Humvees. Well, we are going to recapitalize probably 14,000 to 15,000 of them, send them back to the depots, and they will be good enough over the next 7 or 8 years.

So the answer to your question is we are absolutely prioritizing, and we are committed to the Pacific.

Mr. OWENS. Thank you very much.

Mr. FRELINGHUYSEN. Mr. Bonner.

LITTORAL COMBAT SHIP

Mr. BONNER. Thank you, Mr. Chairman. I was going to talk about Joint High Speed Vessel, but since my friend from Virginia mentioned LCS, I want to invite him and everyone on the subcommittee down to Mobile where one of these two ships are being built, and I would challenge you that if you have not seen it, then you would be better informed about this issue. And it is important.

I say that with all due respect, because he is a friend. I think we ought to go to Wisconsin and Mississippi and Virginia and other places where our military vessels are being built. I think that is something that we haven't done enough of, with all due respect, Mr. Chairman, to see boots on the ground of the industrial base that we oftentimes talk about.

I don't think there has been a Secretary in my 30 years of working here as a staffer to someone who served as a subcommittee chairman of two different subcommittees on this Appropriations Committee, or as a member of this subcommittee itself, I have never seen a service chief who has been more hands-on, more innovative, more thoughtful of thinking outside of the box and who has addressed some of the concerns that initially were raised about LCS and the former Governor of Mississippi. It was not lost on me the name of that ship, Mr. Secretary, being your next-door neighbor.

But I want to give the Admiral a chance to respond to Mr. Moran's question about the war games scenario, and I want to follow up on what my good friend, Mr. Calvert, raised as well. You know, I talked with the Bloomberg reporter. He didn't even come to Mobile. And I don't think you really can assess the aluminum hull variant, whether it is survivability or whatever, if you are not going to come out and kick the tires, so to speak.

Mr. MORAN. For the record, I never talked to him.

Mr. BONNER. But I talked to him for over an hour. And Forbes, another respected news source, came out with a separate analysis of LCS just a couple of days ago, which talks about the innovative new measures that LCS makes available. So in the remaining time of my question, I will ask both the Secretary and the Admiral——

Mr. FRELINGHUYSEN. You have put on a pretty good defense, I must say. We know there is a question in there.

Mr. BONNER. Well, the question is this: The world is a different place. One of your predecessors was in Mobile a few days ago who was involved in trying to get to a 600-ship Navy. We aren't going to be there. We hope to get up to 300 ships. But you said publicly before, Mr. Secretary, that this is part of the Navy for the future. Those are my words, not yours. You were much more eloquent.

Tell us a little bit in the remaining time that I leave you about how you envision this, because I can only imagine in the shallow waters off the coast of Africa or off Indonesia or the Philippines that this ship and others like it, like Joint High Speed Vessel, can play a major role in the Navy of the future.

Mr. MABUS. Thank you, Congressman, and I am tempted to just yield my time to you.

Mr. FRELINGHUYSEN. That is not permitted actually. We are going to keep rolling here. All hands on deck. Let's mind the clock. We want to get a couple of rounds in here.

Mr. MABUS. You are right. This is one of the crucial platforms for us for the future. In fact, LCS–1, the Freedom, arrived in Singapore a few days ago. Both the CNO and I are going out to meet her in Singapore, and we are planning to deploy four LCSs by 2016 to Singapore. The Straits of Malacca, all the waters around there, it is a perfect ship to operate in that environment and also with the navys in that region. The same things goes for the Arabian Gulf.

And one of the things about survivability that the CNO pointed out is that we don't send these ships out by themselves in hostile environments. They are part of a strike team. They each have their own unique missions. But the capabilities that LCS, both variants bring, is crucial and will be an important part of the Navy stretching far into the future.

Mr. FRELINGHUYSEN. Thank you, Mr. Bonner. I know you are shy on retiring. You have made your point. Well taken.

Ms. Kaptur.

Mr. BONNER. Mr. Chairman, please make note that the record notes "retiring" is an adjective used to describe——

Mr. FRELINGHUYSEN. Absolutely.

Mr. BONNER. I don't want to get any rumors out.

Mr. FRELINGHUYSEN. I don't want to be visited by Sonny Callahan. Thank you.

NUCLEAR WEAPONS MODERNIZATION

Ms. KAPTUR. Thank you, Mr. Chairman. Thank you all for your great service to our country and I have several questions. I will try to be brief.

First of all, General Amos, on page 24 of your testimony, you talk about resiliency and some of the challenges to that and what you are doing inside the Marine Corps to help those who have suffered war-related injuries, including TBI and PTS. I wanted to encourage you to include any assistance you could to Ohio-based Lima Company in Brook Park, Ohio, that sustained, there were 46 Marines I believe that were killed in Iraq and Al-Anbar province, two Navy corpsmen and then more recently one in Afghanistan, to make sure that that unit is attended to, and all of the survivors in that unit. They sustained enormous losses and we thank the Corps and we thank their families for their great sacrifice for our country. Ohio remembers that and we feel it very deeply.

I wanted to associate myself with the remarks of Congresswoman McCollum on the sexual assault issue and just comment that I agree with her on the need for a special hearing on that. But I also would encourage you, and I am sure you are doing this already with the volunteer military, statistics are showing us that a larger number, quite a substantial number of people who are coming into all of our services have experienced violent behavior in their own homes and families prior to enlistment, and I think there are probably ways of checking on sexual assault, even in the homes as you look to enlist and I think there is a lot that can be done prior to service. So I would just ask you to focus there. I am sure you already are, but I wanted to add my words of concern and support there.

Secretary Mabus, I think you are a great Secretary of the Navy, and I read with interest the article that was in yesterday's paper, USA Today, I hope I brought it with me. Yes, here it is. I don't know how many of our colleagues got to see this, about a military that could be more powerful by focusing on energy independence. I can honestly say your branch of the military has had more aggressive interest in this than some of the others I had expected more of. I want to compliment you on that. I want to thank you for being focused on the future, not the past. And some of the inventions I see coming out of the Navy, honestly, I would have lost money had I bet on Navy being the branch that would be taking such an aggressive lead, even though Navy is in our family. But I am just so impressed with what you are trying to do in terms of living in the future and getting us into military partnerships with people who share our political values rather than living this paradox of partnerships with undemocratic places just because we need their fuel.

So I encourage you on in those efforts. All of the research that is being done through the Navy, any deployment to the civilian sector, you have a supporter here. I will help you in anyway that I can as 1/535th of this institution in terms of energy independence. It is mentioned early in your testimony, Mr. Secretary, General Amos, you talk about it in your testimony, and the people I represent. Thank you so very much.

I wanted also to ask a little bit of a different question relating to nuclear weapons, and that is, any comment you may have, any one of you, on the nuclear weapons that we have, their suitability and capability as we move into this century to meet the needs of today and tomorrow. And knowing everything you know about the weapons that you have carried, if you had to trim some aspect of the nuclear weapons program, where would you look?

Admiral GREENERT. Well, ma'am, I will comment first. We have to be sure that the weapons that we have and the supporting systems are modernized first, the stockpiles, the weapons themselves and the systems that deploy them, and it is really about the confidence that if we are going to deliver one, we can deliver it where it needs to go and be accurate. Once we have that, then there is a sense, a feeling of confidence of what we have, you don't have to have as many because you don't have to deliver as many if you will, because you are not sure they are going to go precisely where you want them to go. That would be step one, in my view.

And there is a program underway to do exactly that. The D–5, which is our missile of today, has got an extension program and an upgrade program. All of our submarines which I can speak to have upgrades in their systems to be sure, once again, that they perform far to the right, that would be better, in their requirements and systems. So that is, to me, the most important part, modernization and upgrades.

Ms. KAPTUR. Thank you very much. Has my time expired?

Mr. FRELINGHUYSEN. It has. You and I serve on Energy and Water and you and I will make sure that the nuclear stockpile we have is reliable.

Ms. KAPTUR. That is why I asked the question. I just wanted to say, Mr. Chairman, also if I might, that in terms of the drug trade, for the record, I would be very interested in the Navy's observations about Afghanistan and what has happened with the increased production of plants for heroin and what is happening on the drug side as we try to rotate out of there. There is no more significant problem that my region faces in terms of crime up in the northern part of our country than drugs. Now, they don't necessarily come from Afghanistan, but I would be very interested in how you see that.

Mr. FRELINGHUYSEN. For the record, we will take that question. The gentleman from Oklahoma, Mr. Cole.

Mr. COLE. Thank you, Mr. Chairman, and thank you, gentleman, for your service. I have to tell you, I am still reeling from my friend from Alabama's fervent defense of LCS. And just for the record, if they are as tough as the Crimson Tide front four, if you can assure me of that, that will be good enough.

Mr. BONNER. Roll Tide.

RESOURCES FOR CONTINGENCY OPERATIONS

Mr. COLE. I have got actually a little bit more of an operational question to ask you gentlemen, and you may not be able to fully discuss it, but parts of it you will be.

One of the things, I was not in favor of what we did in Libya, but I was so impressed by the manner in which we did it and how quickly, particularly the Navy was able to put assets at the dis-

posal of the President that just did an extraordinary job on the fly and with us deeply engaged in other parts of the world.

We are at a really unusual and difficult situation, I think, for all of us right now. We have got an unfolding crisis in Syria that the President may or may not have to do something with, we have got a continuing challenge of the nuclear capability efforts in Iran, and we have had a lot of saber rattling in North Korea, and obviously, your two services, particularly, Mr. Secretary, your responsibility to the Navy and the Marine Corps will be heavily engaged in all three of those things.

So I am curious, are you comfortable that you have the resources and we have the capabilities to give the President the options that he would need if something that none of us wants to happen happened in any of those areas, let alone in—they could actually converge in some ways and you could be dealing with more than one at a time.

Mr. MABUS. Congressman, to answer your question directly, I am absolutely comfortable that we have the assets that we would need, and that is the Navy and Marine Corps' job, is to give the President options. You pointed out Libya. I think on the fly, you said that we sent a big deck amphib there which provided the air cover. We didn't have to send a carrier, we had one of our amphibs. We also had a submarine firing Tomahawk missiles and we had a destroyer firing Tomahawk missiles. So we have multi-mission, very flexible platforms that can do a lot of different things depending on the mission. So I am comfortable. And as long as—this committee has been very, very helpful in terms of providing that and the ships and the platforms, the weapons systems we are buying for the future, I think will meet the needs that will come up in the future.

Admiral GREENERT. In summary, Mr. Cole, I think I said that we must be where it matters when it matters, and I bring your attention to the chart that I provided. As we proceed through this decade, we will be out and about in more places. But what is most important are the places; the Bahrain, the Rota, the Sigonella that we operated from to be able to do, the Japan. If it wasn't for the forward deployed naval force, we couldn't be on station in a couple of days providing the missile shield that was necessary during that period of heightened tension.

So ships matter. Numbers matter. There is no question. Ships forward matter most in my view. I am very comfortable that we can do the offshore option. And where you see Navy on this, think Marine Corps as well. That is our partner.

OVERSEAS CONTINGENCY OPERATIONS FUND

Mr. COLE. And thank you very much for making the point about how important the staging areas that our allies provide us are, because I get quite a few questions at home why are we over there doing this, and also try to say it provides us capability that we want to have. This is not just a favor we do for our friends, it is also very important for ourselves.

One other quick question, and then I will yield back my time, and probably direct it to you, Mr. Secretary, but also maybe at you too, General Amos. We have clearly, and you touched on some of this in your testimony, got a tremendous challenge in resetting the

forces. We are out of Iraq and we are drawing down in Afghanistan. And we have done a lot of that, frankly, as a committee on the fly through OCO over the years, and that is beginning to come down pretty dramatically too.

So, one, are you going to have the resources to do the things that you need and how concerned are you that perhaps when we should have, we didn't put all the things in the regular budget that we should have? We sort of were funding them on a not reliable basis and not something that you can easily count on going forward?

Mr. MABUS. The Navy and Marine Corps have been pretty aggressive in moving money from OCO back to base for some of the reasons you just mentioned. We clearly need some OCO sustainment for not only the Marine Corps coming out of the second ground war in Afghanistan, but also the Navy for the support we give from the sea. We use OCO, for example, for about 20 percent of the maintenance of our ships simply because of the increased operational tempo. We reset in stride, the Navy does.

The Marine Corps, I believe the number is a little over $3 billion, $3.2 billion that the Marine Corps will need to reset the Marine Corps, the new Marine Corps when it comes out, and we will need OCO for that, because that is clearly a wartime expenditure.

Finally, I would say that as we draw down the Marine Corps to our new 182,100 size level, the way we do that and keep faith with Marines, not telling anybody to go home early but bringing it down consistently and prudently, requires some OCO funding as well, because that surge that went up to 202,000 was in direct result to the two wars.

Mr. COLE. Thank you. Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Thank you, Mr. Cole.

Mr. Womack, thank you for your patience. I know you already on the tail-end. We have got a few other members as well.

Mr. WOMACK. Call me forward deployed down here.

Mr. FRELINGHUYSEN. Formerly on the Sinai, right?

Mr. WOMACK. Yes, sir. I thank the gentlemen for their service. And you know, the Secretary was bragging on the USS Mississippi, it should be noted that in a previous life, you did serve on the USS *Little Rock*——

Mr. MABUS. I did, and I have to approve of naming the new USS *Little Rock*.

MARINE CORPS READINESS

Mr. WOMACK. That is correct. Mr. Chairman, I just have got one question. It is not my intent to provide a softball question for the benefit of the commandant and the chief. It is my intent to realistically portray and allow these two gentlemen an opportunity to maybe take us further down into the weeds on readiness.

General Amos, as I was reading your brochure that is in front of us, in that brochure, you say that you create options and decision space for our Nation's leaders. I have to believe that sequestration, indeed an enduring sequestration, will have an impact on those options and perhaps on that decision space. So take the time that you need, and I am going to give Admiral Greenert the same opportunity perhaps with transit times and other things meaning-

ful to his force, but take the time that you need to help us out with what we are doing to affect the readiness of our Marine Corps.

General AMOS. Thank you, sir. You are absolutely correct. I alluded to it in my opening comments that we are paying for readiness for this year for all of those forces that are currently forward deployed overseas in the Pacific, and we have a bunch of them, we have them on amphibious ships, we have them on carriers, and we certainly have our combat forces on the ground in Afghanistan. We are keeping those at the highest state of readiness and we are moving operations and maintenance money around in the Marine Corps within my authorities to be able to do that.

We have the next tranche of units fixing to go to Afghanistan, the next ones fixing to go on our amphibious ships and those that are fixing to go on carriers and those that are going to deploy to the Pacific. We have moved money into those to ensure that they are at a high state of readiness, so those forces are ready to provide options.

When bad things happen, the President and the national command authority need to be able to say, okay, let me put this on pause for just a second and figure out what it is we have to do. It is not always exactly clear what the next step is. Assisting them in doing that quite often is naval presence. A ship pulling off to shore, an amphibious ready group with 2,500 Marines, is a pretty formidable deterrent in anybody's mind. It will catch people's attention and maybe quell a little bit of the anxiety and allow the national command authority to have that decision space. So ready forces forward deployed do that, Congressman.

What is going to happen in sequestration, the way we are headed right now, and this is not—I am not wringing my hands, it is fact. The sequestration is law, it came in on March the 1st, and we are planning accordingly. But our readiness next year for our non-deployed combat units, our battalions, our squadrons, will be below 50 percent. In other words, 50 percent will be what we call C–3 and C–4. C–1 and C–2 are the readiness levels that the combatant commanders want to deploy at, want our forces to come into the theater. We will be at C–3 or C–4 for greater than 50 percent of those non-deploying units. In other words, the units that are still back home, whole cloth units that are ready to go, or should be ready to go, at a moment's notice.

So that is the reality that is going to happen. We are not going to be able to maintain 182,000 marines. We are on our way down. It sounds good. You feel good when you say that number. But sequestration is simply not going to allow that to happen. We can't afford it.

So we get into capacity now, to your question and to your point, Congressman. We will reach a point in the future where the capacity, the depth on the bench, it is not the B team, but it is the backup team that is fixing to go next will not be ready.

So for me to be able to maintain a level of readiness, I have got to get in there and adjust manpower, structure, equipment, investments, all that stuff, so that the force that I do have, in other words, whatever the Marine Corps is going to look like is, in fact, a ready force. It will be a smaller force and you will have less capacity.

I think we are headed that way. I am making plans for it right now, and I just want us all to go into this with our eyes open.

NAVY READINESS

Mr. WOMACK. Admiral.

Admiral GREENERT. Thank you, sir. The situation now is we have one ship, one carrier strike group in the Western Pacific, it is the one most people pay attention to, and one in the Arabian Gulf, and that is fine for now. But what we don't have, we normally have three amphibious-ready groups and three carrier strike groups ready to respond, and ready to respond, that means they are fully mission capable, they have their essential task list trained up. We have one of each now and we usually have three. So that is before you take $4 billion of shortfall and roll it into fiscal year 2014.

We will, as the commandant said, we have invested in making sure that the next to deploy, they are training now, the maintenance is getting done on those, and those next to deploy will deploy. But those that are back here, your surge force, your response force, will drift further into a more unready position, if you will, a C rating, a lower C rating, C–3, C–4.

So to give you a number, we normally have maybe half of the ships who are getting ready to deploy at C–3, C–4 and can be ramped up readily quickly. We will now have two out of three at C–3, C–4. So it is the response force that takes the issue at first. We will be able to make up almost all the ship maintenance that was deferred here when we were in the continuing resolution as we get through the remainder of the year, assuming that we get the reprogramming that the Congress will consider here shortly.

Next year, again, you roll over what was $9 billion and if you add $14 billion against $23 billion, there will be a lot of ship maintenance that we will have to defer. And I have a similar issue with the Commandant. You have to balance the force structure you hold today, the fleet of the future and the readiness. I have to have a ready fleet. I have to be able to respond, like the Commandant said. So we are out where it matters, when it matters, first.

So the problem will be, do we retire more ships and how many? Well, at the sequestration numbers we are looking at, if it rolls year by year by year, that could get up to 30 ships retired. So instead of being at 295 at the end of this decade, I could be at 265, 270, somewhere in that ballpark. It depends on how you distribute the numbers. There are many scenarios. That is one.

So the last point I would make is the industrial base. The ship industrial base today is very tightly wound. We have two major builders and five total shipyards. If we start unraveling multi-year procurements, some of the great performance Secretary Mabus very thorough that he articulated earlier on performance will start unraveling, we won't get that great cost and we won't have therefore that performance. And if you start falling behind in there, and it took us a long time to get where we are today, which is pretty good performance by the shipbuilders, that will drift and I don't know how long it will take to get it back.

Mr. WOMACK. Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Excellent questions. That is why we are so focused on the number of ships actually that are prepared for com-

bat; support is one thing, but ships that are prepared for combat. Mr. Kingston, and then Mr. Ryan.

TOWNSEND BOMBING RANGE

Mr. KINGSTON. Thank you, Mr. Chairman.

General Amos, I wanted to mention Townsend Bombing Range which is on page 21 of your testimony. We don't really need to engage in it now, but your proposal is to expand that from 5,000 to 28,000 acres. That is real important land for a very small community that does not have a large economy and that hurts their ability to grow. It is right next to I-95 and it is fairly good real estate, not prime, but next-to-prime real estate literally. And there is a big pushback by the county and I share their concerns. It is a big grab.

We have been working with your folks on it, but so far, I don't think the sensitivity to the local concern has been there to the level that it has been. In fact, some of it has been kind of insulting, that okay, we will open up an office down there. Well, that is not the same as the county's ability to attract an industry or build a complex of neighborhood developments that would really add to their tax base.

So I just wanted to make sure that you know we have a lot of concerns about that. And my office can't speak for the Senators, but I know that the locals are very worried about the big expansion of that bombing range in Townsend. So I just wanted to mention that.

CONTINGENCY PREPAREDNESS

Admiral, I have to ask you a question. I am not trying to drag in Benghazi to this hearing, but I have to respond to your response to Mr. Cole when you said that what your goal is to be, where it matters, when it matters. How does that apply to a Benghazi or a future Benghazi on a disconnection, because surely right after Libya, there were troops nearby and available, maybe not within a couple of hours. But that discussion is being held, of course, as you know. But talk to me about how that would apply, because it seems to me that was one of the lowest points for America in the last year in terms of letting four of our citizens die when there were assets nearby.

So, again, the theme, and I like the theme, I think every American, everybody would agree, be where it matters when it matters. But we weren't there for our fellow citizens. So can you talk a little bit about that?

Admiral GREENERT. Yes, sir. As one that organized, trains, equips and provides for the combatant commander, I keep referring to the chartlet, and it is what are we doing to increase forward as much as feasible naval forces as the commandant and I were saying to be able to respond. So we are building ships that can help support that. We have a ship called the Mobile Landing Platform, which is volume, persistence, seaborne, out and about that can support, and when it is used as an afloat-forward staging base with a deck——

Mr. KINGSTON. Again, I don't want to interrupt you, but I don't want you to run the clock out either.

Admiral GREENERT. Providing those ships forward.

Mr. KINGSTON. Would that prevent a future Benghazi where we would say, hey, look, you had folks on the ground, you had folks in the water, you had folks in the air nearby, to make sure we don't lose another ambassador if something like that happens?

Admiral GREENERT. I can't speak to the exact details of that because I just don't have that knowledge here, but I would like to shorten time and distance at every conceivable effort and be in those key and critical areas, the maritime crossroads. So if you look on there and you look at the places and around where we will have the vessels, the right kind of vessels, those that resonate with the needs of the combatant commanders of the future, that is what I am about.

COMBATANT COMMAND STRUCTURE

Mr. KINGSTON. Mr. Secretary, somewhat related to that, I have always been curious as to why Libya and Tunisia are in AFRICOM and Egypt is in CENTCOM, even though they are both sort of Arab-Africa. It would appear to me they would be better off being in CENTCOM. Do you have any thoughts on that and would that have made any difference in Benghazi or would we have a greater understanding of, kind of a Middle Eastern type nation, even if it is in Africa if it was in another command?

Mr. MABUS. Congressman, I don't know why the line was drawn where it was. And to the CNO's point, we try to have forces forward deployed, forward stationed and flexible and ready to meet any eventuality. One of the things that the Marine Corps has stood up is a special purpose Marine air-ground task force for very rapid response for any sort of situation that may happen, and it is being set up in Europe now.

Mr. KINGSTON. Well, like Mr. Cole, I appreciate what is going on in Sigonella and Aviano and Vencentia, another branch, Rota and so forth, and I think you are in the right place that you need to be. I just want to make sure the connections are there.

ALTERNATIVE FUELS

Mr. Secretary, I have one more question if I have time. On the green fleet, I think that has been an admirable investment but I think that with sequestration, budget cuts in general and the high expense of it, and the fact that the USDA is not kicking in as they should be and you are brunting the whole cost of it, is it not time to say look, we are going to have to hold this for a future Navy?

Mr. MABUS. I think, in fact, just exactly the opposite, that we cannot afford not to do this now, Congressman. In the last 2 years, fiscal year 2011 and fiscal year 2012, the Navy has gotten almost a $1 billion additional fuel bill because of the spikes in the price of oil. We can't afford that. That comes out of operations, that comes out of platforms. We have got to have a cost competitive, domestically produced stable fuel supply, and that is what we are doing. Actually, Agriculture has kicked in its entire amount. Yes, sir.

Mr. KINGSTON. They have? Thanks.

Mr. FRELINGHUYSEN. Mr. Ryan.

SUICIDE PREVENTION

Mr. RYAN. Thank you, Mr. Chairman, thank you, Admiral, and General Amos, Mr. Secretary, thank you.

I would like to just, on Mr. Kingston's issue with the local issue there, we have a 21,000 acre Camp Ravenna in Ohio and we would welcome you to come up. So if we can make a deal here, Mr. Kingston. So much for southern hospitality, that is all I am going to say.

Mr. KINGSTON. It is only bombs.

Mr. FRELINGHUYSEN. At ease.

Mr. RYAN. I would also like to say with Mr. Bonner's comment, I think that would be a great trip for us to reengage the defense industrial base. And I look around this committee here and I see Members of Congress from older industrial areas like Toledo or Youngstown or Gary, Indiana, and many in the south like Mobile, how we can work together as a committee to drive these this investment back into some of these older communities. So I think that would be a great opportunity and would love to work with you on that.

The issue I want to get to is the issue of suicides within the Navy and the Marines and then also suicide prevention. I know both in the Army and in the Marines, there have been experiments and innovative approaches to try to deal with preventing posttraumatic stress. I won't get into the whole science like I did in the last hearing, but the more and more we learn through neuro-scientific research, the more and more we are finding out how the brain works, and the more we are finding out how we can actually build up resiliency in our own brain. So I want to thank Navy research and Navy health research and also the Army for looking at alternative ways to build up this resiliency.

So I guess I would open it up to everybody, but I know General Amos and I have talked about this on several occasions. But if you can just comment on what you think some of the better programs that you have implemented for increasing resiliency and preventing posttraumatic stress in the long run. Because I know there have been a couple studies, and what it is showing is there is actually a depletion in cognitive ability before we even leave, before the soldiers and marines and airmen even leave there is a depletion. So they are already starting below their baseline level.

So I think this is very important. And just General Amos, if you could start.

General AMOS. Congressman, I will be happy to. And you are right, we have talked about the mind fitness. We are continuing with that program right now, and I think I am very enthusiastic about it. And ONR, Office of Naval Research, is funding that for us, so I am into that.

But I was just at Camp Pendleton probably 3 weeks ago and spent time in the Advanced Infantry Immersion Trainer. To your point, how do you take a young marine who has never been in combat and not only immerse them in the chaos and the anxiety and the absolute abject fear of what is going to happen next and get them to a point where they are listening or thinking, they are actu-

ally able to operate as a team cohesively in an environment that is just absolute chaos?

And we built about 5 or 6 years ago the original immersion trainer, where we, actually inside a factory, made it like the streets of Ramadi and Fallujah, the smells and noise and everything, the language, everything, to include munitions going off and flying over your head. We built through Congress' help a new facility and we opened it about a year-and-a-half ago, and that really allows a unit to go through. It is a platoon size unit that will go through this thing.

So how does that fit with resiliency? You have got to be able to help a young man or woman understand that they are going to be okay, so their mind doesn't just trip out on them to the point where it maybe never recovers again. In other words, you are not able to reach back and pull that back. So if we gradually build them into an environment where we are actually building kind of callous on them, so-to-speak, we found that that helps probably more than anything else. It also makes them more survivable, because the first statistics are proven, if you can survive the first two or three major fire fights, then you have a very good chance of surviving the rest of the deployment. So we do that.

But beyond that, to the left of that, so that is an important part, but to the left of that is spiritual fitness with our chaplains, it is physical fitness. Now, all of this fits in there to make the whole marine or whole sailor to where you actually are now resilient enough to where when you get a Dear John letter from your girlfriend or your wife, and that is a big deal with regard to suicides, and you know that, when things begin to unravel at home and you are up to your neck in the things that you are up to in combat, you are able to just say, okay, I am going to be all right. So it is spiritual fitness, it is mental fitness, it is physical fitness, it is combat readiness. The best thing we can do is immerse them in this kind of behavioral training before they go, Congressman.

Mr. RYAN. And I think is important, too, to recognize that that training is great prevention, but it also is helpful after these soldiers and marines get back. Some of the skills that they are learning early on are the same skills they would need to deal with those situations when they get back.

General AMOS. Sir, you are absolutely right. In fact, what is interesting is they found in some of these more severe cases, they have been able to actually take the young marine and put him back in that immersive trainer that I was just talking about, and then dial back the experience to get him back to where it was beforehand. It sounds crazy, but it works, not in every case, but in some cases where you can recreate it and then you just dial it back, you are going to be okay. You are absolutely right. Thanks for your support, sir.

Mr. RYAN. Mr. Chairman, I would just like to add one comment, that the similar techniques are being used for kids in schools that have some levels of posttraumatic stress. I mean, if you are a kid living in a tough neighborhood or a school or family where you see other kids get killed and you are not 20, you are 8, some of these same techniques and skills are being used in schools and health care, and as I mentioned last time, I think it is something that this

committee could really make a push on, whether it is in the military schools or in other schools around the country that could save us a lot of trouble and money in the long run. I would like to thank you.

CHINA'S CAPABILITY

Mr. FRELINGHUYSEN. Thank you, Mr. Ryan.

Admiral Greenert, Bill Gertz reports often on defense spending and assessments of capabilities and he, yesterday, had a pretty interesting perspective on the Pentagon's most recent assessment of China's military power, and he wrote "China is building two new classes of missile submarines in addition to the eight nuclear missile submarines, and six attack submarines being deployed as parts of an arms buildup that analysts say appears to put Beijing on a war footing."

Deputy Assistant Defense Secretary for East Asia, David Helvey, told a briefing yesterday that the Chinese are deploying an aircraft carrier carrying ballistic missiles, two new stealth jet fighters, a new road Mobile intercontinental ballistic missile in addition to three other new ICBMs. Of particular concern to the Pentagon is of the deployment near Taiwan of precision-guided DF–21D antiship ballistic missile.

That is quite an arsenal. That is quite a statement. You do represent the tip of the spear in the Western Pacific and we constantly have this challenge where the Chinese are out there in force, access issues. Where do you see the Chinese going relative to some of these systems? And getting to Mr. Womack's, your response, how capable are we as a Nation in meeting these potential threats?

Admiral GREENERT. Well, staying within the classification of the room, I will take to the very popular discussion on the DF–21D, the anti-ship ballistic missile. You must look at it as a kill chain, I think, Congressman. In other words, to do such a thing you have to have a sensor, you have to detect a ship, you have to recognize it is a ship. You have to then be confident that you have got it well enough. Then you must have a tracking solution. Then you must be comfortable you can launch, it launches, it is going in the right direction. Then it has to adjust itself. So at that point you can spoof it, you can jam it, you can try and shoot it down, and as it gets closer, you can put a wall of lead up. And that whole chain of events has to successfully occur, if you are the other side in a defensive measure, you must break a couple of those chains. And that is what we look at, frankly. So many people focus on the bullet on the bullet.

So what I would tell you is it is sort of comprehensive. Within the classification of this room, there is a lot of effort going on, there has been, and we are making great progress and I am pretty comfortable with where we are.

Where are they going? Well, Congressman, we own the undersea domain and I have a lot of empirical data that tells me exactly that. It would appear to me based on the construction program, and it is kind of logical that China wants to——

Mr. FRELINGHUYSEN. They are building a lot of subs. They are building a lot of diesels, they are building nuclear subs.

Admiral GREENERT. Yup, and they have a lot of old ones that they need to replace that are kind of junkie and they are moving in that direction. But they are not there yet. So our job is to remain owning the undersea domain.

Mr. FRELINGHUYSEN. About their blue navy, their projections?

Admiral GREENERT. Their blue navy, their projections, frankly we had a conversation——

Mr. FRELINGHUYSEN. There is a challenge, sometimes in this room here we over the years some of your predecessors have sort of discounted the growing China military buildup, but in reality, the Chinese are getting really geared up here.

Admiral GREENERT. They are absolutely capable individually.

Mr. FRELINGHUYSEN. I don't want to put them in an adversarial way, but in reality, constantly, even though sometimes people discount it, they are challenging us on the high seas and what they consider to be their backyard, which seems to be a growing backyard, where traditionally we have had access.

Admiral GREENERT. I would say, Congressman, they are reasonably comfortable operating within what we call the first island chain, and that would be the Philippine Islands, Japan, down through Singapore in towards China. They view that as what they call the near sea. And they are pretty comfortable operating there. They have very capable individual platforms that they are now starting to put to sea. The ability to network them together in an effective manner, is somewhat of question.

But I would submit we have an opportunity here as well to operate together and we are working in that direction. It doesn't have to be adversarial.

Mr. FRELINGHUYSEN. They seem to have a pretty adversarial situation in terms of their relationships with the Philippines, with Vietnam. Not only are we confronted, those countries are confronted as well. And obviously the Philippines have been a strong ally of ours.

Admiral GREENERT. There are episodically as in territorial claims; there are some issues there, but there is also cooperative issues also going on between the Chinese, the Vietnamese and the Philippines regarding piracy, smuggling and other issues. And I would submit, China is going to take part in RIMPAC 14, Rim of the Pacific exercise in 2014, in a very tangible substantial manner. It is a big opportunity, Congressman.

Mr. FRELINGHUYSEN. So it does or doesn't worry you about their arms buildup here?

Admiral GREENERT. I will just say I am vigilant. I hate to say "worried" yet, because I not necessarily worried. Very vigilant and we know we need to pay attention and understand the intent and challenge them on that intent.

Mr. FRELINGHUYSEN. Mr. Visclosky.

REMARKS OF MR. VISCLOSKY

Mr. VISCLOSKY. Thank you, Mr. Chairman. A couple of quick comments. One, two of my colleagues have mentioned the issue of sexual assault, and I would add my voice to theirs. I don't have a question, but I realize all the intense pressure you are under between continuing resolutions, sequestration, your responsibility. I

have no doubt about your sincerity in addressing the issue. We just urge persistence every day in the uniform services and appreciate your good efforts.

Secondly, in the conversation with Mr. Ryan about suicide, I note that there is a task force and they are looking to revise the current collection of 123 suicide programs in the Department of the Navy. And my first impression reading that number is if I have 123 programs, I don't have any. So I would hope that as the task force examines that, there is some focus on the programs that work, and we certainly address that.

A couple of questions, and I realize we want to get to another round, so I guess more, I am asking for your impressions, if you would, and if you want to fill the answers out for the record, that would be great.

NAVY OPERATIONAL TEMPO

Admiral, you mentioned in your testimony that today the fleet is about 10 percent smaller than it was 10 years ago; that the time away from home per ship on average is about 15 percent more; we have to rebalance towards the Pacific. The question really is what programs are in place dealing with the operational tempo, both as far as the force structure of the ships as well as Navy support?

Again, I have two more quick questions I would like to slide in, if you can just give me a capsule summary?

Admiral GREENERT. Well, to lower the operational tempo, you have to fill in the gaps that are in the ship, because if people are not transitioning off the ship because they are on hold because the ship needs them, then you have the individual tempo, ITEMPO. That is what we need to track, and we are. We used to do this 10 years ago, 12 years ago. I have revised it. So I am tracking the individual tempo, not just the ship.

But you have to have the capacity in the shipyard to make sure everybody gets out of the shipyard, gets trained and is ready to deploy, so those who are on deployment aren't filling in longer than they need to be so the rotation is proper. You have to man to make sure the gaps, as I mentioned before, are properly done there.

Then as I mentioned before, operating forward, if you look on the chartlet, as we migrate more ships forward and these opportunities in Rota, Bahrain, and Singapore, you are not doing as many rotational deployments. It takes four ships on the east or west coast to keep one forward. One is there, one is on its way back, one is on its way over and one is in deep maintenance. So the more we can get out and about in these places the less wear of rotating ships and forces out there.

NAVY PERSONNEL SHORTFALL

Mr. VISCLOSKY. I understand that you are about 7,000 sailors short of its goal as far as at sea manning. What types of personnel initiatives and tools are available to you? Will the opening of previously closed billets to women help you? How do you plan to address that problem?

Admiral GREENERT. What is available is urging people to go to sea, so you pay them a little bit of money to shorten their shore tour, if you will.

Mr. VISCLOSKY. You are in the Navy. Doesn't everybody want to go to sea?

Admiral GREENERT. That could be a topic for another discussion. They do. There are many that do, sincerely. But urge people to get to sea. Then sea duty has to be where you send a clear message, that this is where you hone your skills and where you advance. That is where you make your career. So I want to sharpen that focus and make sure our folks understand, and that our walk equals our talk in that regard. And we are working on that in that regard. So you want to incentivize people, if you will, to go to sea, and that will help with our gaps.

Plus we are growing. In our submission as I mentioned, a net increase of 4,600 in our 2014 budget and we are increasing about 2,000 in fiscal year 2013 despite these interruptions, if you will. So we are growing and part of it is covering those gaps.

STRATEGIC DISPERSAL OF CAPITAL SHIPS

Mr. VISCLOSKY. Admiral, thank you very much.

The last question if I could, Mr. Chairman, Mr. Secretary, on the dispersal of capital ships, on the East Coast now, all of our carriers end up at Norfolk. At one point, and, of course, it was almost an aberration, you had five carriers in one port. On the West Coast, they are dispersed between three different ports.

Is it a money issue as far as that dispersal on the East Coast? I was thinking of five carriers in one spot at one moment in time.

Mr. MABUS. It is a money issue. As I explained to Mr. Crenshaw a little earlier, it had been the plan to put a carrier and strike group in Mayport, but in order to do that, you have to build a secure nuclear facility.

Mr. VISCLOSKY. I am sorry, if you covered that with Mr. Crenshaw, I missed that. If you covered that for the record, I am done. Sorry.

Mr. FRELINGHUYSEN. Thank you, Mr. Visclosky. Ms. Granger.

SEXUAL ASSAULT

Ms. GRANGER. This will be very quick. One thing, I like the idea of seeing what we are talking about and making a trip. I would like us to go to Texas to see the Joint Strike Fighter, which is one of our largest and the most unique.

But on the sexual assault, several years ago, I served on the board of visitors for the Air Force Academy and we had a very serious scandal about sexual assault and spent a long, long time studying the issue and really getting into attitudes and what could be done physically with rearrangements, and it was very good work. It was very painful, but it was very good. And I would certainly suggest that you look at that, because it pertained to lots of things. And one thing that was really startling was the attitude. And the attitude at that academy at that time with professors and students, 20 percent did not believe that women should be in the military and were very negative toward having them in there. So their attitudes were different if you are talking about your team. Thanks.

Mr. FRELINGHUYSEN. Mr. Moran.

JOINT STRIKE FIGHTER SOFTWARE

Mr. MORAN. Thank you, Mr. Chairman. Mr. Chairman, I am very much tempted to point out that the committee is concerned that the manning plan for the Littoral Combat Ship is unrealistic and unsustainable because no other ship requires contractors throughout the entire deployment to handle regular maintenance requirements that are traditionally handled by the sailors themselves. We have to have contractors on board. But since Joe is no longer here, and because I sense my father who was a Navy commander is rolling over in his grave, I am going to move over to the Marines.

So General Amos, the Marine Corps intends to declare the F–35 operational capable by 2015 with software, it is called build 2–B. But you know that that software is not capable for full mission capability. You have to have this software called build 3–F, and that is not available until 2017 at the very earliest. Admiral Greenert, on the other hand, has taken a much more deliberative approach. He says that the F–35C won't be operationally capable until he has this updated software in place.

So I guess the question is, why is the Marine Corps intent on declaring operational capability on a fifth generation fighter that simply will not be able to execute the tactical missions that are assigned to it because it doesn't have the software that is capable of doing that?

General AMOS. Congressman, the fact of the matter is, is that the program officer, the program manager, General Bogdan, went on record here just a little bit ago saying that he had confidence the 2–B software would be ready to go in time to meet the IOC of the Marine Corps in 2015.

The software in 2–B will provide a more capable platform than we currently have in the entire United States Marine Corps today. It will provide an airplane that will deliver more weapons, be more capable, be stealthier, have more capabilities, more information assurance, more information dominance than anything we are flying today in the United States Marine Corps. So why wouldn't we want to be able to have that airplane?

It is not going to deploy until 2017. That is the first deployment. But the IOC definition is 10 airplanes, pilots ready to go, maintainers ready to go, the software system with regards to the maintenance of the airplane ready to go, ships capable. We will have the Boxer ready to go, we have the Wasp ready to go now. If our Nation needed that airplane, this will be the sole fifth generation squadron that will be available for the entire United States of America. I would say that that is a pretty good risk that we assume, Congressman.

Mr. MORAN. Well, Mr. Chairman, and I won't ask any further questions, but with regard to the risk, this less-advanced software is not able to execute the full range of directed mission sets. The Navy is waiting until we have the more advanced software before it declares the F–35 is IOC, operational capable, and the Marine Corps is going with software that we were told is not operationally capable. So I do think it is an issue, but I am not going to pursue it any further because there are others that need to ask questions. Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Thank you, Mr. Moran. Mr. Crenshaw.

CRUISER RETENTION FUNDING

Mr. CRENSHAW. I have a quick follow-up question about the cruisers, but I wanted to thank Mr. Visclosky for raising that question and assure that I didn't tell him to ask that question.

Mr. VISCLOSKY. And if the gentleman would yield for one second, because I didn't realize you had had that conversation. If you could, for the record, attach a dollar amount as to what we are looking for and is that built into your 5-year plan, I would appreciate it. I am sorry. I thank the gentleman.

Mr. CRENSHAW. And I would love to sit down and visit with you about some of the things we have talked about, because I do think it is important.

But on the cruisers, I didn't get a chance to ask you, the money that we put in 2013 and 2014 to do the upgrades and modernization, is there a plan, because I know you said in 2015, you are still thinking about decommissioning, but is there a plan to use those monies that we set aside?

Admiral GREENERT. There is, sir, in accordance with the bill, and that plan has been put together and is on its way to be briefed.

Mr. CRENSHAW. Can you tell us anything about it, because as we get ready to mark up the bill, it would be important to have that.

Admiral GREENERT. I believe, and again, I will give you the quote for the record, it is about—it is in increments, $250 million operating costs, and some upgrades for some of the cruisers. You have got to watch the schedules, and that is where we kind of get into this. We got it now instead of at the end of the year, so we do our best our best through 2013 into 2014.

[The information follows:]

In FY13, we will operate and maintain the seven cruisers. Attached is the notification letter from the Secretary of the Navy. Of the $280M requested, $244M is for the cruisers. A more detailed plan of operations through the end of FY14 was provided to the committee staff on 30 May.

This plan lays out the operational path through the end of FY14, and the risk of modernizing the cruisers in this fiscal climate and absent a longer term commitment.

THE SECRETARY OF THE NAVY
WASHINGTON DC 20350-1000

May 21, 2013

The Honorable Harold Rogers
Chairman, Committee on
Appropriations
House of Representatives
Washington, DC 20515-6015

Dear Mr. Chairman:

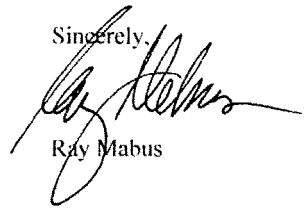
This letter is being provided to the congressional defense committees pursuant to the requirements in the Consolidated and Further Continuing Appropriations Act, 2013, P.L. 113-6, Section 8103. This section established the Ship Modernization, Operations and Sustainment Fund (SMOSF) to provide for costs associated with the continued operations of seven cruisers and two amphibious ships.

The Department has identified $280M of costs during Fiscal Year 2013 which is recommended for transfer from the SMOSF account to the Operation and Maintenance, Navy appropriation as detailed below. In accordance with P.L. 113-6, the Department of the Navy is providing 30 days notification for this transfer.

	(Dollars in Millions)		
Ships	**Operations**	**Sustainment**	**Total**
CG-63	$27	$15	$42
CG-64	$22	$2	$24
CG-65	$38	$8	$45
CG-66	$30	$8	$37
CG-68	$18	$11	$29
CG-69	$21	$13	$33
CG-73	$17	$16	$33
LSD-41	$4	$9	$12
LSD-46	$18	$6	$24
Total	$194	$86	$280

A similar letter has been sent to Chairmen McKeon, Levin, Durbin, Young and Chairwoman Mikulski. If I can be of further assistance, please let me know.

Sincerely,



Ray Mabus

Copy to:
The Honorable Nita M. Lowey
Ranking Member

Mr. CRENSHAW. It will be helpful when we get ready to mark up. Thank you, sir.

FLEET SIZE

Mr. FRELINGHUYSEN. Just for the record, the cruisers that you are referring to, they are going out of the fleet at some point in time, is that right or not?

Admiral GREENERT. At some point in time.

Mr. FRELINGHUYSEN. They are. So they are part of—what is actually the fleet size at the moment?

Admiral GREENERT. The fleet size at the moment is 283 ships.

Mr. FRELINGHUYSEN. 283. And how many are actually operational? The ones that you referred to, are they operational or are they in dry dock getting reworked?

Admiral GREENERT. They are operational.

Mr. FRELINGHUYSEN. They are operational?

Admiral GREENERT. Yes, sir.

Mr. FRELINGHUYSEN. Thank you, Mr. Crenshaw. Ms. McCollum.

EFFECT OF SEQUESTRATION ON PUBLIC-PRIVATE VENTURES

Ms. MCCOLLUM. Thank you, Mr. Chairman. While I cannot invite you all to a military base in Minnesota, but you can go see the USS *Minnesota* submarine.

I wanted to talk about something that we have not touched on directly, but indirectly it affects recruiting and retention, and I had the opportunity to be at Pendleton back a while ago and saw what you were doing for not only military construction for your Marines, but what you were doing with the public-private partnership that you have with housing, and so my question is, as you are moving forward with those projects, sequestration and budget cuts, what does that do to that because that can have a direct impact on retention and even recruitment if you are recruiting people with families. Word gets out whether you take care of your sailors and Marines, and then also, what you are doing, and this is probably more to Pendleton, what you are doing to reduce your energy footprint to be more energy efficient at Pendleton and maybe what you are doing at other bases, too.

General AMOS. Congresswoman, thank you. On the PPV (Public-Private Venture) matter, and you know this, that has been one of the great success stories, I think in the Department of Defense. For us in the Marine Corps, we are not completely built out as far as transitioning the homes. We have got a few more home projects, in other words, tranches of homes in the PPV project line. I will have to get back to you and tell you exactly which ones and how many. I know we have got some more at Twenty-Nine Palms, but if I look at the Corps writ large and I look at the barracks and the military construction that this committee has supported for us for the last 4 or 5 years, we are talking billions and billions of dollars; our barracks are better than they have ever been before, so the quality of life for our young enlisted Marines living onboard the base, which is important to us, has never been better than it is today, so that is the first point, and that actually helps with regard to retention and just morale and discipline, because we have got them on base, we have got eyes on them so we are watching them.

The housing situation is just about that good. I mean, it is an incentive for Marines when—not particularly when they come in to sign up from the recruiter's office, but when they are at that decision point at the 4-year mark and they are trying to decide, okay, do I want to stay in the Marine Corps, you recruit a Marine, you retain a family. So the families have an awful lot to say about this with regard to the quality of life. From where I sit right now, it has never been better.

As we draw the force down, my sense is and especially as it relates to barracks, we are probably going to finally get to a point where we have got just about the right amount of barracks as we have because we have never built enough. We will probably get to a point where we will have just about the right amount of new barracks for the right-sized force, and I think it will probably be the same thing for housing, but there are other projects underway, and I will make sure that I get you that information.

Ms. MCCOLLUM. Okay.

Admiral GREENERT. Simply put, we had a huge housing deficit, and they were substandard. Today, really as a result of public-private ventures, over 90 percent of Navy housing is a private-public venture. As the Commandant said, it is high quality, and it would have taken decades to get there using military construction. So some contracts are better than others, and we are learning more, but it is working quite well, and we find our constituent's families are very happy. It is a very popular measure.

Lastly, I would say these are contracts, ma'am, and even in a sequestration environment, we have to live up to our contracts.

Mr. MABUS. I will take the energy part. We are doing a lot on both more efficiencies. The Marines at Kaneohe Bay, for example, measure the energy that goes into each house. If a Marine and a family use less energy than the benchmark, they get money back. If they use more energy than the benchmark, they owe a little, and the energy usage has dropped dramatically with no compromise to the quality of life.

Now, we are also doing alternative energy at places like Kaneohe Bay, at Twenty-Nine Palms, at China Lake, at facilities all around the country, and we will be at a gigawatt of renewable energy in public-private ventures like the housing by the end of this decade.

Ms. MCCOLLUM. Thank you.

Mr. FRELINGHUYSEN. Thank you, Ms. McCollum. Just for the record, General, do we have any more gang barracks at Pendleton or have they all been done away with? What I would call gang barracks, what I remember. Not there, but the Army.

General AMOS. Let me get back to you on that thing. I don't want to—I am really bullish on where we are. We used to call them the flat tops out there, which were absolutely——

Mr. FRELINGHUYSEN. Well, it looked like hell the last—I have not been there for a while, but——

General AMOS. They did. I do not think we have got them, but I want to give you a definitive answer.

Mr. FRELINGHUYSEN. Okay, thank you. Mr. Calvert.

CAMP PENDLETON FIRE STATION

Mr. CALVERT. I am just happy everybody is bringing up Camp Pendleton. It is a wonderful base. You all need to come on out. Speaking of Camp Pendleton, there is one thing, we have done a wonderful job, I give David Hobson a lot of credit, our former colleague, on these public-private partnerships on bases all around the world. That has been a very successful program in putting together great housing for our military. But the fire stations at Camp Pendleton are getting a little long in the tooth. I think they were built in 1941, and they have not changed a lot, so I just thought I would bring that up since I hear from the, you know—just bring that note up.

General AMOS. Fire stations.

Mr. CALVERT. Everything else——

Mr. FRELINGHUYSEN. We do not have any more earmarks.

Mr. CALVERT. I just thought I would bring it up.

General AMOS. Congressman, they are historical landmarks, and we can't——

Ms. MCCOLLUM. There you go.

AV–8B HARRIER AIRCRAFT

Mr. CALVERT. That is it. One thing that is also getting kind of long in the tooth is, I was out in Yuma, and those Harriers are getting pretty long in the tooth. I imagine they are pretty costly to maintain also, and we talk about the F–35 and the Marine Corps variant. How much longer can you safely fly the Harriers?

General AMOS. Sir, interestingly, you will be surprised when I tell you they actually have the most service life between the F–18s and the Harriers. What happened right around 1999, 2000, we took those airplanes and remanufactured them. We sent them back to then McDonnell Douglas, now Boeing, and they took them completely apart, and they rebuilt those airplanes and gave them—they breathed new life into them, probably a green manufacturing like we have never seen in an airplane. So those airplanes will actually begin the, the final ones will begin to expire in flight life around 2028 as I recall. Now our F–18s are going to expire in service life long before then.

So the last Harrier, as we transition to the Joint Strike Fighter, the very last squadrons that will transition will be the Harrier squadrons, not across all Harrier squadrons, but the very last airplanes that actually go to Davis-Monthan will be the Harriers.

SUBMARIEN INCREMENTAL FUNDING

Mr. CALVERT. And, Mr. Secretary, back on the submarine, on the *Virginia-class* submarines, on your advance funding on fiscal year 2014-fiscal year 2015, obviously that is a little—outside of carriers and amphibious ships, we have not done that type of funding before, this split funding, and counting on advance appropriations. Why did you go that method versus the traditional method of funding for the ships?

Mr. MABUS. In a very short answer, the amount of money available. But I would point out that just as you did that we have split funded amphibs and carriers. This is not an incremental funding

because this committee and Congress would make a decision for full funding, it would split it over 2 fiscal years. You have already done advance procurement for this tenth submarine, and the overwhelming logic for this is that by putting the tenth submarine in in this 5 years, so two a year into the multi-year, will save us $150 million per boat, so a billion five over the ten boats.

ELECTRO-MAGNETIC AIRCRAFT LAUNCHING SYSTEM

Mr. CALVERT. That is a good answer. One last question. I do not know if this is for the Admiral or the Secretary, the new electronic magnetic launch capability that is going on the new CVN, is all the technicalities worked out, that is working fine and everything is going well with that program?

Admiral GREENERT. I think the science and the engineering is worked out. Now we have got to continue the test, so when you say "technicalities," there will be hitches here or there, but with regard to does it work? It works. We have launched several things from it. Now we need to install it and test it, and then get through that testing period.

Mr. CALVERT. Again, thank you for your service. Appreciate your time.

Mr. FRELINGHUYSEN. Thank you, Mr. Calvert. Ms. Kaptur, and then we are going to move towards winding down.

Ms. KAPTUR. Thank you, Mr. Chairman. Two questions. Mr. Secretary, yesterday in USA Today they had this article about defense spending $15 billion a year on fuel, 60 percent of it from foreign sources, and in the Department of Navy, your goal is 50 percent total energy for the Navy from alternative energy sources by 2020.

Does the Department have a goal of reducing that foreign dependence? And I agree with your goal of 50 percent alternative energy by 2020, but can't we speed it up a bit? And how much of the 2014 budget request is devoted to securing these alternative energy sources? That is my question to you.

And then of General Amos I want to ask on the amphibious combat vehicle, I would—what is the current status of the program, and how does it relate to the joint light tactical vehicle? How do those two programs fit together, if at all? And I would just ask you, following on what Congressman Ryan talked about, the parts of the country that have suffered under enormous unemployment for a very long time related to the defense industrial base and what has happened to our over ground transportation industry, please look at the fourth seacoast, please look at the Great Lakes area. It does not get as much attention, although I will say Marine Week in Cleveland last year was a huge success.

General, we thank you for that. We invite both you and the Secretary to the Cleveland City Club to tell us about the Navy. But we often feel neglected up there. You know, we have the Great Lakes Training Station. But if you look at the number of Marines and Naval seamen that come from our area, we had sailor of the year from Toledo, Ohio, a couple years ago, and we ask you to think about our region as an integral part of this Nation's defense. And, again, we invite you there.

So, Mr. Secretary on the alternative energy question and General Amos on the alternative amphibious combat vehicle.

ALTERNATIVE ENERGY

Mr. MABUS. Thank you, Congresswoman. The goal is to move from buying these foreign sources of energy to a domestically produced, stably-priced source, and the 50 percent goal is not just at sea, but also on shore. So it is Navy-wide, Navy- and Marine Corps-wide. We are on track to meet that and meet it at very competitive prices.

In terms of the budget, what I would like to do is get you a detailed written analysis of the investments we are making and the payback time that those investments will return the money, and we will continue saving money. It is a long, but a very good story, and I would like to do that in writing if that is permissible.

Ms. KAPTUR. Are your goals attainable in view of what is happening with sequestration?

Mr. MABUS. Yes, they are.

Ms. KAPTUR. And then General Amos, Mr. Chairman.

Mr. FRELINGHUYSEN. General.

AMPHIBIOUS COMBAT VEHICLE

General AMOS. Congresswoman, you remember in the fall of 2010, Secretary Mabus and I and Secretary Gates met and talked about the expeditionary fighting vehicle at that time, which is our swimming tractor that brings Marines ashore. We agreed to cancel that because of a host of reasons which you are very familiar with. In the last a little over 2 years, 2 1/2 years, we have invested as much brain power and capital to determine, okay, what is it the vehicle that will replace the EFV, that actually will replace the current vehicle we have, which is 40 years old, what should that look like? How fast should it go? What should the capabilities be? And even as importantly, how much can we afford? What is the cost on that? OSD last year, they produced, they published the results in July, did an analysis of alternatives and confirmed the requirements for the Marine Corps to have a vehicle that will come out the back end of an amphibious ship and carry Marines ashore. You only come out of a ship one of two ways, you either fly them off or you come across the surface, and we need both capabilities for the future.

So they confirmed that, and they were prepared to kind of lead us into a solution. I put all that on hold because I wanted one more bite at the apple, I wanted to make sure that we absolutely got the requirements right. So that is where we are right now. We have the final study group, analysis group that will report back to me in the fall of this year, and at that point, we will make a determination on cost. We have got two contractors heavily involved in this right now, BAE and General Dynamics. They are joined at the hip on this thing, so we have got kind of—it is more than best of breed, it is actually the best of both corporations helping us come up with the art of the possible. We will make a decision probably late fall, early next year, this is the direction we are going to go, and we will get on with the contract for an amphibious combat vehicle.

Joint light tactical vehicle was designed to be a replacement for the Humvee. It is a utility vehicle. We are going to buy 5500 of

these things right now, so we are in it, it is completely different, it is just to haul Marines around on the battlefield.

Mr. FRELINGHUYSEN. Thank you, Ms. Kaptur. Thank you, General. Mr. Cole, then Mr. Womack.

SEQUESTRATION

Mr. COLE. Thank you, and I will be quick. Thank you, Mr. Chairman. I just really have one question, and I want to make sure I understood something right and maybe ask you, Mr. Secretary, to elaborate on it. Let me just say as a preface, look, all of us here on both sides of the aisle hate sequester, we really do, and we appreciate what you have had to deal with, and the other service chiefs, and I would suspect that if the powers that be of sort of above this committee could come to a larger deal, you would find both sides of the aisle on this committee would probably be supportive of that so that we could restore some of what has been lost and some of what has created such difficulty.

Now, if I understood your original testimony, you made the point that you were planning for sequester, you were planning as if it was extended, and I am glad you are, by the way. I think that is the prudent and the appropriate thing to do. I will say, for the record, you are the first person from the administration—the administration's budget does not presume that in most other areas. I mean, they assume the sequester disappears. We have had this discussion on other subcommittees with civilian counterparts, and I expressed my concern that they were, while I hoped they were right, you know, my concern was you better not plan that way.

So am I correct in thinking that you are planning as if this—I mean, I am sure you are hoping for something different and better. We are, too. But are you planning as if the sequester would extend forward?

Mr. MABUS. The budget that we put in assumed that sequester would not happen. The strategic management and choices group that is ongoing at the Pentagon is looking at the possible budget futures, including sequestration continuing, what would that do to all the services, Navy and Marine Corps included. So we are doing both.

Mr. COLE. Well, I just want to commend you for doing both. Again, I hope that we are not in that situation. I know this committee certainly does not. But I think you are being exceptionally prudent and wise, and just thank you for doing so. Yield back, Mr. Chairman.

Mr. FRELINGHUYSEN. I would echo Mr. Cole's comment. We hate the sequester. We do not like the continuing resolution, but at least we were able, and we acknowledged it, to put in there, gave the flexibility to you. Maybe not enough flexibility. Mr. Womack.

CYBERCOM

Mr. WOMACK. One final question for the Secretary, our role in cybercom.

Mr. MABUS. We stood up 10th Fleet, which is our cyber capability that supports CYBERCOM. We are growing cyber capability, both inside the Navy and in conjunction with CYBERCOM, both in terms of number of people and in terms of capability. The Marine

Corps, even though it is coming down in overall people, are increasing the number of Marines involved in cyber because it is such an important area for the future.

SIZE OF THE FLEET

Mr. FRELINGHUYSEN. Mr. Womack, thank you. Lastly, the number of ships matter. I am concerned, I know last year when I asked the question people rushed to my office to show me a lot of numbers. We have never had over the last 20 years, have we, Admiral, more than 300 ships?

Admiral GREENERT. I am sorry, we have never had more than 300?

Mr. FRELINGHUYSEN. 300, yeah. In terms of our—we have had the stated requirement now of 306 ships.

Admiral GREENERT. That is correct.

Mr. FRELINGHUYSEN. When is the last time we have had over 300 ships?

Admiral GREENERT. Well, in 2001 we had 303.

Mr. FRELINGHUYSEN. Did we have 300?

Admiral GREENERT. Yes, sir.

Mr. FRELINGHUYSEN. Okay. And the mix of ships, could you comment on that? I know we are counting numbers here, but in reality, it appears we have less in the way of combat-related ships and more numbers that relate to support.

Admiral GREENERT. Well, actually, when you look at—if you look at the 306 study, we need 86—88, excuse me, 88 large service combatant, cruisers and destroyers. We are very close to that. We have 83, 84 now. We will grow to that number quickly. We have the right number of carriers under construction, we have the right number of submarines. This will dip in 2024, and we have the right number of auxiliary ships. And so if there is an area that I am most confident about, it is the combat ships. Where we are short is in small service combatants and some of our supporting ships that we need.

Mr. FRELINGHUYSEN. So we have the ability to pivot to the Pacific?

Admiral GREENERT. We have the ability to rebalance, yes, sir, we do.

Mr. FRELINGHUYSEN. We have the ability tyranny of distance and all that nature, we have the ability to do that?

Admiral GREENERT. Under the current defense strategic guidance, what we are required to do, yes, sir, we do. What is important is we have got to develop those places that we would operate those ships out of.

Mr. FRELINGHUYSEN. The committee, Mr. Young, wants to extend his thanks, as do all of us, Mr. Secretary, for your being here. Admiral Greenert, General Amos, and to all the men and women that you represent, the best of America, we want to thank you for your testimony here this morning. I should say this morning and this afternoon. The subcommittee is adjourned until 1 p.m. tomorrow, when we will host Secretary John McHugh and General Odierno to discuss the Department of Army and their needs. The meeting stands adjourned. Again, gentlemen, thank you.

[CLERK'S NOTE.—Questions submitted by Mr. Kingston and the answers thereto follow:]

ALTERNATIVE ENERGY FUNDING

Question. Secretary Mabus, during the hearing you stated that the Department of Agriculture had in fact contributed towards the joint biofuel effort being conducted by the Departments of Defense, Energy, and Agriculture. Could you clarify if this contribution was actually cash or was it in the use of authorities such as price supports, tax breaks, etc. Please provide the amount of funding (or authorities) contributed to date by all three partner agencies in this effort.

Answer. The Department of Agriculture (USDA) will make $161,330,000 in Commodity Credit Corporation (CCC) funds available to the Department of the Navy (DON) in FY13. These funds are intended to be made available via an interagency reimbursable agreement between the Farm Service Agency (which administers the CCC) and the DON. This funding is intended to support DON purchase of biofuels that are produced with agricultural feedstock in order to increase the domestic consumption of agricultural commodities by expanding or facilitating the expansion of domestic agricultural biofuel feedstock markets.

The amount of funding contributed by the partner agencies towards the joint biofuel effort conducted by the Departments of Defense, Energy, and Agriculture, projected through FY13, is:

	FY10 & prior funds (million)	FY12 (million)	FY13 (million)
DOD/DON		$100	$60
USDA			$161.33
DOE	$5		

[CLERK'S NOTE.—End of questions submitted by Mr. Kingston. Questions submitted by Mr. Calvert and the answers thereto follow:]

JOINT STRIKE FIGHTER PROCUREMENT

Question. What is the current schedule for the retirement of legacy air platforms due to be replaced by the F–35, and what will be the cost savings per year by retiring those aircraft?

Answer. The current transition plan calls for a one for one replacement of F/A–18C/D squadrons by F–35 squadrons. The F/A–18s are programmed to be replaced at the end of their service life and thus their operating and sustainment costs will be replaced by those of the F–35. The Navy does not expect a net savings from this replacement. Under the current program of record, the first F–35C squadron is scheduled to replace the first F/A–18C/D squadron starting in 2019. At projected procurement rates, the entire F/A–18C/D fleet will be replaced by 2026.

Question. How will the delays in fielding of the F–35 affect long-term costs of operating and maintaining those aircraft?

Answer. Delays in delivery of the F–35 have already had an impact on the cost to sustain and operate the F/A–18A–D fleet. Aircraft that should have been retired are now having their service lives extended to avoid unmanageable inventory shortfalls. This first life extension was the result of proactive engineering and analysis which added an extra 2,000 hours to the F/A–18A–D fleet, or about 8 years beyond the anticipated original retirement date for these airframes.

To date the Department has executed $785.2M on the F/A–18A–D Structural Life Management Plan (SLMP) and is programmed for an additional $1.4B to complete the program. This funding will ensure that the majority of the F/A–18A–D fleet reaches 9000 flight hours and a select number of aircraft are extended to 10,000 flight hours.

Further, we have introduced significant management controls to reduce the aircraft inventories necessary to account for training, depot maintenance, testing, and attrition reserves. All of these actions introduce risk into the Departments strike fighter inventory management program, which translate to higher flying hour and sustainment costs as the existing inventory continues to age.

Question. What is the current schedule for the retirement of legacy air platforms due to be replaced by the F–35, and what will be the cost savings per year by retiring those aircraft?

Answer. The Marine Corps' Active F/A–18A–D force will complete its transition to the F–35 in 2027, and the Reserve force will complete its transition in 2030. The AV–8B force will retire in 2030.

By transitioning from the legacy F/A–18A–D and AV–8B aircraft on schedule, the Marine Corps will avoid additional costs to maintain those aircraft. Additionally, procuring the F–35B ahead of schedule in the coming years will result in greater savings. The ability to meet the current transition plan, or potentially transition earlier, will avoid additional future High Flight Hour inspections at $447K each and Service Life Extension Program (SLEP) at $15.5M each for the F/A–18A–D, Frame 11 modifications to the AV–8B, and periodic maintenance interval (PMI) inductions for both aircraft.

Question. How will the delays in fielding of the F–35 affect long-term costs of operating and maintaining those aircraft?

Answer. Currently, 80% of Marine Corps F/A–18s have surpassed the designed service life limit of 6,000 hours, and 110 of the Marine Corps' 256 F/A–18s, or nearly half (43%) of the operational inventory, will reach an extended service life authorization limit of 9,000 hours by 2020. Successful achievement of the 9,000 hour service life is predicated on an intense depot level, High Flight Hour inspection process. Delays in fielding the F–35 will require more aircraft to exceed 9,000 hours, thereby increasing the SLEP program of record of 150 aircraft.

Scheduled AV–8B to F35B transitions in 2016 and 2023 are required to account for attrition losses and ensure available inventory meets flight line requirements. Any delays will create a shortfall in the AV–8B community and a delay in the fielding of F–35 squadrons, thereby reducing Marine Expeditionary Unit (MEU) capable squadrons to meet Combatant Commander (COCOM) requirements. Additionally, extending AV–8B beyond 2020 will incur a significant cost with regard to capability upgrades for the aircraft to successfully operate in the future threat environment.

Relevancy, sustainment, and life extension issues for AV–8B and F/A–18 would be compounded by the delay of the introduction of F–35's fifth generation combat capability. This capability is critical to execute the National Security Strategy and our rebalance to the Pacific.

Remotely Piloted Aircraft—ISR

Question. Does the FY14 request contain sufficient funding to expand the ISR capabilities in line with the increased requests for those capabilities from Combatant Commanders?

Answer. The President's Budget request funds an expansion of ISR capabilities that is aligned with the Combatant Commanders requested capabilities and conforms to Department fiscal controls. Over the FYDP, Navy invests in a balanced portfolio of airborne, surface, and undersea ISR capabilities to satisfy both Fleet and Combatant Commander requirements. The Department of the Navy envisions moving to increasingly unmanned, automated and integrated systems to meet warfighter needs more persistently, more affordably, and with a reduced manpower footprint.

Question. Does the FY14 request contain sufficient funding to expand the ISR capabilities in line with the increased requests for those capabilities from Combatant Commanders?

Answer. The FY14 President's budget request contains appropriate funding for Marine Corps (Intelligence, Surveillance, Reconnaissance) ISR capabilities. The FY14 budget request provides funding for the RQ–7B Shadow Unmanned Aircraft System (UAS) to upgrade the Command and Control to full digital and encrypted data-links; for the RQ–21A Small Tactical Unmanned Aircraft System (STUAS) to begin fielding and installation aboard two amphibious ships; and for the RQ–11B Raven to operate and maintain the 439 systems currently fielded to Marine Corps units.

The FY14 Overseas Contingency Operations request contains funding to continue support to forward deployed units with contracted ISR services. The FY14 funding request represents the optimal mix of resources and requirements for Marine Corps ISR support to the Combatant Commanders.

OCO Funds

Question. Please describe the short and long-term impacts to the Marine Corps personnel account and Marine Corps ground equipment account if the anticipated levels of OCO funding are not met.

Answer. The Marine Corps' Overseas Contingency Operations (OCO) budget provides funding to sustain the manpower, operations, and equipment repair and replacement in support of Operation Enduring Freedom (OEF). Any reductions to the

OCO budget threaten the Marine Corps' ability to conduct a measured drawdown of the active duty force and keep faith with our Marines and their families. Rather than making maximum use of voluntary measures such as natural attrition and early separation/retirement authorities, reductions in manpower funding may force the Marine Corps to increase the use of involuntary separations such as Selective Early Retirement Boards (SERBs). Additionally, OCO reductions jeopardize funding for the retrograde of equipment from Afghanistan and the subsequent repair and replacement of that gear. In short, the Marine Corps would be inadequately trained and equipped to meet crisis response requirements around the world. The Marine Corps would be forced to reanalyze and reprioritize equipment maintenance priorities, assume additional risk in mission-essential weapon system readiness, and thus delay our goal of resetting the force by 2017.

AUTOMATED TEST AND RETEST (ATRT)

Question. Would the use of ATRT technology decrease costs associated with testing on naval platforms, to include surface ships, submarines and aviation assets?

Answer. Automated test and analysis technologies, like ATRT by Innovative Defense Technologies (IDT), possess the capability to reduce time associated with testing and analysis through automation. To date, automated test and analysis technologies have provided opportunities for cost avoidance and improved testing processes vice cost savings. Automated test and analysis technologies provide an opportunity to increase the depth and breadth of testing coverage, typically unachievable through manual methods, thus improving quality for complex computer programs without a budget increase for testing and evaluation.

Question. Are there instances in which the Department of the Navy SBIR policy with respect to ATRT technologies has not been observed? If so, what corrective actions were taken?

Answer. No, the Navy has always adhered to its Small Business Innovation Research (SBIR) policy with automated test and analysis technologies. The Navy awarded SBIR contracts to IDT in 2006 (Phase I) and 2011 (Phase III) for ATRT and has obligated over $50 million against those contracts for ATRT SBIR projects within Program Executive Offices for Submarines, Integrated Warfare Systems, Carriers, Ships, Littoral Combat Ship (LCS) and Command, Control, Communication, Computers and Intelligence. The Navy's support of the ATRT SBIR directly aided in the maturity of this capability through its broad usage across many Navy programs, thus enabling this small business to become competitive in the automated testing and analysis marketplace. Specifically, IDT was recently selected by Lockheed Martin Mission Systems and Training (LM MST) to accomplish the automated testing and analysis requirements under the AEGIS Combat System Engineering Agent (CSEA) contract.

USE OF NAVY FACILITIES FOR NON-PROFIT FUNDRAISING

Question. Have there been any instances in the last five (5) years in which facilities belonging to the Department of the Navy have been used for fundraising activities for 501(c)3 organizations?

Answer. Yes. Examples of such groups that have done fundraising in Department of the Navy facilities in the last five years are the Safe Harbor Foundation, Boy Scouts of America, Girl Scouts of America, and Navy/Marine Corps Relief Society.

Question. Is any special consideration for use of Navy facilities given to those organizations providing services to veterans?

Answer. Yes. Under the Joint Ethics Regulation, DOD Directive 5500.7–R, one of seven factors that must be satisfied in order for a Navy facility to be used to support a non-federal entity is whether or not the event is of interest and benefit to the Department of Defense (DOD) Component command or organization providing the support or any other part of DOD. Organizations providing services to veterans satisfy this factor.

CARRIER COST

Question. The Navy is asking Congress to raise the statutory cap on the CVN–78 aircraft carrier procurement costs by $1.1 billion—from $11.7 billion to $12.8 billion. The proposed increase is 22 percent higher than the FY07, $10.5 billion statutory cap and 9 percent higher than the adjusted FY10, $11.7 billion cost cap. Where is the money to cover this cost growth coming from?

Answer. The additional funding to cover raising the statutory cap on the CVN 78 aircraft carrier procurement cost to $12.8 billion has been requested through the President's Budget request for FY14 (PB14). As we confront the challenges of budget

constraints and the uncertainty inherent in our fiscal outlook, we have evaluated priorities in our shipbuilding, aviation, and combat vehicle plans to make the hard choices necessary to maintain the right measure of balance in capability, capacity, affordability, and the industrial base. This increase in the cost cap was programmed as part of the PB14 request and is required to complete lead ship final assembly and testing actions.

Question. What impact does this have on the Navy's total acquisition portfolio?

Answer. The request to raise the cost cap to meet the Program Manager's estimate at completion of CVN 78 is consistent with the Navy's total acquisition portfolio. The current request allows the Navy to continue to execute the Long-Range Plan for Construction of Naval Vessels for FY2014 and maintain the Navy's statutory requirement of an 11-aircraft carrier force structure, upon commissioning of CVN 78. The cost increase of $1.1B over the FY10 adjusted cost cap for CVN 78 represents 1.2% of the Navy's $92B FY14 budget request in procurement accounts and has been factored in as part of the overall Navy strategy of balancing across our entire portfolio.

[CLERK'S NOTE. End of questions submitted by Mr. Calvert. Questions submitted by Mr. Bonner and the answers thereto follows:]

JOINT HIGH SPEED VESSEL

Question. As the Joint High Speed Vessel (JHSV) is tested and delivered is it meeting all of your expectations? Are there any additional ways you foresee the JHSV being used in the future?

Answer. To date, the JHSV is meeting the Navy's requirements as a multi-purpose platform. The current concept of operations takes advantage of the multi-mission capability of the JHSV for:

- Combat Logistics Force augmentation
- Sea Based Sustainment of Forces ashore
- Humanitarian and Civic Assistance/Foreign Humanitarian Aid
- Noncombatant Evacuation Operations
- Sea Base Special Operations Force and Intelligence Support
- Intra-theater movement of joint forces and cargo
- In addition, we are aggressively pursuing additional uses for JHSV via a variety of payload opportunities that will leverage the versatility of the platform.

Question. Given the ship's speed, cargo capability and ability to maneuver in the littorals, would it not be prudent for the Navy to look at expanding the Joint High Speed Vessel mission envelope beyond in-theater transport, including considering the addition of unmanned aerial vehicles and forward air surveillance capabilities?

Answer. Navy is looking to expand the initial mission profile mentioned above. Navy is pursuing a payload approach utilizing JHSV's inherent flexibility to host multiple payloads and/or change payloads as priorities warrant. Some of these payloads could include unmanned aerial vehicles or other ISR systems.

Question. As the JHSV mission envelope expands, how will the Navy meet the requirement for the expanded mission and in-theater transport—a requirement that once was for more than twenty JHSVs?

Answer. We will work with the Fleets to optimize the use of the JHSVs using the Global Force Management process.

Question. How will the JHSV supplement the current fleet's combat capability?

Answer. The JHSV is not designed for combat and is civilian crewed. However, JHSV will perform a support role to combatant ships in various missions mentioned above.

LITTORAL COMBAT SHIP (LCS)

Question. Could you provide the Committee with the information on the types of research being conducted by DARPA and other agencies that could enhance the combat utility of the Navy's Littoral Combat ship?

Answer. Navy is leveraging multiple Science & Technology (S&T) investment opportunities from various organizations, including those from the Office of Naval Research (ONR), the Defense Advanced Research Project Agency (DARPA), the Small Business Administration (SBA), and many of the Navy's Warfare Centers across the United States. Specific S&T programs being leveraged deliver capabilities to meet technology needs include the Future Naval Capabilities (FNC) program, the Technology Insertion Program for Savings (TIPS), Navy Manufacturing Technology (MANTECH), the Foreign Comparative Testing (FCT) program, the National Shipbuilding Research Program (NSRP), the Rapid Innovation Fund (RIF), and the

Small Business Innovative Research (SBIR) program. Some examples of technology being coordinated from various S&T programs include:

TIPS: LCS1 Stern Tube Seal
MANTECH: Affordable Model-based Open Architecture Radar project
FCT: Water Jet Shock Testing
NSRP: Improved Advanced Watertight Door
SBIR: Coastal Battlefield Reconnaissance and Analysis (COBRA)
SBIR: Shaft Seals
MISC: Structural Health Monitoring System

The LCS Mission Modules Program Office (PMS 420) is working to develop a common software architecture, including unmanned systems common control, for its mission modules, leveraging available standards and enabling a "plug and play" capability.

Program Executive Office (PEO) LCS is actively pursuing the adoption of an open business model with the recent launch of its PEO LCS Rapid Technology Insertion (RTI) process. RTI is a PEO LCS Better Buying Power initiative to leverage the inherently open architecture of LCS and its mission modules to field mature technology quickly, while providing a competitive process to ensure best of breed technologies and the best value for the Navy. The PEO LCS RTI process will enable the rapid identification, assessment, integration, and fielding of mature technologies into the Ship or Mission Modules to satisfy Fleet capability needs, improve performance, actively manage total ownership cost, and ultimately enhance combat utility.

LCS is a flexible platform with its mission modules, and together with the power of unmanned systems there is a tremendous opportunity with LCS to keep pace with technological advances in partnership with S&T organizations.

The RTI process enables PEO LCS to leverage this revolutionary platform and its modular concept to realize this vision.

The primary focus of PEO LCS S&T is to identify, influence, and insert new capability into the Mission Modules, either supplanting or upgrading existing systems, or the Warship. By leveraging technology from ONR, DARPA, industry, and other Navy and military services programs, PEO LCS can provide rapid transition of technology to fulfill Fleet capability requirements.

Question. When the dual buy acquisition strategy comes to a conclusion in 2015, when will the procurement effort get under way and what factors will the Navy consider when determining how to proceed? Will the Navy consider factors like fuel efficiency and growth margin for future weapon systems when determining how to proceed with procuring additional Littoral Combat Ships?

Answer. As part of the Department of the Navy's energy strategy and per a 20 June 2011 memorandum signed by ASN(RD&A) Sean Stackley, it is Department policy to include energy performance in the acquisition of platforms and weapon systems. Specifically, the fully-burdened cost of energy (FBCE) is calculated and considered in program planning and in the analysis of alternatives (AoA). Moreover, all acquisition programs involving energy-consuming end items consider energy in making tradeoff decisions and DON acquisition officials are required to ensure that energy is considered in each step of the Gate Review Process. Lastly, all major modernization efforts of legacy programs subject to ASN(RD&A) action or review require analysis of the programs' energy performance, consideration of the feasibility of energy efficiency upgrades, and a consideration of the potential for reductions in the energy resupply rate for systems, particularly those in combat operations.

Any proposed change to a ship's design or internal systems is evaluated for factors that impact fuel efficiency and service life regarding the installation of future weapon systems, this evaluation includes an assessment for technical feasibility, cost, weight, kg (overall ship stability), power, and cooling impacts. The margin, built into ships (including LCS), from the outset is designed to accommodate the demands of new systems and capabilities, as they are added over the life of the ship. At some point in the lifetime of a ship class, we get to the point where power, cooling, weight and/or kg margins become "critically low." When/if this happens during the service life of a ship, it just requires that we make changes to the ship to balance the impact that a new system has elsewhere on the ship. For instance if we need to add a heavy radar or weapon high in a topside-weight limited ship's structure, we would either remove something of equivalent weight and moment from the ship, or add ballast low in the ship, or a combination of these actions, to counter the impact of the add we need to make. Like any other ship class, we will have to manage the LCS margins over the course of their service lives and ensure compliance with Department policy with respect to energy evaluation factors in the acquisition process.

REENTRY SYSTEMS APPLICATION PROGRAM (RSAP)

Question. The Reentry Systems Application Program (RSAP) funds materials research for atmospheric reentry components. It is currently the only program DoD-wide that develops materials required to meet the accuracy, reliability, and stand-off requirements of our nuclear deterrent. Unfortunately, in its FY14 budget, the Navy chose to terminate funding for this program that is essential to sustaining the ballistic missile industrial base and reentry capability of our nuclear forces. Without this program, our nation will lose significant technical expertise and the cost to reconstitute the industrial base could be significant.

Give its criticality, why did the Navy eliminate this program?

Answer. In order to sustain the sea-based strategic deterrent, research and development is required to ensure a safe, credible, reliable, and effective Submarine Launched Ballistic Missile capability. The Reentry Systems Application Program (RSAP) is a research and development (R&D) program that successfully contributed to the development of the Trident II D5 Life Extension Program (D5LE).

Due to fiscal constraints and allocation of funds to higher Navy funding priorities, such as the Ohio Replacement Program, the Navy did not fund RSAP in the FY14 budget. The Navy will continue to assess the scope and requirements of this program for inclusion in future budget submissions based on funding availability and the ability of D5LE to serve as the initial payload for the Ohio Replacement Program.

[CLERK'S NOTE.—End of questions submitted by Mr. Bonner. Questions submitted by Mr. Visclosky and the answers thereto follow:]

STRATEGIC DISPERSAL

Question. Secretary Mabus, what is the cost estimate of certifying Mayport as a homeport to a nuclear aircraft carrier? What are the components of this estimate and how long would recertification take?

Answer. The one-time cost associated with the creation of a second East Coast CVN homeport, located in Mayport, Florida, was estimated at $588M, consisting of $489M of Military Construction (MILCON) projects and $99M of other one-time costs including Initial Outfitting and Permanent Change of Station orders for rotating personnel. The $489M includes Planning and Design ($30M) and two already-executed projects, Dredging ($46M—contract awarded in FY 2010) and Massey Avenue Corridor Improvements ($15M—contract awarded in FY 2012). The three remaining MILCON projects are not included in the FY2014 Future Years Defense Program: Parking ($31M); Wharf F Improvements ($42M); a Controlled Industrial Facility ($150M); and a Ship Maintenance Facility/Maintenance Support Facility ($174M).

The cost estimates for the Mayport unprogrammed projects were developed for initial planning purposes. Planning assumptions are reviewed multiple times as part of the MILCON programming process

WOMEN IN COMBAT

Question. Secretary Mabus, the argument has been made that remaining restrictions faced by female sailors are largely result of berthing constraints and the prohibitive cost of modifying seagoing vessels. For example, enlisted women are currently unable to serve on submarines. Are new submarines being designed to accommodate both officer and enlisted women? Is the Navy planning on modifying existing submarines to do the same?

Answer. The current configuration of Ohio class SSBNs and SSGNs, and Virginia class SSNs, support female officer integration. Female officers have been successfully integrated onboard OHIO Class SSBNs and SSGNs and will be integrated onboard Virginia Class SSNs in FY 2015. The Ohio Replacement SSBN is being designed to support both officers and enlisted mixed-gender crews. On May 10, 2013 the Commander, Submarine Force stood up a Flag Officer led task force for integrating enlisted women onboard current and future submarine classes. The task force is charged with developing a comprehensive Plan of Actions and Milestones (POAM) to be completed by early 2014. This POAM will emulate the previous deliberate process used to successfully integrate female officers, and will include required modifications, courses of action and candidate timelines.

F–35 Joint Strike Fighter

Question. Admiral Greenert, your testimony states that the Navy will continue to evaluate how best to integrate the F–35C into the carrier air wing from a training, logistics, and operational perspective. We are concerned about the sustainment model and costs for the F–35C and how to manage them. Please elaborate on your concerns about the sustainment model and costs for the F–35C. Also, what metrics are you using to evaluate the integration of the F–35C in the air wing?

Answer. In addition to integrating F–35C's warfighting capabilities into the CVW, the aircraft's maintenance and sustainment processes must be compatible with our existing infrastructure—and the F–35C presents unique maintenance and logistics challenges. For example, sustaining the Low Observable (LO) signature of the aircraft will be a new challenge to Navy maintainers. It is expected that there will be a learning curve in order to properly maintain this critical feature in the relatively harsh at-sea environment. Another challenge is the movement and transfer of replacement (spare) engines onto a deployed aircraft carrier, at sea around the world. Current fixed-wing, helicopter, and ship-to-ship at-sea transfer methods are not capable of moving the "Power Module," the largest module of the F135 engine; it is too big. We are exploring different options to resolve these at-sea challenges prior to IOC, and our first F–35C operational deployment.

There are additional challenges, from Navy's perspective, associated with the builder's maintenance concept for F–35C. Our Sailors accomplish many of the maintenance requirements for all of our CVW aircraft at intermediate ("I-level") maintenance facilities inherent aboard the aircraft carrier at sea. Currently, the F–35C program is not designed to incorporate I-level maintenance. The Joint Program Office (JPO) has been requested to arrange for, and review, a Level of Repair Analysis (LORA), which will be independently assessed by a third-party, to study the business case of incorporating I-Level infrastructure into the F–35 program. We are also examining whether the F–35C's requirements for data "reachback" to support logistics orders and maintenance planning are suitable for the forward maritime operating environment. Each of these aspects of F–35C sustainment (logistics, repair and maintenance) impacts the cost to sustain the F–35C, and we are working to understand them fully to identify opportunities to reduce sustainment cost.

ROTC Accessions

Question. Secretary Mabus, while the Navy is to be commended for its inclusiveness and expansion, the reduction of 165 Navy ROTC scholarships in FY2014 is puzzling especially when you consider the Navy is operating below its authorized end strength at a high optempo and is trying to grow its officer corps. How will this decision affect the officer corps in the future?

Answer. The reduction of 165 Department of Navy ROTC Scholarships between fiscal year 2013 and fiscal year 2014, is a result of a decline in Navy's officer accession goal, driven in part by over-execution of officer end strength and lower than expected attrition among ROTC candidates. We continuously evaluate accession requirements for each of our officer commissioning sources, and monitor production to ensure our officer corps is properly sized to align with force structure, and manned and trained to meet current and emerging requirements.

Cybersecurity Facilities

Question. Secretary Mabus, please elaborate on your plans for a cybersecurity studies facility at the US Naval Academy and if this facility will train Navy cyber personnel from across the Navy or just Midshipmen attending the Academy?

Answer. The Navy has developed a plan to build a Cyber Securities Studies facility at the U.S. Naval Academy within the next few years. This new academic facility is necessary to effectively and fully implement the new cyber operations major, its associated curriculum, and the requirement for all midshipmen to take two courses in cyber security; one as a freshman, and one as a junior. The planning concept for the new facility co-locates the new Center for Cyber Security Studies (CCSS) with three existing departments (Weapons and Systems Engineering, Electrical and Computer Engineering, and Computer Science) to allow for close, cross-discipline collaboration. The movement of those three departments will create academic space that addresses a 465,000 square foot shortfall and will be back-filled primarily with project-based learning laboratories. Those laboratories are a critical element for the success of the Naval Academy's Science, Technology, Engineering and Mathematics (STEM) disciplines. The new building will also include a sensitive compartmented information facility (SCIF), and will be the first classified space to be built on Naval Academy grounds. The SCIF will enhance midshipman education and awareness,

not only in the cyber realm, but across all disciplines as it will allow discussions, laboratories, and briefings to be conducted at classified levels.

The new building and cyber operations major will play an important role in commissioning Navy and Marine Corps officers who are knowledgeable and experienced in cyber operations and defense, and are vital in providing the undergraduate with the educational foundation required of the Naval services' future cyber experts. The new facility and the Center for Cyber Security Studies will focus on educating midshipmen and will continue to leverage and involve cyber expertise from other federal agencies and local governmental and private organizations. Navy currently has no plans to train or educate non-Naval Academy personnel on a regular basis at the facility.

EQUIPMENT RESET

Question. General Amos, please provide an update on the reset of equipment and how the sequestration might affect this mission once pieces of equipment arrive at the depot.

Answer. Based on lessons experienced during the successful retrograde of equipment from Iraq and institutionalized in our OEF Ground Equipment Reset Strategy document that I signed on January 1, 2012, the Marine Corps continues to successfully execute the return and reset of our ground equipment from Afghanistan. To date, the Marine Corps successfully completed the directed post-surge recovery, right sized in-theater sustainment stocks to the needs of the remaining force and positioned itself with an emphasis on asset accountability and visibility to execute the future draw down of the force, when directed. Sixty three percent of combat equipment and seventy percent of repair parts, ammunition and supply stores have been removed from the battle space since our high point of sustaining the approximately 20,000 man Marine Air-Ground Task Force (MAGTF) in December 2011. We will continue to posture ourselves for completion of our equipment retrograde activities in accordance with Commander International Security Assistance Force Afghanistan timelines by identifying future strategic lift requirements, offering items excess to requirements for donation or foreign military sale in accordance with public law and policy, and ensuring combat losses and items not economical to return and repair are responsibly divested via Defense Logistics Agency Disposition Services in theater.

The long-term impact of sequestration is degraded readiness. With continued sequestration the Marine Corps must reanalyze and reprioritize equipment maintenance priorities, assume additional risk in mission-essential weapon system readiness, and delay normal depot sustainment, all resulting in delayed reset operations. Our efforts to maintain the readiness of deployed forces and correct the readiness imbalance of the non-deployed forces would likely be further exacerbated by sequestration if our Operations and Maintenance (O&M) accounts are diminished.

3+2 STRATEGY

Question. The Nuclear Weapons Council recently adopted a long-term strategy for the stockpile identified as the "3+2 Strategy" to transition the composition of the stockpile to a total of five unique systems:

- Three ballistic missile-type warheads, each deployable on both Air Force and Navy delivery systems, employing three interoperable nuclear explosive packages with adaptable non-nuclear components.
- Two types of air-delivered nuclear weapons, both deployable in a cruise missile and a bomb weapon system, employing interoperable nuclear explosive packages with adaptable non-nuclear components.

Admiral Greenert, the current discussion about making the W78/88–1 an "interoperable" warhead raises questions that are likely to be controversial at least in some quarters as the Life Extension Program (LEP) moves further away from the original design of the W78. Does the Navy have any strategic concerns with NNSA's push to develop "interoperable" W78/88?

Answer. The Department of the Navy supports the Nuclear Weapons Council (NWC) decision to consider an interoperable warhead in the W78/88–1 LEP study. While this effort has fiscal and technical challenges, it has the potential to achieve long-term, national cost savings.

The Navy is requesting funding in the PB14 submission to support this study and is seeking reprogramming authorization to commence this effort in FY13.

[CLERK'S NOTE.—End of questions submitted by Mr. Visclosky.]

WEDNESDAY, MAY 8, 2013.

FISCAL YEAR 2014 ARMY BUDGET OVERVIEW

WITNESSES

HON. JOHN M. McHUGH, SECRETARY OF THE ARMY
GENERAL RAYMOND T. ODIERNO, CHIEF OF STAFF, UNITED STATES ARMY

OPENING STATEMENT OF CHAIRMAN YOUNG

Mr. YOUNG. The committee will be in order.

This afternoon our hearing is on the budget of the United States Army for fiscal year 2014. We will be discussing funding for personnel matters, current operations and readiness, research and development and procurement.

The base budget request for the Army for fiscal year 2014 is $121.6 billion for military personnel, operations and maintenance, procurement, and research and development. With the additional funds requested for MILCON and family housing, chemical agents, demilitarization, and Army Working Capital Fund plus BRAC, the total amount comes to $129.7 billion for the base budget. The budget request for overseas contingency operations for fiscal year 2014 has not yet been submitted by the President, but we hope to see that request soon.

We are very pleased to say welcome back to both of our very distinguished witnesses, the Honorable John McHugh, Secretary of the Army, and General Raymond T. Odierno, Chief of Staff of the United States Army.

John, we are happy to see you not only as Secretary of the Army, but having been one of a colleague of ours for many years and the outstanding work that you did on the Armed Services Committee and in the House. So we believe that you have done a really outstanding job looking after the troops and keeping the Army ready, so thank you for being here today. I think this is your fourth appearance before the Defense Subcommittee as Secretary of the Army.

General Odierno, we are very pleased to have you back again, 38th Chief of Staff of the United States Army, a native of New Jersey—is that good, Rodney?

Mr. FRELINGHUYSEN. Very good.

Mr. YOUNG. That is good.

He earned his bachelor's degree at the United States Military Academy at West Point; has commanded at division, corps and army levels. Between commands he has served in critical staff positions, including assistant to the Chairman of the Joint Chiefs of Staff and military adviser to Secretary of State Rice.

From 2008 to 2010, General Odierno served as Commander of the Multinational Force Iraq and senior U.S. military commander

in Iraq, and at present he is guiding the Army through the ramping down of Army manpower as units come home from Afghanistan, and he is organizing the Army to support the shift in focus to the Asian-Pacific. His experience in war has prepared him for the challenges of resetting, reorganizing and retraining our Army for a broad and complex spectrum of military missions.

I have a lot more to say about both of our witnesses today, but they have a strict time for departure. So today if everybody will be respectful of the time, I think we will make sure that everyone has an opportunity to learn a lot from Secretary McHugh and General Odierno.

The rest of the chairman's opening statement will be placed in the record.

[CLERK'S NOTE.—The Continuation of Chairman Young's opening statement follows:]

I believe this is Secretary McHugh's fourth appearance before the Defense Subcommittee as Secretary of the Army.

He is an experienced veteran of Capitol Hill with a wealth of knowledge in national defense programs and funding. He honed his budget skills while serving in the House of Representatives representing the New York State's 23rd and 24th districts. He served on the Oversight and Government Reform Committee, and the House Permanent Select Committee on Intelligence, and later as ranking member on the House Armed Services Committee.

His experience on congressional committees with oversight of defense issues, combined with his service as Secretary of the Army makes him one of the most well informed officials on Army programs, operations, acquisition, Reset, modernization and restructuring. Our Nation is fortunate to have such a well-qualified person here today to discuss the Army budget request for fiscal year 2014.

General Odierno, is the 38th Chief of Staff of the United States Army. He is a native of New Jersey. He earned his bachelor's degree at the United States Military Academy at West Point. He has commanded at Division, Corps, and Army levels. Between commands he has served in critical staff positions including assistant to the Chairman of the Joint Chiefs of Staff, and military advisor to Secretary of State Rice.

He works to ensure that our Army units have the equipment and training they need to win in battle while caring for the wounded warriors and their families. He has demonstrated throughout 36 years of service that the best way to care for our soldiers is to ensure their mission readiness.

Secretary McHugh and General Odierno, we salute you and the men and women, officers and enlisted soldiers, family members, and civilian employees that you represent.

The Army has shouldered a heavy load in Iraq and Afghanistan. Units have served multiple, extended combat tours, often with too little time to reset between tours. The active component of the Army has been fully committed and the Army National Guard and Army Reserve have stepped forward to help fill requirements.

Although operations are ramping down in Afghanistan, significant troop deployments will continue in the near term.

After multiple combat tours, many soldiers have completed their commitments and returned to civilian life. It is noteworthy however that a significant number of mid-grade officers and Non-Commissioned officers and their families have continued to serve in the Army. They are proud of their achievements in the Army, they are optimistic about the future, and they provide a valuable core of combat experience.

The Administration has directed a shift in focus to the Asia-Pacific area in recognition of the trade, populations and militaries in that vast region.

In response to the focus on the Asia-Pacific, the Army has established unit affiliations and regionally focused training programs while resetting forces as they return from deployment. Army force structure is under review and revisions will be made to posture the Army to counter current threats.

As long as Al Qaeda, the Taliban, North Korea, Iran and other state and non-nation-state actors continue to threaten the international community with weapons ranging from Improvised Explosive Devices, to nuclear and chemical weapons of mass destruction, the Army must be ready to respond.

The expected downward pressure on defense spending has begun. Uncertainty in the budget process, lengthy periods operating under continuing resolution authority

and uncertainty as to the application of sequestration reductions have required awkward spending adjustments in a short period of time. Unfortunately, downward pressure on defense spending is likely to continue in the near term, with a top line for defense that may be driven more by affordability than an appreciation of the threat.

We look forward to updates on all of these issues and key acquisition programs including: The Network, Joint Light Tactical Vehicle; Ground Combat Vehicle; and Armed Aerial Scout. We are interested as well in plans for the Stryker vehicles and plans for the thousands of MRAPs that will be returning from Afghanistan.

Finally, the Army continues its series of Network Integration Evaluations at Fort Bliss, Texas. We will be interested in an update on the costs and benefits of the NIE process.

Mr. Secretary and General Odierno, we have an ambitious agenda this afternoon, but before we proceed with your statements, I would like to ask the distinguished ranking member, Mr. Visclosky for any comments that he might have.

[Remarks of Mr. Visclosky.]

Thank you, Mr. Visclosky.

And now Mr. Secretary, you may proceed with your summarized statement. Your entire statement will be placed in the record.

READINESS

Mr. YOUNG. To save time I just want to make this point, that one of my main concerns, as we have discussed so many times, is the readiness of the U.S. Army as we go through the transition, as we deal with the sequestration, and as we begin to bring the troops home and reset our system.

I am also very concerned about the status of our equipment. There are too many incidents that we learn about where something goes wrong because a piece of equipment, whether it is a Humvee or a helicopter or whatever it might be, has just not been maintained as well as it should. I don't say that to be critical, but we understand when you overuse a vehicle, that overuse, you have to pay it off somehow. If you don't maintain it properly, it is very costly.

One thing, and I know this is not an Air Force hearing, but one thing that called my attention to making that comment on maintaining equipment was an Air Force commander who was reported to have said, reported in the news yesterday, that in the ICBM organization there was rot in the system. That is frightening when our ICBM systems have rot at the level of the people that are responsible for our national security, and especially as it relates to intercontinental ballistic missiles.

So this is a thought that concerns me all of the time, and I think it is important that we pay attention tremendously, and I think this Committee needs to be prepared to provide whatever is needed to make sure that the equipment is not run down to the point that it is not safe to use or not effective to use.

At this point I would yield to Mr. Visclosky, our very distinguished ranking member.

REMARKS OF MR. VISCLOSKY

Mr. VISCLOSKY. Thank you, Mr. Chairman. I appreciate your holding the hearing.

Gentleman, I appreciate your service and your testimony today and look forward to hearing from it, as well as question and answers.

Thank you very much, Mr. Chairman.

Mr. YOUNG. That was quick. Thank you, Mr. Visclosky.

Your total statements will be placed in the record in their entirety, and you can present them any way that you like.

So, Mr. Secretary, we would like to call on you first. I am anxious to hear what you have to tell us.

SUMMARY STATEMENT OF SECRETARY MCHUGH

Mr. MCHUGH. Thank you, Mr. Chairman. First of all, I deeply appreciate your very kind and gracious comments. This is indeed my fourth visit, and I generally look forward to these kinds of visits, although obviously we are here to deal with some very challenging issues.

In that regard I want to thank all the members of this Committee for their terrific leadership on behalf of the men and women who wear the uniform, not just of the United States Army, but all the services. This subcommittee particularly has done so much in concert with the full Appropriations Committee to help us in some very challenging moments that we currently face.

Mr. Chairman and Ranking Member Visclosky, I want to be respectful of your leadership and your time, so let me just compress if I might my several pages of comments into some general remarks and then defer to the Chief, with your forbearance.

READINESS

I frankly wish I had a lot of good news to share today, but frankly we are really at a crossroads in our Army, a crossroads that we believe very strongly if we don't choose the path carefully and wisely could really significantly impact the readiness of this force, something you spoke about, Mr. Chairman, and, in its extreme, hamper our ability to execute our national security challenges perhaps for years to come.

Needless to say, the bright spot in the Army is our people. We have today the best led, the most skilled, the most highly educated, most qualified and battle-hardened troops that have ever walked the face of the Earth. They have done amazing things, as I know the people, the good folks of this subcommittee, recognize so well. But today, in spite of all their great work, we are really facing some unparalleled threats to virtually everything we do. And as you noted, Mr. Chairman, our readiness is particularly at risk, our capabilities and soldier programs that have become such an important part of what we need to do to support those men and women in uniform.

SEQUESTRATION

While normally at this time of year we would be talking about the next year's budget, it is hard to really address the circumstances we are facing today without talking about the 2013 budget as well. As you noted, Mr. Chairman, we are dealing with what we would consider a blunt ax known as sequestration, which will cost this Army, without change by this Congress, some $7.6 billion in reduced funding between now and the end of this fiscal year on September 30th. That is in addition to the $487 billion in cuts effected to the Department of Defense in the Budget Control

Act, and it is also in concert with what we now believe is somewhat over an $8 billion shortfall in overseas contingency funding.

So when you put all of those three things together in fiscal year 2013, you can see that while the 2014 budget the President has sent to the Hill does appropriate things to help us retain our force and our effectiveness, the problems we are creating now in 2013 will be felt for some time to come. So that is why we are particularly pleased to be here today to talk about those kinds of challenges and other kinds of issues as the Committee may see fit, and, as I said, most of all to thank you and this subcommittee, the ranking member, for their great leadership.

We really do, perhaps more so than any time in our recent past, have to work together as we have and as you have so effectively in the past to make sure that we do the right thing by these men and women in uniform, who every day go out and do the hard work of freedom and sure do the right thing by us.

With that, Mr. Chairman, I yield back and look forward to your questions.

Mr. YOUNG. Mr. Secretary, thank you very much. We appreciate it. We did read the total statement, and it is very, very thorough, and we really appreciate that.

General Odierno, we are just really pleased to have you back and look forward to what you have to tell us, sir.

SUMMARY STATEMENT OF GENERAL ODIERNO

General ODIERNO. Thank you, Chairman Young, Ranking Member Visclosky, all the other distinguished members of the Committee. Thanks for being here today. I do want to also thank you for the continuing support you have had for our soldiers and families, especially over the last 12 years of combat operations. You have always been here for our soldiers and families, making sure they have what they need.

I also want to thank the Committee for its hard work in passing the fiscal year 2013 Consolidated Appropriations and Further Continuing Appropriations Act. That helped us with about $6 billion of funds that enabled us to at least get after part of the shortfall that the Army had, about one-third of the shortfall we had. So we appreciate the action that was taken and the support that we were given in 2013.

I am humbled, as I know the Secretary is, to be representing the 1.1 million soldiers, 266,000 Army civilians and 1.4 million family members that represent the United States Army around the world and in our Nation. Their continued commitment, their sacrifices, their professionalism continue to allow us to do so many things that we are asked to do around the world.

SOLDIERS DEPLOYED

I remind everyone that as we sit here today, we have nearly 80,000 soldiers deployed: just under 60,000 in Afghanistan; over 10,000 to Kuwait; soldiers deployed to Qatar, Turkey, Jordan and other places around the world supporting our security needs. And we most recently deployed within a 2-week span a Terminal High Altitude Area Defense (THAAD) battery to Guam in reaction to

some of the issues going on in Northeast Asia. And that is a new system. We were able to deploy that very quickly, and that is a credit to our great soldiers, who are very quickly able to deploy anywhere in the world if needed.

OPERATION AND MAINTENANCE SHORTFALL

The Secretary covered this, but I will just say just one more time that we still face more than a $13 billion operation and maintenance shortfall. The reprogramming will help us a little bit, and we think we will be able to solve some of that problem, but we are still going to have somewhere near, after we do more reprogramming, a significant shortfall of about $3 billion or more, plus the cuts in sequestration, which is another $7.8 billion, which we are paying down here in the last 6 months of this fiscal year.

CURTAILED TRAINING

So because of that we have curtailed our training by 80 percent of all the Army. We are making sure that those who are deploying are fully trained, those who will next deploy will be trained, but that is at the expense of now the training of the rest of the Army. And the way I try to qualify it is what we have done so far over the last, we have built readiness up, but we have now consumed readiness, and we are no longer able to build readiness up under the current budget constraints that we have. So my concern is our readiness will continue to degrade throughout this year and then it will continue to degrade into fiscal year 2014.

We have had to cut seven Combat Training Center rotations, which is the foundation of our certification of our brigade combat teams. We had to cancel nine exercises that we certified joint task force and division and core capability to provide command and control in emergencies around the world. So the cost of these actions is clear: We are sacrificing readiness to achieve reductions inside the short period of the fiscal year. And, unfortunately, readiness can't ever be bought back because there is a time component of readiness. So we are now going to go through a period where we to have to make sure that we are able to buy back as much readiness as possible, or we are going to have a severe problem over the next 2 or 3 years of readiness inside of the Army, especially if the sequestration legislation continues as we move forward.

I would implore us all to work together so that we can receive the fiscal year 2014 national defense authorization and budget on time. This will allow us to plan for and mitigate the risks associated with the declining defense budgets.

It is imperative that we gain predictability in our budget process. If we don't, we will be unable to officially and effectively manage the resources that you give us, and it will be impossible for us to make informed decisions about the future of the Army.

SEQUESTRATION

I also think it is in the best interests of our Army, the Department of Defense and our national security to avert sequestration. It is just not the size of the cuts, but it is the steepness of the cuts required by sequestration, especially close in, which make it impos-

sible to downsize the force in a deliberate logical manner that allows us to sustain the appropriate balance between readiness, modernization and end strength.

Because we cannot take end strength out fast enough, it will cause us to cut modernization and readiness, which is the start and beginning of a hollow force when you have structure that cannot be properly trained or equipped, and because of the steepness of these cuts and in the next couple of years you cannot take manpower out fast enough to match the modernization and readiness problems, and that is our concern as we go forward.

I hope we can work together to try to help us to solve this problem. So therefore, what I would request is that although I believe the level of sequestration cuts are too large, if we backload them into the later years, it at least allows us the opportunity to properly plan to sustain the right balance.

In spite of fiscal unpredictability and the impacts of sequestration, it is our responsibility to take action now to reshape the Army of the future. As we look to fiscal year 2014 and beyond, our foremost priority is to ensure that our soldiers that are deployed on operational commitments are trained, ready and able to execute their missions.

FORCE DRAW DOWN

Simultaneously we must draw down the force. We are on schedule to remove 80,000 soldiers from the Active component by fiscal year 2017 due to the budget reductions levied by the 2011 Budget Control Act. So far most of these cuts have come from our overseas formations, specifically Europe. We have reduced our formations by about 10,000 in Europe. In fiscal year 2014, though, future force reduction will affect almost every Army and joint installation across the United States as we continue to draw down the remainder of the 70,000, and we will release our plans for these reductions sometime later in June.

The key to the current drawdown is to maintain the right balance, as I said earlier, between end strength readiness and modernization so we can properly size and have a ready force whatever the country needs to have done. Such an evenhanded approach is the only acceptable one while the world remains such an unstable place; in fact, in my opinion, the most unstable I have seen it in my nearly 37 years of service.

Full sequestration will dangerously steepen that drawdown ramp. It will also require us as a minimum to take out another 100,000 soldiers from the total Army on top of the already 89,000 that we are taking out. This will result in a 14 percent reduction in the Army end strength and an almost 40 percent reduction in brigade combat teams. These reductions will degrade support to combatant commanders in critical areas such as missile defense, Special Operations, cyber, logistics, intelligence and communications as well. Cuts of this magnitude will leave us with excess infrastructure, making a future round of Bass Realignment and Closure (BRAC) essential.

Sequestration will degrade our ability to take care of our soldiers and families who fought so hard and sacrificed so much over the last 12 years, both those who are leaving the Army and those who

are staying in the Army and want to continue to serve. Sequestration will make it impossible to execute a responsible drawdown and will challenge our ability to support the 2012 defense strategic guidance that we all approved last January.

Looking into the future, we are reposturing our force to be globally responsive and regionally engaged. We are aligning forces with geographical combatant commanders to provide mission-tailored, -sized and -scaled organizations for operational missions, exercises and theater security cooperation activities. For times of crisis, we will maintain a global response force capable of conducting forced entry on short notice. We will reinvest in our expeditionary capabilities to deploy forces quickly and efficiently anywhere in the world, and we are refining the integration of our conventional Special Operations Forces and cyber capabilities to ensure we can handle a broad range of emerging threats.

FLEXIBILITY AND AGILITY

In this uncertain world we need an Army that conducts many missions at many speeds at many sizes under many conditions. Going forward, the Army will evolve into a force that can deploy and sustain capabilities across the range of military operations anywhere in the world on short notice. It will have increased flexibility and agility in both its formations and its acquisition systems.

MODERNIZATION

Our modernization strategy will center around the Army's strength, the soldier, making him the most discriminately lethal weapon in the U.S. military. We will provide our soldiers with the network connections to give them unparalleled access to information and intelligence so they can make timely decisions. And we will provide our soldiers with the tactical mobility and survivability and lethality to take decisive action no matter what the mission may be.

LEADER DEVELOPMENT

As we prepare to operate in an increasing complex and uncertain environment, our number one priority is to invest in our leaders. This spring or early summer, we will roll out a brand new leader development strategy, which will invest in our soldiers' training, education and development. It will fundamentally change the way we train, educate, assign, assess and promote our leaders, and it will be the foundation of our future Army.

CARE OF SOLDIERS

We will continue our efforts to take care of our soldiers. Twelve years of war has taught us the importance of building and sustaining the resiliency of our soldiers, civilians and their families. Just this year we brought out the Army Ready and Resilient Campaign. A holistic effort to build emotional, mental, physical and spiritual health of our soldiers will pay dividends in all three components. Caring for wounded warriors and keeping faith with veterans is essential to honoring their service. Our Soldier for Life

campaign will ensure that our soldiers transition successfully into civilian life and enrich American society with their experience.

With the support of Congress, we will maintain a military pay and benefits package, including affordable, high-quality health care that acknowledges the burdens and sacrifice of service while remaining responsive to the fiscal environment.

Manpower costs make up 45 percent of the Army's budget. We will need to work together to slow the rate of growth while meeting our soldiers' needs.

We are at a strategic point in the future of the United States Army and our military. We must strike the right balance of capabilities both within the Army and across the joint force. Our history tells us that if we get out of balance, our enemies will seek to take advantage.

Our soldiers are the finest and men and women our country has to offer. Since 2001, more than 1.5 million soldiers have deployed, and more than a half a million have deployed 2, 3, 4 or more times. More than 35,000 soldiers have been wounded, and over 4,800 have made the ultimate sacrifice to defend this great Nation. It is our responsibility to ensure we will never send soldiers into harm's way that are not trained, equipped, well-read and ready for any contingency, to include war. It is our responsibility to honor their service and the sacrifices of our veterans, whether they remain in uniform or transition back to civilian life.

Thank you, Mr. Chairman. I appreciate the opportunity to speak to you this morning. I look forward to your questions.

[The statement of Secretary McHugh and General Odierno follows:]

RECORD VERSION

STATEMENT BY

THE HONORABLE JOHN M. MCHUGH
SECRETARY OF THE ARMY

AND

GENERAL RAYMOND T. ODIERNO
CHIEF OF STAFF
UNITED STATES ARMY

BEFORE THE

HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON DEFENSE

FIRST SESSION, 113TH CONGRESS

ON THE POSTURE OF THE UNITED STATES ARMY

MAY 8, 2013

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
COMMITTEE ON APPROPRIATIONS

STATEMENT BY
THE HONORABLE JOHN M. MCHUGH
SECRETARY OF THE ARMY
AND
GENERAL RAYMOND T. ODIERNO
CHIEF OF STAFF
UNITED STATES ARMY

Introduction

The Army has been in a state of continuous war for the past twelve years, the longest in our Nation's history. More than 168,000 Soldiers are deployed or forward stationed in nearly 150 countries worldwide. The global security environment points to further instability, and the Army remains a key guardian of our national security.

The Army's ability to perform this vital role, and field a ready and capable force that meets mission requirements, has been placed at risk by fiscal challenges in FY13. The combined effects of funding reductions due to sequestration, the fiscal uncertainty of continuing resolutions and emerging shortfalls in Overseas Contingency Operations funding has significantly and rapidly degraded Army readiness, which will translate directly into FY 14 and beyond. This lack of predictability makes it difficult to address the posture of the Army in FY 14 with certainty and specificity. However, this document will address some of the potential long term effects that fiscal uncertainty will have on the Army.

Landpower for the Nation

America's Army is the best-trained, best-equipped and best-led fighting force in the world, providing a credible and capable instrument of national power. Army forces play a fundamental role in all but one of the missions specified by the defense strategic guidance, *Sustaining U.S. Global Leadership: Priorities for 21st Century Defense*. The Army's ability to provide strategic landpower for the Nation makes it uniquely suited to meet these requirements. Army forces are tailorable and scalable to meet mission requirements. The Army's ability to rapidly deploy task organized forces, from company to corps level over extended distances, sustain them and deliver precise, discriminate results is unmatched. Highly ready, responsive and capable ground forces prevent conflict through deterrence, by shaping Combatant Commanders' operational environment and, when necessary, winning the Nation's wars.

Missions of the U.S. Armed Forces

From *Sustaining U.S. Global Leadership: Priorities for 21st Century Defense.*

In all but one mission – maintain a nuclear deterrent – the Army is a vital contributor to the Joint Force:

- Counter terrorism and irregular warfare.
- Deter and defeat aggression.
- Project power despite anti-access/area denial challenges.
- Counter weapons of mass destruction.
- Operate effectively in cyberspace.
- Operate effectively in space.
- Maintain a safe, secure, and effective nuclear deterrent.
- Defend the homeland and provide support to civil authorities.
- Provide a stabilizing presence.
- Conduct stability and counterinsurgency operations.
- Conduct humanitarian, disaster relief, and other operations.

Fiscal Challenges

The Budget Control Act of 2011 imposed caps on discretionary spending that required a $487 billion reduction in planned defense spending over 10 years. As a result of these spending cuts and in line with the defense strategic guidance announced in January 2012, we are reducing Active Army end strength from a wartime high of about 570,000 to 490,000, the Army National Guard from 358,200 to 350,000, the Army Reserve from 206,000 to 205,000 and the Civilian workforce from 272,000 to 255,000

all by the end of FY 17. These reductions, which began in FY 12, represent a net loss of 106,000 Soldier and Civilian positions.

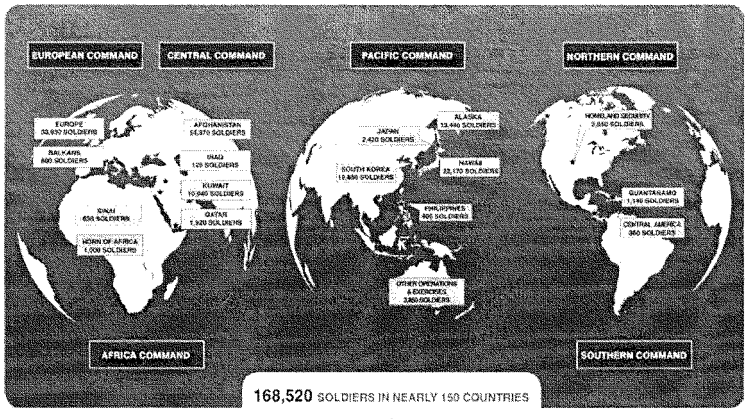
The implementation of sequestration in FY 13 created a significant shortfall in Army funding, estimated at $7.6 billion for the remaining months of the fiscal year, which includes nearly $5.5 billion in the Operation and Maintenance account for active and reserve component forces. We also face up to a $7.8 billion shortfall in Overseas Contingency Operations funding due to increasing costs related to the war in Afghanistan. The sharp decline over a short period of time significantly impacts readiness which will cascade into the next fiscal year and beyond.

The President's Budget includes balanced deficit reduction proposals that allow Congress to replace and repeal the sequester-related reductions required by the Budget Control Act of 2011 through FY 2021. In the absence of such an agreement, the Army may not be able to execute the current defense strategic guidance as planned. This may compel actions that break faith with our Soldiers, Civilians and Families. Full implementation of sequestration and its associated outyear budget cuts will require further force structure reductions that will greatly increase strategic risk. To maintain balance between force structure, readiness and modernization, the Army may have to reduce at least 100,000 additional personnel across the Total Force – the Active Army, the Army National Guard and the Army Reserve. When coupled with previously planned cuts to end strength, the Army could lose up to 200,000 Soldiers over the next ten years. If steep cuts are required in FY 14 and beyond, this will create imbalance and significantly compound risk. It will cause a disproportionate investment across manpower, operations and maintenance, modernization and procurement, challenging our ability to sustain appropriate readiness in the near term in support of our current defense strategy.

To some extent, the impact of spending reductions can be mitigated if funding is timely and predictable, and cuts are back-loaded, enabling the Army to plan, resource and manage the programs that yield a highly trained and ready force. Continued fiscal uncertainty, on the other hand, poses considerable risk to our ability to maintain a ready force. Each continuing resolution prevents new starts for needed programs, limits reprogramming actions, creates inefficiency and often results in wasteful funding for accounts that we no longer want or need. Resource predictability affords the Army the opportunity to plan and shape the Army's force for the future within identified budgetary constraints.

The FY 14 Budget is designed to meet current operational requirements and allows us to build an Army to meet our future needs by balancing force structure, readiness and modernization. It fully supports the Army's central role in the defense strategic guidance. The budget request funds balanced readiness across the Total Force while retaining agility and capacity. It supports reset and replacement of battle-damaged equipment, as well as modernization priorities. A 4 percent reduction from the FY 13 Base Budget request reflects the Army's acceptance of measured risk, accommodating a tightening fiscal environment.

SOLDIERS DEPLOYED AND FORWARD STATIONED



America's Army Today

Beyond combat operations in Afghanistan, the Army conducts many missions worldwide in support of national security objectives, as well as within the United States in support of civil authorities. The Total Force provides the foundation for Joint operations. Demand for Army forces in Afghanistan will continue to decrease. However, the requirement for strategic landpower capable of worldwide deployment will endure.

Operations Around the World

The Army has nearly 80,000 Soldiers currently committed to operations around the world – in Afghanistan, Kosovo, the Philippines, Horn of Africa, Turkey, Sinai Peninsula and throughout the Middle East. Forward-stationed Army forces, in the Republic of Korea, Japan, Europe and elsewhere, provide Geographic Combatant Commands with an unparalleled capability to prevent conflict, shape the environment and, if necessary, win decisively. About 77,000 Soldiers are postured to support operations and engagements in the Asia-Pacific region. During 2012, these Soldiers participated in security cooperation engagements in 23 countries across the Pacific. Reductions to our force posture in Europe are underway, but a significant Army presence and commitment remains. Army forces in Europe remain a critical source of timely operational and logistical support for operations in other theaters, such as Southwest Asia and Africa. The long-term impacts of sequestration and the associated outyear reductions, particularly to force structure and readiness, threaten the Army's ability to provide trained and ready forces to perform these enduring and vital missions.

Operations in Afghanistan

The approximately 60,000 Soldiers deployed to Afghanistan, in both conventional and special operations units, remain our top priority. The Army provides the corps-level headquarters that form the basic structures for conventional forces in the theater, and provides two division-level headquarters that control the majority of operational activities in the country. The Combined Joint Special Operations Task Force is built on a foundation of an Army Special Forces Group. The majority of combat units in theater are U.S. Army, and some of the most critical enablers such as tactical unmanned aerial vehicles and route clearance units are almost exclusively U.S. Army. The critical transition to Afghan leadership in security is being enabled by thousands of Army NCOs, Officers and Soldiers who have been re-missioned to advise and assist the increasingly capable Afghan National Security Forces. The Army also provides essential logistics capabilities that sustain the land-locked Afghan theater. In fact, only the Army can provide the theater logistics, transportation, medical and communications infrastructure necessary to support operations of this size, complexity and duration. The Army has also begun the challenging task of equipment and materiel retrograde and refit from Afghanistan. It is a daunting task by virtue of the sheer volume of the equipment that must be brought home as well; this challenge is compounded by harsh geography, adverse weather and ongoing combat operations. Funding shortfalls threaten to further extend the timeline and increase overall costs.

Missions as a Member of the Joint Force

The Army provides a wide range of capabilities as an indispensable member of the Joint Force. Every day, the Army maintains deployable contingency forces, employs forward-based capabilities, delivers humanitarian assistance and conducts multilateral exercises with partners and allies. The Army maintains a Global Response Force at constant high readiness providing the Nation its only rapid response, inland forcible entry capability for unforeseen contingencies. Army forces set theaters for the Combatant Commanders maintaining constantly the critical logistical, communications,

intelligence, medical and inland ground transportation infrastructure to support all plans and contingencies. We maintain partner relationships that ensure access to critical regions around the world. Army commanders and headquarters lead Joint Task Forces, plan operations and exercise mission command of units across the full range of military operations. Army units provide space, air and missile defense capabilities for the Joint Force. We build and operate the space and terrestrial communication networks that connect our own units, the Joint community, and interagency and multinational partners. Soldiers provide essential logistics infrastructure, delivering food, fuel, ammunition, materiel and medical support that sustain Joint operations ranging from combat to humanitarian assistance. In addition, the Army collects and analyzes the intelligence that informs our actions and measures our progress, and provides the majority of the forces in U.S. Special Operations Command.

Missions at Home and Support of Civil Authorities

The Total Force is prepared to defend the Homeland and routinely conducts critical Defense Support of Civil Authorities operations. As this past year demonstrated through wildland fires, two major Hurricanes (Isaac and Sandy), floods in the heartland and multiple winter storm emergencies, the Army is always ready to respond to the call of its citizens. The Army does so by performing a wide range of complex tasks in support of civil authorities during natural and man-made disasters, including Chemical, Biological, Radiological, or Nuclear incidents, and for counterdrug operations within each State, as well as along the approaches to the United States. After Hurricane Sandy struck the eastern United States, more than 22,000 active and reserve component Soldiers, which included over 10,000 Army National Guard Soldiers from 19 states, provided immediate and sustained relief. Army Corps of Engineers Soldiers and Civilians pumped more than 475 million gallons of water from the New York City subway system and all tunnels connecting Manhattan.

The Army Vision

The Army is **regionally engaged and globally responsive**; it is an indispensible partner and provider of a full range of capabilities to Combatant Commanders in a Joint, Interagency, Intergovernmental and Multinational environment. As part of the Joint Force and as America's Army, in all that we offer, we guarantee the agility, versatility and depth to Prevent, Shape and Win.

The Army for the Future

The Army for the future will feature regionally aligned and mission-tailored forces designed to respond to combatant commander requirements to prevent conflict, shape the strategic environment and, when necessary, win decisively. Maintaining credible strategic landpower requires the Army to continually assess and refine how we operate, manage our human capital and increase our capabilities, all while mitigating the effects of significant reductions in funding. We must exploit our advantages in some key areas such as leader development; strategic, operational and tactical mobility; command, control, communications, computers and intelligence (C4I) and logistics. As we transition over the next five to ten years, this effort will be underpinned by a strong institutional Army. This institutional Army mans, trains, equips, deploys and ensures the readiness of all Army forces. It generates the concepts and doctrine that guides the way we operate. It runs the professional military education system, that provides our country unparalleled thinkers and leaders at the tactical operational and strategic levels. It recruits our Soldiers and prepares them for military service. It is the foundation upon which readiness is built, enabling the operational Army to provide landpower capability to the combatant commander. The institutional Army takes a deep look at the future strategic environment to formulate concepts and plans for the best mix of capabilities to meet the Nation's land warfare challenge – the right skills, right doctrine, right equipment and the right qualities in our adaptive leaders.

The Army must strike a balance between force structure, readiness and modernization, in a manner that is mindful of fiscal realities yet also provides the Nation with optimized but capable landpower. The decisions we have made in response to FY 13 budget reductions will have far reaching impacts on the Army. Clear priorities guided these decisions. All Soldiers meeting operational requirements – such as those deployed to Afghanistan, Kosovo and the Horn of Africa or forward stationed in the Republic of Korea – will be prepared and ready. We will fund programs related to Wounded Warrior care. Although we prioritized resources to ensure we could meet Global Response Force and deploying unit training requirements, the rest of the Army will experience significant training and sustainment shortfalls that will impact readiness this year and will be felt for years to come. The Army's ability to perform its missions, as directed in the defense strategic guidance, will inevitably be degraded.

Globally Responsive, Regionally Engaged Strategic Land Forces

Regional alignment will provide Geographic Combatant Commands with mission-trained and regionally focused forces that are responsive to all requirements, including operational missions, bilateral and multilateral military exercises and theater security cooperation activities. Regionally aligned forces are drawn from the Total Force, which includes Active Army, Army National Guard and Army Reserve capabilities. Aligned Corps and Divisions will provide Joint Task Force capability to every Geographic Combatant Command. Through regional alignment, the Army will maintain its warfighting skills and complement these skills with language, regional expertise and cultural training. For example, 2nd Brigade of the 1st Infantry Division, stationed at Fort Riley, Kansas, is aligned with U.S. Africa Command for FY 13. In support of U.S. Africa Command objectives, the brigade will conduct engagement activities in 34 African nations over the coming year.

Regionally aligned, mission tailored forces play an essential role in the defense strategic guidance, which rebalances to the Asia-Pacific region while maintaining our

commitment to partners in and around the Middle East. Lessening demand for forces in Afghanistan allows our aligned units in the Asia-Pacific theater to refocus on supporting U.S. Pacific Command's objectives. In addition, U.S. Army Pacific will be elevated to a four-star headquarters in 2013. I Corps, stationed at Joint Base Lewis-McChord, Washington, is developing Joint Task Force command capability, which will provide a deployable headquarters that can meet contingencies across the full range of military operations. These initiatives will enhance the capability and responsiveness of our forces. However, the training shortfalls and readiness impacts of sequestration places the Army's ability to provide these critical capabilities at risk.

Training for Operational Adaptability

In recent years the Army has deliberately focused training on counterinsurgency and stability operations to support requirements in Iraq and Afghanistan. We will build upon that expertise while transitioning to a more versatile Army, with operationally adaptable land forces that will take on a broader range of missions in support of the national defense strategy. Innovative training methods produce ready and responsive forces while optimizing our resources. Army units train at Combat Training Centers, while deployed and at home station. Live, virtual and constructive training enables Army commanders to conduct multi-echelon events in a complex environment at home station. The Army's Decisive Action Training Environment (DATE), which has been incorporated by each of our three maneuver Combat Training Centers, creates a realistic training environment that includes Joint, Interagency, Intergovernmental and Multinational partners against a wide range of opportunistic threats.

Sequestration has had an immediate impact on the Army's ability to train at every level – individual Soldier, Brigade Combat Team and deployable headquarters. We may be forced to cancel all but 2 of the remaining FY13 brigade-level Decisive Action rotations at our Maneuver Combat Training Centers unless additional funds become available. Training in FY14 and beyond remains at risk as well. With sequestration, the

Army will not be able to fully train our Soldiers, whether through professional military education or collective unit training, in a way that enables them to operate successfully in a complex environment across the full range of military operations. The long-term readiness impacts of the resulting deficit in trained forces will jeopardize the Army's ability to meet war plan requirements.

People

The Soldiers of our all-volunteer force are the Army's greatest strategic asset. These professional men and women provide depth and versatility throughout the Total Force – the Active Army, the Army National Guard and the Army Reserve. As the Army gets smaller, it becomes even more important that we retain and recruit only the highest quality Soldiers. With the support of Congress, we will maintain a military pay and benefits package – to include affordable, high-quality health care – that acknowledges the burdens and sacrifice of service while understanding our future fiscal environment. During 2012, 96 percent of the Army's recruits were high school graduates, exceeding the goal of 90 percent. The FY 12 active component recruiting effort produced the highest quality enlisted recruits in our history, based on test scores and waivers issued. We are also on track to sustain the high retention rate of the past 3 years. While the Army draws down, it is important that we do so at a pace that will allow us to continue to recruit and retain these high quality Soldiers. A precipitous drawdown, which may be necessary if sequestration and associated reductions in budgetary caps are fully implemented over the coming years, will have lasting impacts on the quality of the force.

The Army is committed to ensuring that female Soldiers are provided career opportunities that enable them to reach their highest potential while enhancing overall Army readiness. Over the last year, the Army opened more than 13,000 positions to women. In January 2013, the Department of Defense rescinded the Direct Ground Combat Definition and Assignment Rule, thus enabling the elimination of unnecessary gender-based restrictions for assignment. The Army is currently developing, reviewing

and validating occupational standards, with the aim of fully integrating women into occupational fields to the maximum extent possible. We are proceeding in a deliberate, measured and responsible way that preserves unit readiness, cohesion and morale.

Ready and Resilient

Caring for the Army means doing our best to prepare Soldiers, Civilians and Families for the rigors of Army life. The Army remains committed to providing Soldiers and Families with a quality of life commensurate with their service. We continue to review our investments and eliminate redundant and poor performing programs. The Army will make every effort to protect essential Army Family Programs, but they will be unavoidably affected by workforce reductions, cuts to base sustainment funding and the elimination of contracts.

The Army's Ready and Resilient Campaign enhances readiness for the Total Force by tailoring prevention and response measures to promote physical and mental fitness, emotional stability, personal growth and dignity and respect for all. An integral part of this campaign is the Comprehensive Soldier and Family Fitness Program, which strengthens Soldiers, Family members and Army Civilians by addressing physical, emotional, family, spiritual and social fitness collectively. Healthy Soldiers, Families and Civilians perform better, are more resilient and improve unit readiness.

The challenges associated with suicide directly affect the force. It is a complex phenomenon that reflects broader societal problems and defies easy solutions. To better understand psychological health issues, the Army has partnered with a number of agencies to assess mental health risk and help commanders effectively address this persistent problem. In collaboration with the National Institute of Mental Health, the Army is examining risk and resilience factors among Soldiers in the largest behavioral health study of its kind ever undertaken. The study will develop data-driven methods to

reduce or prevent suicide behaviors and improve Soldiers' overall mental health. The objective is to identify the most important risk and protective factors, and then act on them. Programs that improve Soldier and Family access to care, while reducing stigma, are essential to our efforts. The Embedded Behavioral Health program, which is being established for all operational units in the Active Army, is a leading example of how we are redesigning behavioral health services to improve the care that our Soldiers receive.

The Army is committed to providing quality care for our wounded, ill and injured Soldiers and their Families. During 2012, six new warrior transition complexes were completed, which consist of barracks, administrative facilities and a Soldier and Family Assistance Center. Medical innovation and groundbreaking research in areas such as traumatic brain injury and post-traumatic stress disorder are helping us improve the care we provide our wounded Soldiers. Our command climate must foster an environment in which Soldiers can seek assistance without stigma.

Sexual Harassment / Assault Response and Prevention Program

The Army continues to employ the Sexual Harassment / Assault Response and Prevention Program (SHARP) to eliminate sexual assault and harassment within our ranks. Active and engaged leadership is central to helping the Army community understand that a climate that respects and grants dignity to every member of the Army family increases our combat readiness. The Army will reinforce a culture in our basic training units, our officer training courses and our operational units in which sexual harassment, sexual assault and hazing are not tolerated, and if they occur are dealt with rapidly and justly. We are adding 829 full-time military and civilian sexual assault response coordinators and victim advocates at the brigade level as well as 73 trainers, certifying those personnel, and executing more frequent command climate surveys in units. We have begun the hiring process for the 446 civilian positions.

The Army has increased emphasis on investigations, prosecutions and laboratory resources needed to effectively build cases in order to ensure each alleged incident is adequately investigated, and if found credible, prosecuted to the full extent of the law. All unrestricted sexual assault allegations are referred to the Criminal Investigation Division, where we have added four highly qualified expert criminal investigators and six expert military attorneys and 20 specially trained agents who pursue their investigations independent of the command. We have also hired 30 additional Lab Examiners. Our 20 Special Victim Prosecutors educate and support the victim and provide advice and counsel to the criminal investigators as well as commanders. Sequestration and associated Civilian furloughs are likely to degrade aspects of our SHARP efforts, from slowing hiring actions, to delaying lab results which hinders our ability to provide resolution for victims.

Develop Adaptive Leaders

One of our greatest advantages is our officers and non-commissioned officers, and the Army's ability to provide strategic landpower depends on the quality of these leaders. While we can recruit and train Soldiers in relatively short order, the Army cannot build leaders in a similar timeframe. Army leaders must be innovative, possess a willingness to accept prudent risk in unfamiliar, highly complex and dangerous environments and display an ability to adjust based on continuous assessment. As we face an uncertain future with an uncertain level of resources, we must prudently commit to the one certain, high-payoff investment – our leaders. Training, education and experience are the pillars of our leader development strategy, and we have many initiatives underway to ensure we cultivate, manage and optimize the talent of our leaders. We are instituting a program to match personal history and informal skills to duty assignments. We are implementing and improving our 360-degree assessment programs for officers and are making 360-degree assessments prerequisites to assume command at the lieutenant colonel and colonel levels. We are dramatically increasing the opportunity for and emphasis on broadening experiences and have increased the number of fellowships for our officers in government, industry and academia. Cuts to

institutional and unit training, due to sequestration, OCO budget shortfalls in FY13 and continuing fiscal uncertainty, will degrade our ability to develop leaders and will have long-term impacts on the readiness of the force.

Equipment Modernization and Reset

As we prepare for the future, we will need to invest considerable time and resources to restore equipment used in combat operations to an acceptable level of readiness through reset operations, a combination of repair, replacement, recapitalization and transition. At the same time, other pressing modernization needs require attention and investment. The long-term nature of sequestration-related budget reductions puts each of the Army's investment priorities at risk. All acquisition priorities and many equipment modernization programs may face unanticipated schedule or cost impacts in the out years.

The Army will require Overseas Contingency Operations funding for equipment reset for 3 years after the last piece of equipment has been retrograded from Afghanistan. This funding will support the substantial workload required for equipment retrograde, induction and repair, a process that can take up to 3 years for some items such as crash and battle damaged aircraft. FY 13 budget reductions have already placed the Army at a disadvantage, forcing the cancellation of depot maintenance that will delay required repairs and upgrades.

Organic and Commercial Industrial Base

The Army will deliberately draw down force and production levels to fulfill the strategic guidance we have received. Aware that the future may bring unexpected crises, we must retain the ability to regenerate capabilities quickly in response to unforeseen emergencies. It is critical that we find the right balance between our organic

and the commercial industrial bases. The ability to reduce the industrial base in times of peace but surge as required remains essential to equipping the Army, the Joint Force, and, in many cases, our allies and coalition partners. The current fiscal environment threatens the retention of critical skill sets in our depots, arsenals and ammunition plants. Fiscal uncertainty in FY 13 led to delays in awarding many new contracts. Industry also began laying off workers and postponed hiring actions due to the slowdown in funding.

Acquisition Reform

The Army continues to reform the way it develops and acquires services and materiel through a capability portfolio review process. This approach exposes redundancies and ensures that funds are properly programmed in accordance with Combatant Commanders' requests, wartime lessons learned, progressive readiness and affordability. The Army develops capabilities through Army research and development processes, collaborating with other Services, industry, academia and international partners to identify and harvest technologies suitable for transition to the force.

Modernization Strategy

The Army must maintain the technological edge over potential adversaries, enabling the force to prevail in all domains. The Army for the future requires capabilities that are versatile and tailorable, yet affordable and cost effective. The Army modernization effort goes beyond materiel and equipment solutions. It is a comprehensive strategy that includes doctrine, organizations, training, leadership, personnel and facilities. The heart of the strategy is the use of mature technologies and incremental upgrades of existing equipment, while balancing research investments between evolutionary and disruptive technologies. The modernization strategy is also supported by a risk-based assessment to identify candidate capabilities for complete

divestiture. Divestiture decisions will reduce total costs and preserve our ability to sustain the force.

Soldier Systems

The centerpiece of the Army Modernization Strategy is the Soldier and the squad. The Soldier portfolio focuses on equipment vital for squad success and empowers and enables squads with improved lethality, protection and situational awareness. It also includes resources to develop leaders and train Soldiers to take advantage of new or improved capabilities. Planned improvements for dismounted Soldiers include a mission command system that allows Soldiers to see each other's positions, mark hazards collaboratively and access on-the-move broadband voice, data and video capabilities. This unprecedented situational awareness, coupled with the continued fielding of advanced sensors and lightweight small arms systems, will ensure that our Soldiers and squads remain the best in the world.

The Network and Investment in Cyber Capabilities

The Network, also known as LandWarNet, is critical to empowering our Soldiers. Our senior leaders and Soldiers must have the right information at the right time to make the decisions essential to mission success. Consequently, the Army is building a single, secure, standards-based, versatile network that connects Soldiers and their equipment to vital information and our Joint, interagency, intergovernmental and multinational partners. It is critical that network modernization and sustainment efforts meet the ever-growing demand for tactical and business-related information and enterprise services in a timely manner and at an affordable cost.

Ensuring freedom of maneuver in cyberspace and protecting our information and the Network is a continuing Army priority. The Army must strengthen its cyber security

and network defense by building secure and resilient network environments, providing greater situational awareness, expanding programs for ensuring compliance with information assurance policies and best practices, and increasing training for all technical and non-technical personnel. To ensure the Army can defeat adversaries in both land and cyber domains, a full range of cyberspace capabilities must be available in support of the combatant commander, including well-trained cyber warriors, cyberspace operational freedom and assured mission command. This will require investment not only in technology, but also in people and process improvement.

Ground Combat Vehicle and Joint Light Tactical Vehicle

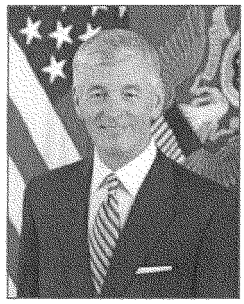
The Army's top two vehicle modernization programs are the Ground Combat Vehicle and Joint Light Tactical Vehicle. As a replacement for the Bradley Infantry Fighting Vehicle, the Ground Combat Vehicle will accommodate a full nine-man infantry squad in a vehicle that features increased underbelly and ballistic protection with scalable armor that provides maximum mission flexibility. The Ground Combat Vehicle will also provide sufficient space and power to host the Army's advanced network, increasing the effectiveness of the vehicle in any threat environment. The Army is developing the Joint Light Tactical Vehicle to fill capability gaps in the light wheeled vehicle fleet, carefully balancing payload, performance and protection. The Joint Light Tactical Vehicle combines an increased level of protection with improved mobility and transportability. It is also the Army's first network-ready vehicle. Together, this integrated team of vehicles will be capable of dominating across the range of military operations and allow for incremental improvements.

Closing

The American people have learned time and again that they can trust their Army to protect our national interests at home and abroad. Over the past 12 years of conflict, our Army has proven itself in arguably the most difficult environment we have ever

faced. Our leaders at every level have displayed unparalleled ingenuity, flexibility and adaptability. Our Soldiers have displayed mental and physical toughness and courage under fire. They have transformed the Army into the most versatile, agile, rapidly deployable and sustainable strategic land force in the world.

We live in an uncertain world, which often requires a military response to protect our national security interests. When that time comes, the Army must be ready to answer the Nation's call. We cannot take the readiness of the force for granted. Sequestration budget cuts, and continuing fiscal uncertainty, have placed us on the outer edge of acceptable risk for our future force. The Army must be capable of providing strategic landpower that can prevent conflict, shape the environment and win the Nation's wars. Preventing conflict demands presence, shaping the environment demands presence, restoring the peace demands presence, and more often than not, that presence proudly wears the uniform of an American Soldier.



Mr. John McHugh

Secretary of the United States Army

Mr. John M. McHugh was sworn in as the 21st Secretary of the Army on Sept. 21, 2009, following his nomination by President Barack Obama and confirmation by the United States Senate.

As Secretary of the Army, he has statutory responsibility for all matters relating to the United States Army: manpower, personnel, reserve affairs, installations, environmental issues, weapons systems and equipment acquisition, communications, and financial management. Secretary McHugh is responsible for the Department of the Army's annual budget and supplemental of over $200 billion. He leads a work force of more than 1.1 million active duty, Army National Guard, and Army Reserve Soldiers, 221,000 Department of the Army civilian employees, and 213,000 contracted service personnel. He has stewardship over 14 million acres of land.

At the time of his appointment as Secretary of the Army, Mr. McHugh was a sitting member of Congress representing Northern and Central New York. During his nine terms in the U.S. House of Representatives, he earned a reputation as a staunch advocate for Soldiers and their Families, working tirelessly to ensure they have proper facilities, training, and the quality of life necessary to carry out wartime missions while caring for those at home.

As a Member of Congress, Mr. McHugh served as the Ranking Member of the House Armed Services Committee (HASC) with responsibility to oversee the policies and programs for the Department of Defense and each of the Armed Forces. Before becoming Ranking Member, Congressman McHugh was first the Chairman of the Morale, Welfare and Recreation Panel and then Chairman and later Ranking Member of the Committee's Subcommittee on Military Personnel. Mr. McHugh also served as a senior member of the House Committee on Oversight and Government Reform, and for six years as the Chairman of the Subcommittee on the Postal Service that significantly reformed the Postal Service. From 1997 to 2004, Mr. McHugh was a member of the House International Relations Committee. Subsequently, from 2005 to 2009, he served on the House Permanent Select Committee on Intelligence. Mr. McHugh was also a 14-year member of the United States Military Academy Board of Visitors. At the time of his nomination, Mr. McHugh was co-chair of the House Army Caucus, a bipartisan organization that works to educate fellow House Members and their staffs about Army issues and programs.

Secretary McHugh was born in Watertown, New York, where he began his public service career in 1971 as the Confidential Assistant to the City Manager. In 1976, he joined the staff of New York State Senator H. Douglas Barclay, with whom he served as Chief of Research and Liaison with local governments for nine years. Succeeding Senator Barclay in 1984, Mr. McHugh served four terms in the legislature's upper house before his election to the U.S. House of Representatives in 1992.

Mr. McHugh received a B.A. in Political Science from Utica College of Syracuse University in 1970, and earned a Master's Degree in Public Administration from the State University of New York's Nelson A. Rockefeller Graduate School of Public Affairs in 1977.

GENERAL RAYMOND T. ODIERNO
38th Chief of Staff
UNITED STATES ARMY



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

A native of Rockaway, New Jersey, General Odierno attended the United States Military Academy at West Point, graduating in 1976 with a commission in Field Artillery. During more than 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.

CASH FOR MR. KARZAI

Mr. YOUNG. General, thank you very much, sir, and, Mr. Secretary, thank you very much.

Before I yield to Mr. Frelinghuysen to begin the inquiries, I have to ask just one question maybe totally off the wall. But when we begin to hear stories of how much money, American cash, has been delivered to Karzai by the CIA, I am just wondering, does the Army have any role whatsoever in the delivery, the preparation, the communication, the contact, any role at all whatsoever in turning over that cash to Karzai?

Mr. MCHUGH. I don't believe in the context that you are asking the question that we do. I would just say we obviously do have commanders' programs, certain programs and others, that pass funds to local firms to build certain infrastructure projects, et cetera, et cetera. But those don't cover the kinds of activities that you are speaking about, Mr. Chairman.

Mr. YOUNG. I expected that, and I was hoping that would be your answer, because I just have a little concern, especially after Karzai embellishes so much what he has really done with our money and asking for more. So it is just something that really is bothering me, and I had to ask the question.

Mr. Frelinghuysen.

SEXUAL ASSAULT

Mr. FRELINGHUYSEN. Thank you, Mr. Chairman.

Gentleman, thank you for your service and the men and women you represent. Coincidentally this morning I had 11 from the Army War College come to my office and sort of have contact with an appropriations member and sort of learn at least my perspective on what is going on and how to deal with it. I said nothing could diminish the sacrifice that so many of our soldiers, men and women, have made, but I said one of the issues we are bound to discuss, and let me credit Representative McCollum and Granger, the issue of sexual assault. If your people were surveilling our hearing yesterday, we had a real focus getting responses from your Navy brethren.

Where are you on this issue? Obviously it is on the radar screen. It is inexcusable that these assaults continue. And for those of us who look beyond those who have left the military, we have units in our Veterans Administration that are dealing with the fallout from sexual assaults. We assume you are addressing this issue head on, and will you talk with us about it this afternoon?

Mr. MCHUGH. Let me, if I may, Mr. Frelinghuysen, start and defer to the Chief.

I have to tell you as a former Personnel Subcommittee chairman who tried to focus on these issues, it is hard to capture a single notion, because all of us are frustrated, we are angry, but what we aren't is dissuaded from continuing the fight and meeting the challenge.

This is so contrary to everything upon which the Army was built, the trust of soldier to soldier, the belief in the unit, the greater than oneself, and to see this kind of activity happening in our ranks is really heart-wrenching and sickening.

We have tried and will continue to try to approach this at virtually every level. We have hired sexual assault and victim advocates, placing them at the brigade level as directed by this Congress, which I think was a very wise step for you to require that we take. We are currently in the process of hiring nearly 500 victim assault counselors to place them as contingency and deployable personnel so that even out of the country female or male, but principally female soldiers, will have the confidence to step forward to know there will be someone there who is trained and who will be sympathetic to them and hopefully diminish the fear that too many soldiers continue to have that if they step forward, they will be victimized again by the system and the way in which we are handling these.

The Army just completed its annual analysis. I know DOD has made a report. And I think the President and the Secretary of Defense made it very clear as to how high a priority this is for them. We join them in that message. For the Army, our incidents have actually declined somewhat. Our propensity to report figures are up to 42 percent, which is a significant increase over the 28 percent propensity just 2 years prior. But that is nowhere good enough, and whether we have to continue, as we have, our efforts to hire new laboratory analysts, whether we have to add even more training—and this is a key of our effort right now, to ensure that training of all soldiers at all levels and all ranks is occurring, not just 1 day, not just at one touch point in initial military training or some other activity, but really as a career-long activity—we will do that and add that one more training program.

I can tell you we are totally focused on this. The Chief and I have spoken repeatedly to our commanders in the field. As I said to our new Brigadier General Corps when I spoke to them about 2 weeks ago, you can do everything from this point forward in your military career perfectly, but if you fail on this, you have failed the Army.

So we are committed to this. It angers us, as I know it angers not just the members of this subcommittee, but all the Members of Congress, and we are not just willing, but anxious to continue on our efforts.

Mr. FRELINGHUYSEN. You are bringing the hammer down.

General ODIERNO. Congressman, thank you. A couple of things. There are a few imperatives that we continue to emphasize. One is first, obviously, this is about good order and discipline in the force. This is about sustaining trust, as the Secretary said. That is number one.

Number two is we have got to protect our victims before and after the assaults. We have to protect them. They have to feel comfortable that we have systems in place that will protect them before, and then unfortunately if something happens, that we have systems in place that protects them after the event.

We have to do our justice and deter crime and make sure that our systems deter individuals from thinking that this would at any time be acceptable. And we have to preserve the good order in our entire military justice system to ensure that they understand the ramifications.

But most and foremost is we have to change the culture. We get individuals from all parts of society. We have to engrain them into

the Army culture, and we have to do this by several methods. We have to incorporate this into our institutional training. We have done it from the time they enter; whether it is as an officer or a soldier, it is at every level of training. We have to eliminate that bystander mentality, that it is no longer acceptable. We have to understand about accountability, and that you have to be accountable for your own actions, and you have to be accountable for your command as you operate under command authorities.

We have also tackled this going right after commanders. We have added this to the first sergeant; company commander course on every installation. I personally—myself and the Vice Chief of Staff of the Army personally engage every battalion and brigade commander course on this issue. We have a discussion and talk about what we expect out of them and what the expectations should be for them and their unit. And then we also have this in our general officer training as well as our Sergeant Majors Academy. We have attacked this at all angles, but we still have lots of work to do.

The problem we have is institutionally we can do very well, but if you go into a unit and the climate is not right, it will tear down everything we have tried to train in the institution. So we are really focused on ensuring that in our operational force we have the training mechanisms necessary to educate and to ensure people understand the importance of this issue.

Now, we will continue to work this. We have a long way to go, but I think we are moving forward in the right direction.

Mr. FRELINGHUYSEN. Thank you.

Mr. YOUNG. Thank you, sir. The very distinguished ranking member of the full Appropriations Committee just joined us, and I would like to recognize Mrs. Lowey at this time.

REMARKS OF MRS. LOWEY ON SEXUAL ASSAULT

Mrs. LOWEY. Thank you very, very much. I appreciate the leadership of our distinguished chair, and ranking member, and all the other members of the committee. It is a pleasure to be here. I am sorry I was a little delayed. I just want to make a statement about the subject which I gather I entered in the middle of.

Like many of my colleagues, I am outraged by the number of sexual assaults that occur within the military. As we know, according to a Department of Defense report released yesterday, approximately, it is really amazing, 26,000 military personnel experienced unwanted sexual contact last year, which is nearly one-third more than in 2010. The problem is so pervasive that this weekend, as we know, the Air Force officer in charge of sexual assault prevention efforts was arrested for sexual battery.

I don't want to attack the Army for malfeasance at the Air Force, but this issue crosses all services, and I would strongly support requirements in the fiscal year 2014 bill directing all of the services to take far more steps to substantially reduce these horrific crimes.

I just wanted to ask, because I don't think this question was asked, what happens to a soldier that is found guilty of sexual assault?

Mr. MCHUGH. Mrs. Lowey, under Army regulations for designated offenses in this category, it is a mandatory discharge from the Army.

Mrs. LOWEY. So of these 26,000——

Mr. MCHUGH. I am sorry, ma'am, I don't—the 26,000 is the extrapolation DOD made as to the estimate of sexual assault cases in the United States military. I thought your question was on a conviction in the Army for certain assaults.

Mrs. LOWEY. Well, then it would be interesting for me to know how many soldiers were actually found guilty of sexual assault and dismissed.

Mr. MCHUGH. I don't have those figures.

Mrs. LOWEY. Roughly.

Mr. MCHUGH. I wouldn't even want—this is too important to guess.

Mrs. LOWEY. Ms. McCollum said she could answer that.

By the way, I didn't appropriately address our former colleague, our Honorable John McHugh, Secretary of the Army, and General Raymond Odierno, who I have had the pleasure of meeting at several wounded warrior events with your son as well. I apologize for not acknowledging you.

So you are saying they are dismissed, but you don't have the number that were actually found guilty?

Mr. MCHUGH. I don't have it right at my fingertips. Mandatory dismissal happens for covered offenses. I just think it is important to recognize that when DOD reports statistics, as I am sure you are aware and others, it covers a wide range: inappropriate touching outside the clothes, et cetera, et cetera. So I am not suggesting at all that if all those 26,000 were in the Army, and they were falling into that category, they would be dismissed. But for violent sexual assault and other named categories of offenses, the Army regulation requires dismissal.

Mrs. LOWEY. Thank you. And I would appreciate it if you can follow up with some detail on that.

Mr. MCHUGH. Absolutely.

(The information follows:]

As I stated before in my testimony, the 26,000 figure is a DOD-wide extrapolated estimate of "unwanted sexual contact," which includes non-criminalized unprofessional behaviors. This figure does not represent actual reported incidents of sexual assault. Data collected from the FY12 Annual Report to Congress on Sexual Assault in the Army indicates that of the 189 Soldiers whose court-martial proceedings on a sexual assault charge (ranging from rape to unwanted touch) were complete as of 30 September 2013, 153 were convicted. This represents an 81% conviction rate. Of the 153 Soldiers who were convicted of a sexual assault offense, 85 received a punitive discharge as part of their approved sentence. The remaining 68 Soldiers were subject to Army regulations that require that these Soldiers be processed for administrative separation.

Mrs. LOWEY. I will hold my other question, because I appreciate your calling on me and interrupting the flow. Thank you very much, Mr. Chairman.

Mr. YOUNG. As I go to Mr. Kingston, I would remind the Members of a statement I made earlier at the beginning. We have a very definite time to be completed today, and that is in 1 hour and 7 minutes, so we are going to have to be very respectful of each

other's time in order to accomplish everyone having a chance to question. I just thank these witnesses.

Now Mr. Kingston.

HIGH-MOBILITY ENGINEER EXCAVATOR (HMEE)

Mr. KINGSTON. Thank you, Mr. Chairman. With that in mind what I might do is read a couple of statements, and then I will submit them for the record—or questions—but I would like to go ahead and review them.

One of them, Mr. Secretary and General Odierno, has to do with the High-Mobility Engineer Excavator, or HMEE line. It has been cut. The program has been cut from $30 million and has a cut of about $17 million, which really disrupts the manufacturer's ability to produce them at all. So I would like to follow up with you if the Army is committed to the program, and how should the manufacturer deal with it in terms of being able to make the supplies?

[The information follows:]

There was a delay in awarding the contract, which resulted in the inability to execute the funding within Fiscal Year 2013 (FY13). Therefore, the Army offered $17.848 million of the funding as part of the FY13 reprogramming to support the war effort. The Army recognizes the challenges, and potential inefficiencies this may have caused the manufacturer; however, due to time limitations, the pricing audit and other factors, a break in production was unavoidable.

The Army continues to be committed to the High-Mobility Engineer Excavator (HMEE) program while being mindful that the HMEE program competes against other Army priorities in this fiscally constrained environment.

The Program Manager fully intends to award a contract pending the successful completion of the pricing audit, and contractual negotiations.

M4A1 CARBINES

Mr. KINGSTON. Another question that I had, and again I will be submitting these, has to do with M4A1 carbine. There seems to be a trend that the Army is tilting towards the lowest price technically acceptable as opposed to the best value for the soldier. Recent articles indicate that the Army will terminate the individual carbine replacement program. So my question is do you see the shifting of funds set aside for the ICR to the M4A1 product improvement program? And I will submit that to you.

[The information follows:]

The Army established budget accounts to include both the Individual Carbine (IC) and the M4A1 Carbine under Line Number 21, Carbine (G13501) in the FY14 President's Budget. This provides the Army the flexibility to procure either M4A1 Carbines or ICs. While the IC competition is ongoing, the Army is using this funding line to procure new M4A1s to maintain the industrial base.

The Army has not made a decision regarding Phase 2 of the IC competition. Phase 1 concluded in January 2012 and Phase 2 Testing concluded in September 2012. The Phase 3 Down Select and Evaluation phase, composed of limited user tests, is planned for 3Q–4QFY13. A decision is pending from the Source Selection Authority to identify between zero and three competitors to move forward to Phase 3 of the competition. Following Phase 3, the Army will conduct a Business Case Analysis (BCA) between the Army's current carbine, the M4A1, and the highest performing carbine from Phase 3. The BCA will facilitate a best value decision for the Army's future carbine. After the BCA, the Army will have to decide whether they want to pure fleet the Army with carbines or continue to maintain a mixed fleet of carbines and M16 rifles.

DISTRIBUTED COMMON GROUND SYSTEM ARMY (DCGS–A)

Mr. KINGSTON. And then the other one is I know there has been a lot of discussion, I think many members of this committee have been approached by people on all sides of the Distributed Common Ground System Army, or the DCGS–A, and I know you have had some discussions with the authorizing committee about it, and I think what our question is is the Marine Corps isn't using it, and what could the Marine Corps gain by using it?

[The information follows:]

Although the USMC is better suited to respond to how the Marine Corps can gain by using DCGS–A, the Army and USMC have worked very closely in OEF and OIF and share many of the same missions and require similar capability. The Marine Corps' Distributed Ground Combat System program, DCGS–MC, is designed to meet service specific amphibious intelligence requirements, as well as joint interoperability standards.

As part of USMC requirements refinement and solutions analysis, USMC and Army G–2 coordinated a Field User Evaluation (FUE) to assess the all-source DCGS–A capability portfolio. This 16-month FUE focuses on opportunities for the USMC to experiment with and leverage DCGS–A technologies that might satisfy Marine Air-Ground Task Force intelligence and operations requirements now and in the future. The FUE is an example of how the Army and Marine Corps are working collaboratively to discover solutions to common tasks between the services and leverage capabilities that fit each Service's mission and budget.

Mr. KINGSTON. And then I had a question about the possible combining the detailed information of the DCSG–A and a user-friendly commercial enterprise product such as the Palantir. I know you have had a lot of discussion on that. So I will submit these questions.

[The information follows:]

DCGS–A is the Army's flagship Intelligence system supporting Intelligence Tasking, Processing, Analysis, Exploitation, and Dissemination at every echelon from Company to Echelon-Above-Corps. It is a global network that links Army Intelligence operators and analysts to each other, to Army and Joint DoD Intelligence Sensors, to the Intelligence Community (IC) and to their weapons systems. All components of the system, including software, are based on open, non-proprietary standards to ensure interoperability across the Army, the other services, and the IC.

Palantir is a promising system we currently use in Afghanistan to perform "link analysis"—the evaluation of information to detect enemy relationships—with a user friendly graphic interface. This is one of many functions that DCGS–A must also perform. Currently, Palantir is used to complement the capabilities in DCGS–A.

The Army and Palantir entered into a Cooperative R&D Agreement (CRADA) in May 2012. The Army is evaluating Palantir's technologies via the CRADA to see if there are benefits, operationally and otherwise, in utilizing this capability within the Distributed Common Ground System-Army program of record. Additionally, the Army will conduct a user test of link analysis tools to include Palantir, to determine the Army's objective link analysis software solution. The assessment will be completed in the 1st quarter, Fiscal Year 2014.

SAVANNAH HARBOR

Mr. KINGSTON. And then finally, Mr. Chairman, I will yield only after telling my friend Secretary McHugh that we appreciated his visit to Savannah and his briefing on the Savannah harbor expansion program. Unfortunately, despite a great cost-benefit of $1 in cost for a $5.50 payback and the fact that the 3rd Infantry does deploy out of the Savannah port, it was not in the President's budget. And I know that is not under your jurisdiction, but I just wanted to express great disappointment in that. Since you are familiar with it, and it does affect the Army, I wanted to bring that up.

With that, Mr. Chairman, I will yield, unless any of them want to say anything. I know I am out of time, trying to be sensitive here. Thanks.

Mr. YOUNG. Do either one of you want to respond?

Mr. MCHUGH. I can respond to all of the points the gentleman made. I think they are all important, but I know time is somewhat of the essence here.

As to HMEE, unfortunately in 2013 we had to harvest that to support Operations and Maintenance. It is part of the challenges that we have. We still think it is a great system. We want to work with the manufacturer to make sure the industrial base stays viable.

DISTRIBUTED COMMON GROUND SYSTEM—ARMY

With respect to DCGS–A, I know you have had some program about that. Actually the Marine Corps does have access to it. We believe very strongly in working with all—we have over—we have several dozen commercial components in DCGS–A. We have a CRADA, a commercial research and development agreement, with the manufacturers of Palantir. We think for what it does, it does it very well; but what it does is very narrowly channeled in a specific area, but we want that capability in DCGS–A. We are working with them, as I said.

As to the President's budget, I think the administration has done as good a job as possible in an extraordinarily challenging time to frame up a budget proposal that meets the greatest range of needs. I think we all recognize the importance of the Savannah harbor project, and hopefully when things become a bit more predictable over a longer term, we can revisit that.

Mr. KINGSTON. Thank you, Mr. Chairman.

Mr. YOUNG. I should mention the reason for the compacted schedule is the joint session of Congress that was held earlier. We, of course, could not sit in a hearing during that period.

Mr. MCHUGH. I understand, yes.

Mr. YOUNG. Ms. Granger.

SEXUAL ASSAULTS

Ms. GRANGER. Thank you.

I just want to return just for a minute, the study Mrs. Lowey referred to, a 30 percent increase in sexual assaults in 2 years is huge. It is huge. I applaud your hiring the counselors. That means that you are dealing with people who were not protected, as, General, you were saying to protect our military. And protecting our military is extremely important.

I referred in the hearing we had earlier this week, when you talked about investing in our leadership, when I served on the Board of Visitors of the Air Force Academy, there was a very serious scandal about sexual assault. There was a lot of work done and a lot of information that came forward. I would suggest that you look at that, because it had to do with protection. Sometimes it was physical, the way phones were placed, all that sort of thing.

But the other thing was attitude. And you are talking about investing in our leaders, which is very important. In that time that we studied that, we found in deep surveys that 20 percent of those

who attended the Air Force Academy and their instructors did not believe, adamantly did not believe, that women should serve in the military. So you are dealing with an attitude that said you are not part of the team, we don't want you as part of the team. So there was something there, and I would hope you would look at that.

CYBER READINESS

My question has nothing to do with that, but has to do with cyber readiness in the Army, and what your plan is, and how you get those highly skilled cyber specialties in the Army. And do you have—with sequestration, are you going to have the money to do it?

General ODIERNO. Well, first we have prioritized cyber as one of our top priorities, so we are fully funding our movement to cyber as we are increasing our number of individuals involved with cyber. So there are several tracks that we are on. We are doing internal development of soldiers who have the right capabilities to become very good at cyber, have experience in it, and we are moving them into the cyber warfare area. And we are conducting training courses run by Cyber Command, who will train them to be capable of doing that.

We have already developed some very significant number of teams already. About 2 years ago we formed the 780th Military Intelligence Brigade, which has been training and developing and developing teams that can operate at the strategic and operational level. They are now almost at full strength, so we feel comfortable with that.

CYBER SKILLS

We are also looking at initiatives of where we can do direct commissioning potentially of some people who might have high technical expertise in the civilian world in cyber, and we bring them in; and then also looking at what we do to hire civilians in a more quick way to give us technical capacity. So we kind of divided among those who bring technical capacity and those who have to operate operationally, which should be uniform with some experience in operational. So we will continue to move forward in both of those directions.

We are also reorganizing ourselves within the Army. We are in the process of reviewing that now to make sure we have the most efficient organization that leverages both the Active and Reserve components. We think the Reserve component, the National Guard and the U.S. Army Reserves, can play a really important role here. But we want them to mirror the structure that we have in the Active component, and that will be directed by CYBERCOM, to operate both at strategic and operational level, and then can maybe have additional uses within the State as we move forward. So that is the way we are headed.

We hope that we will come out with a new organization within the next 3 to 6 months within the Army on how we are going to deal with this, and we are working very closely with Cyber Command in order to identify the characteristics of the individuals. We are relying on them now to conduct the training. We will in the

Army now start beginning to conduct our own training so we can increase the numbers as quickly as possible.

Ms. GRANGER. Thank you.

Mr. YOUNG. Ms. McCollum.

EQUIPMENT RETROGRADE

Ms. MCCOLLUM. Thank you, Mr. Chairman.

I am going to put two questions into the record, gentleman. One has to do with your retrograding equipment from Afghanistan on page 15, I would like some follow-up on that, and I will submit that in writing to you; as well as the investments in your budget on the Warfighter Information System, the Network-Tactical, WIN-T, and the Joint Tactical Radio System. So I have some follow-up on that.

SEXUAL ASSAULT

Ms. MCCOLLUM. But I want to express what was a missed opportunity here. Both of you gentleman had an opportunity—you didn't have to lead off with it, it would have been fine with me if you had—but in your statements here to the Congress to talk about what was a devastating blow to anyone who wears the uniform in our military branches, and that is what is happening with sexual assaults.

It is a stain on every soldier, every marine, every sailor, every airman, because it reflects poorly on your institutions. Do the right thing. I said that a couple of times. The Army of the future, yet not once could you have acknowledged what the President of the United States delivered bluntly as something that was I am going to use the term a call to arms for sexual assault. One thousand four hundred fifty-two people were assaulted. That number is down, but it is still 1,452.

I would like you to provide my office with some of the training materials, posters and videos that you use. The videos that I have seen, any of us women here in Congress looking at them, to say that this is how you are going to address things, either makes women out to be not capable of taking care of themselves and therefore the woman got in trouble, or some of the videos—I watched one last night on television about the Air Force where the officers couldn't bring themselves to say rape is not tolerated—rape is not tolerated, sexual assault is not tolerated.

One of the videos I saw, and Mrs. Lowey and Ms. Granger, I mean, it was like watching the 1960s. It is a current video. It is not necessarily the Army's. A woman is off duty, off station, she is on a base, and it is time for her to leave. And the gentleman that is sitting next to her says, do you need an escort? She is on the base. Do you need an escort? She is on the base. She says, no, I will be fine. I only have to go a couple of feet.

Well, she is like getting right out, turns the corner—this is their training video—she is being attacked, and a bystander came up and stopped the attack. And the words back were, where was your escort? Where was your escort? On a United States base.

Women are going into combat. Women are part of our Army of the future. Now, I know sincerely that you two gentlemen do not tolerate this, but you had an opportunity. You had an opportunity to say it out loud today, and you need to say it all the time. And

the training materials, maybe yours are working. I would like to see them. But I want to make sure that they are at least as good as the training materials I see at the University of Minnesota talking about date rape.

Thank you, Mr. Chairman.

Mr. MCHUGH. Mr. Chairman, may I add a comment?

Mr. YOUNG. Sure.

ANTI-SEXUAL ASSAULT TRAINING AIDS

Mr. MCHUGH. First of all, Congresswoman, I will absolutely get the materials to you. I will tell you the last round of video materials that we put out as training aids in the Army I brought to Capitol Hill and previewed them to many Members, many female Members, some of whom were members of the Sexual Assault Caucus, and they thought they were very appropriate. But certainly I would greatly value your input.

Just a comment about missed opportunities. I said when I started my opening statement I truncated it in respect to the Committee's time. If that sent a message to you that somehow the things that are in my statement I didn't care about, I regret that. I was aware that certain Members were going to ask early on this issue, because we had discussed this previously. So I don't want you to think through a truncated verbal statement that that suggested that we are not focused on this, because, like you, we are outraged, and I want to tell you that personally.

Mr. YOUNG. Mr. Crenshaw.

TANK ASSEMBLY LINE

Mr. CRENSHAW. Thank you, Mr. Chairman.

Let me ask you all about an issue we talked about last year, and that was when we were talking about the tank production and the fact that we weren't going to need any new tanks for a while. When we learned that it was going to cost a lot of money to shut down the tank lines and then open them up again, it seems to make sense that we could keep them open at least not at a full scale, but spend that amount of money and end up with an actual tank rather than just spend the money to close down production and start it back up. I think we did that last year, and I noticed in the budget that that is going to continue, and I think that is probably a wise decision even in these difficult economic times.

MAINTAINING EQUIPMENT ASSEMBLY LINES

So what I wanted to ask is it is not just tanks. As you know, as we wind down, you got Bradleys, you got Humvees, you got combat trucks, all of the kind of equipment that we are going to need someday. We don't need it right now. And I just wondered if we are thinking about that, because I don't think we should keep the industrial base going full bore all the time, but I do think it is a similar situation if we look ahead and say we are going to need some of this equipment in the next inevitable conflict that we wish wouldn't happen but probably will, and not find ourselves 10 years down the road in some sort of procurement that is mishandled, or overruns, whatever.

Is that something that you are working on to make sure that doesn't happen, and is there something that we can do as a Congress to help in that?

EQUIPMENT DIVESTITURE

General ODIERNO. If I can give you a couple of examples, Congressman, let me use MRAPs as an example. We currently have 21,000 Mine Resistant Ambush Protected (MRAPs) in the Army that we purchased for both Iraq and Afghanistan to protect our soldiers, sailors, airmen and marines who were deployed. We are going to divest ourselves of about 13,000 of those, but we are going to keep about 4,000 that will be kept in Army Prepositioned Stocks storage, which is 3 brigades—2 to 4 brigades' worth of capability that, if needed, we will be able to get them out.

What we had is we had about seven or eight different variants which were very difficult to maintain, so we have got it down to a very few number of variants. The best-performing variants, we will keep those. We will use some in our formations. They are good command and control vehicles, so we are going to keep about 4,000 in our formations. We are keeping our counter-IED equipment that is part of the MRAP fleet. And then we will divest of the others. I think that is a good investment decision.

So we are keeping some for the future, we are using some in our current training, and we will divest of the others, because we simply cannot afford to maintain them, even if we put them into some low ability to maintain.

TACTICAL WHEELED VEHICLES

I use that as an example because we try to do that with every one of our fleets, as with Humvees, for example. We are now getting ready to purchase the Joint Light Tactical Vehicle which will replace the Humvee. So we are getting rid of those Humvees that are not up-armored. We are keeping the ones that we have up-armored. We will continue to sustain those until the Joint Light Tactical Vehicle, and then we will come up with a way to again divest of those the best way can.

With tanks and Bradleys, you know, for tanks we have 3,100 excess tank hulls right now, so we have plenty of tanks. So I feel very comfortable. By the way—and now we are getting ready to reduce our force structure, which will take more of those out of our current force because we are reducing the size of the Army. So we are going to have less armor capability and less units, so we will even have more systems that we will have to figure out how we divest.

But we absolutely think the way you just described. We figure out what do we need to sustain for future use, how much can we afford, what do we need to keep, and then what do we need to divest of.

COUNTERINSURGENCY SKILLS

Mr. CRENSHAW. Along those lines, do we do the same way with some of the intellectual knowledge? When I first went to Iraq in 2003, we rode around Baghdad, and everything seemed fine, and then there was a Green Zone and IEDs and all those kind of

things. And then we developed probably the best counterinsurgency in the world. As I understand it, we had a pretty good counterinsurgency in Vietnam at the end, but it was kind of too late. But then 50 years go by, and we got to crank that whole skill set up again.

Is that something that we think about, because now we are going to turn to the Pacific, we are going to talk about conventional North Korea. But all that we learned and developed in terms of counterinsurgency, is that something that you try and perpetuate in terms of the schools or West Point?

LESSONS LEARNED

General ODIERNO. We do. Thank you sir. So we have the Center for Army Lessons Learned, which is out of Fort Leavenworth, and that is their job is to collect the lessons learned, to build monographs, to build examples of what we learned over the last 5 or 6 years. They do it at the tactical level. The Army War College is collecting operational and strategic. The Center for Army History is collecting that. So we are absolutely collecting this and using it as we go forward.

We have just written new doctrine, and this doctrine is informed by many of the things that we have learned over the last 10 years. We are in the process of rewriting every piece of Army doctrine, and we have started to put it out over the last 6 months. And that is because of my concern that you just addressed is that we have to capture what we have done, because I believe we are never going to have a straight conventional threat again. I believe wherever we go, whether it is in Korea, whether it is somewhere in the Middle East, whether it is wherever, it is going to be an asymmetric-based threat as well as a conventional threat. So we are going to have to deal with this again. So we have to learn from that. At our combat training centers, we are now developing scenarios that still include the lessons that we learned, and we will continue to do that as we move forward.

So what you are saying is right on target, and I want you to know that we are focused on that, and we are ensuring that we keep this.

We are rewriting our counterinsurgency manual. So in other words, you know, if you remember, we rewrote it about 5, 6, 7 years ago. We are rewriting it again to make sure we get that out as we have now spent another 4 or 5 years on what we have learned, and that will be coming out shortly as well.

So we are absolutely attempting to capture this information, because I believe we are going to have to use it in the near future, and so we are very adamant about doing that. So thank you for asking that question, because it is a very important one as we go forward in the future.

Mr. CRENSHAW. Thank you very much.

Mr. YOUNG. The gentleman's time has expired.

Mr. Calvert.

GROUND COMBAT VEHICLE

Mr. CALVERT. Thank you, Mr. Chairman.

Since my friend brought up tanks, let's talk about the future of the Army and the Ground Combat Vehicle. I know, Mr. Secretary, you have spent a significant amount of money on your RDT&E expense, and I applaud you for going outside the box and bringing an outside consultant, A.T. Kearney, to do an analysis of the program. Obviously it is an expensive program and obviously, just from what you said you are going to go to a smaller Army, you are probably going to need less combat vehicles than you originally planned.

This is an expensive acquisition, and obviously a procurement, not just the Army, I talked about this with the Navy yesterday, and certainly Air Force. It has not been a predictable cost analysis so far as what things really will cost, and this may be one of your more expensive acquisitions in the future.

How are you going about this? Are you going to get the design right? Is it going to be able to be moved around properly? And you are secure in the fact that this is going to be the vehicle you will need for the future of the Army?

Mr. MCHUGH. Well, thank you, Mr. Calvert. I have enjoyed our conversations in the past, and as I have noted previously, we are really trying to go to school on our past mistakes. And I think if you look at the development of this program, particularly over the last 2-plus years, we have done pretty well. We started off on the wrong foot, I will be very frank with you. We put out an Request for Proposal that contained nearly 1,000 must have requirements. It was a déja vu all over again moment where we were reaching too far, depending too greatly on immature technologies. The good news there is our folks realized it, and recalled the RFP, whittled down those must-have tier 1 requirements to about 137, I believe and put the RFP back out. So we have already created an environment in which we have trading for capabilities and expenses a good way forward.

The other thing that recently happened after 2 years of experience and maturing the requirements and the program along with the defense acquisition executive, we have down-selected the competitors to one at Milestone B. Now, that does contain a little risk, but what it gets us is $2.5 billion in savings.

You noted, for the Army this is an expensive program. But as the chief mentioned in his previous discussion, we have got a lot of lessons learned out there that are absolutely essential to the Army of the future, and it would, I think, be a abrogation of our duty not to take those lessons and begin to develop a platform that can do the things the Ground Combat Vehicle will do.

SINGLE COMPETITOR

Mr. CALVERT. If the gentleman would yield just for a second, I know that going to a single competitor you supposedly save that $2.5 billion. We went through this scenario with the engines on the F-35, and we have a little problem with the engine right now going on in the F-35. We are not going to end up with the same kind of problems in the future when we go to a single competitor on the Ground Combat Vehicle?

GROUND COMBAT VEHICLE REQUIREMENTS

Mr. MCHUGH. Our requirement is that the Ground Combat Vehicle doesn't have to fly, so I think we will be okay.

Mr. CALVERT. But it has got 999 other things.

General ODIERNO. What we tried to do is we tried to extend that competition as long as possible, so we have now extended it to Milestone B, which we think continues to make a competitive design which forces them to continue to compete. So when we do down select in about 6 months or so, we think we have gotten a pretty good competitive edge.

The requirements piece is really important. We have worked this very hard. The Vice Chief of Staff starting with General Crowley through General Austin and now General Campbell have consistently reviewed the requirements. We have changed how we do our business where we constantly are making sure the requirements make sense, they make sense of what we need from a tactical perspective in the future, and they make sense to where we think we are from a technological perspective in the future. So I am confident.

The only thing, I would close with this, is the Bradley did not perform well in Iraq. It was used mostly in Iraq, not as much in Afghanistan. It did not protect our soldiers, it cannot carry a full squad, we cannot put into the Bradley the IT capabilities that we want in order to pass information. So we have to have the Ground Combat Vehicle, and we think we can bring that in with the ability to iterate it and input new technology as we gain better technology and materials, which will lighten the GCV as we go forward. So we think we have built that into the design.

So I am confident we can do this. I tell everyone when I was first became the chief, I wasn't sure I supported the GCV, I wasn't sure. And I have really reviewed this very closely, and I think it is an important program that we have. Now, the procurement costs will go down because we are going to purchase less, which means the cost per vehicle will go up, unfortunately, but that is because we are going to downsize our forces a bit.

Mr. CALVERT. Thank you. Thank you, Mr. Chairman.

Mr. YOUNG. Mr. Owens.

Mr. OWENS. Thank you, Mr. Chairman. Thank you, gentlemen.

Mr. McHugh, do you see as the process goes on for consolidation in the Army as we have the reduction in the end strength force that we are going to see a concentration of platforms at existing installations? Let me be very specific. I am referring to Fort Drum, as you might imagine, and in particular, we have the 10th Mountain there, we have the drone squadron going there, and we have had conversation about the missile defense system.

Do you think that that kind of activity is appropriate, where we take an existing installation that is in excellent shape and house as many platforms as we can there?

BASE CLOSURE

Mr. MCHUGH. Well, there is always a strategic consideration, and I don't want to get into too many details, but you obviously

don't want to put all your highly capable, highly vulnerable platforms in a single space. It just doesn't make that much sense.

But I will say this, that to weave in a part of the question you didn't ask, but we in the Army, in fact, the entire Department, believes it is past time for another base closure route. We have not been free to do the analysis, but the last time we were able to go through a comparison, we estimated that we are about 20 percent over-structured in the Army. In other words, buildings that we have to heat that have no one in them, older facilities that require a great deal of maintenance, they are not really being used.

So we think a base closure round would provide those of us in the Army the opportunity to shed excess infrastructure, to save money. And one of the results of that, obviously you have fewer post camps and stations is that you try to make good strategic and tactical decisions as to where you put things. Fewer places, more programs, those fewer places get more programs. It is just kind of a mathematical reality.

SEQUESTRATION

Mr. OWENS. As you know, we had different seats in 1994, and we experienced a BRAC in my community that was very unsatisfactory from a number of perspectives.

General, you indicated in your testimony that you would like to see, and I think you used the term back-load for the sequestration process. If that were to happen, would that impact end strength or just give you more time to reach the level?

General ODIERNO. That would give me more time to reach the level which would allow us to properly balance the readiness. My prediction is if we execute sequestration currently as the law states, the Army will have a 3- to 4-year window where we will have a significant readiness issue because we can't take end strength out fast enough. So we will have readiness issues in units and we will have modernization issues in units.

So although I said it wasn't acceptable, sequestration, if we backloaded it, at least it would allow us to plan properly so the readiness modernization and end strength would be right. And it would not allow us to decrease significantly readiness. You wouldn't have this bowl of decreased readiness and modernization.

Mr. OWENS. Thank you very much. I yield back.

Mr. YOUNG. Thank you. Mr. Bonner.

SEXUAL ASSAULT

Mr. BONNER. Thank you, Mr. Chairman. It has been a great hearing, and it has touched on so many topics that I have some additional questions. I am going to try to speak fast, which is hard for a southerner to do.

On the topic of sexual assaults, and since that is obviously a concern of the two distinguished esteemed visitors as well as this entire Committee, it would be helpful to some of us, I think, if we could see a sexual assault history, let's say, go back for the last 20 years, go back to '92, just to see has the problem gotten worse? If so, has there been a spike when we had troop buildups or surges, or are there other factors that maybe we could glean from the data on that.

VETERANS CLAIMS

I know looking at the veterans cases, which are appalling, it is unconscionable. I was recently on a trip with the Veterans Affairs Committee, and to think that the VA cases, both claims pending and backlog, have gone up just in the last 5 years, the backlog has gone up from 85,000 to 629,000, these are the men and women that proudly wore the uniform under your command, and now that they are coming out as a country, we are turning our back on them. But that is not the purpose of this question. But I think it would be helpful on the sexual assault to just see how far back this problem goes, and what could we do to learn to try to address it going forward?

I am reminded of the fact that 68 years ago yesterday, the Germans surrendered, and today we remember VE Day, 68 years ago today. And that goes to a point that the General made when the Joint Chiefs were before this Committee last month, where I believe I am quoting him accurately, that he came into his service in the 1970s when there was a hollow force and he didn't want to leave these decades later of service in a hollow force. And I know under your command, you will not.

But that strikes me as we are talking about a smaller Army or a smaller Navy or a smaller military, knowing the need to downsize, it brings me to a question about helicopters.

LAKOTA HELICOPTER

My colleagues to my left have been talking about tanks and ground equipment. We also have to have helicopters. And yesterday if you had been at this hearing, some of my friends in this room were focused about the programs that were costing too much money from the Navy. So I can submit this like Mr. Kingston did for the record and give you a chance to respond to it with more time. But it is my understanding that since 2006, we have had 249 UH 72 Lakotas delivered to the Army and National Guard units. Not once has the program been late or over budget, which, to me, would be an important factor if yesterday we were going to raise holy hell about things that are a little bit above budget.

So my question, General and Mr. Secretary, and again, you can answer this for the record, but am I correct that by all accounts, this has been a helicopter we have been told that has performed well? If money were no object, which of course it is, do you have any reason to think that this helicopter can't continue to provide, and this is not in my district I want to say, but that this helicopter cannot continue to provide service both to active duty as well as to the National Guard? And I have some follow-up questions I will submit for the record on that.

General ODIERNO. If I could just quickly, the Lakota aircraft, as you said, has performed tremendously, and we are going to continue to deliver them to the Guard. We are not going to buy all the ones for the active Army. The reason is the Lakota aircraft is not an operational deployable aircraft. It is good for certain missions, specifically homeland defense, border missions, so it fits perfectly for the National Guard.

Now that we have our UH-60s coming back from Iraq, out of reset from Iraq and coming back from Afghanistan, it would be better, more efficient for us to use them back here, because the reason we needed them in the active force is because all of our aircraft were forward in theater. So you are right. Everything you said is right. But the bottom line is this is not an aircraft we can deploy operationally, so we don't think it is as important in the active component.

LAKOTA HELICOPTER DEPLOYABILITY

Mr. BONNER. General, I appreciate that response, and what I would like to do is follow-up because it was my understanding that according to Army analysis, that the Lakota could be configured for non-permissive missions with a minimal cost. But, again, I am not trying to debate that with you. You are wearing the uniform. I am just asking the question.

General ODIERNO. That is a question I would be happy to answer.

Mr. BONNER. If we could look at all the options going forward. Finally, I want to close in the 1 minute I might have left and tell you——

Mr. FRELINGHUYSEN [presiding]. It is a very short minute. Mr. Cole is in the batting box.

Mr. BONNER. I wish Mr. Young was back at the gavel. I think everyone will appreciate that I just came from an honor flight ceremony, and I had a chance to thank an Army soldier who signed up at 17 to go to World War II, and he was one of the first Americans to uncover the horrendous sites of the concentration camps. And he said that not a day has passed since then that he hasn't been horrified by what he saw. And I had a chance to say to him on behalf of everyone in uniform and not, that thank God you did what you did, because you shut those camps down and the world is a better place.

I say that really on behalf of that gentleman I represent, but really for all of the men and women you represent. We have some challenges, but thank you so much for what you are doing and what they have done to preserve freedom.

Mr. MCHUGH. Mr. Frelinghuysen, can I say one thing?

Mr. FRELINGHUYSEN. Please, Mr. Secretary.

SEXUAL ASSAULT

Mr. MCHUGH. I promise you I will be very brief. I want this Committee, I want this Congress to know that the Army would be grateful for any help, any guidance, any suggestions the good people of Capitol Hill might have in our efforts on sexual assault. It goes to your question about providing you data. We will be happy to. And we are not trying to build walls around ourselves and say we got this.

We think we are working this hard and we know we have to work it harder. But if it is suggestions on materials, whatever it is, we are happy to entertain partnerships and we appreciate those kind of offers.

Mr. FRELINGHUYSEN. Thank you, Mr. Secretary.

Mr. Cole and then Ms. Kaptur.

PALADIN INTEGRATE MANAGEMENT

Mr. COLE. Thank you very much, Mr. Chairman. Thank you both for your service. It is really always good, honestly, truly, to see both of you here. And I just want to say Amen to my friend from Alabama's remarks. We know you have got problems and we know you are dealing with the problems aggressively, but we also know the quality of the men and women that work with you every day, and how much they do for all of us. We want them to know that while you are working these problems, we know the overwhelming majority of our soldiers are the kinds of people that we would want for our neighbors and our friends and we are pleased and proud of them. And we will get through this problem just like we have dealt with every other problem we have had in the long and distinguished history of the United States Army.

I have three quick questions, and I am going to kind of spit them out quickly and then you handle them and I can submit them for the record.

One, I would like to get an update on how we are doing on PIM, where the Paladin is, where we are going on that. Second, and this is probably more to you, Mr. Secretary, the furlough number for the civilian workforce has been reworked several times and seems to vary. I would like the latest, your latest view on your civilian workforce, where you are at, how much furlough you think is going to be required. Again, I recognize that is a moving target, and I appreciate frankly the fact that the services have worked so hard to minimize those and brought those numbers down fairly considerably.

CONTRACTING WORKFORCE

Related to that, I am wondering if you can also give us some sort of view on how this is hitting our contracting community as well, because I know of several instances whether this isn't furloughs, these are layoffs, and I do worry about dispersing workforces that are going to be hard to reassemble and provide things. So whatever you are doing on that.

READINESS

The last question, and this is to you, General Odierno, and I may have misunderstood this, but I would love you to respond, I saw a news item earlier today that suggested you were concerned about our ability to give the President options in Syria. I frankly hope that we don't have to go. I think that would probably be the general opinion of the American people and certainly this committee. But are you concerned that sequester has hurt your ability? Certainly you told us what the long-term challenges are. But we have got a really dangerous world as you commented, I think, absolutely on spot with Iran, North Korea, Syria, and I know everybody on this committee wants any President of the United States to have all of the options that are necessary. And if we are at the point that we are not giving the President the options he needs, then I think that is something the American people ought to know.

General ODIERNO. I would say—let me answer that one first. What I thought I said when I was talking with him is that we are

developing options. We always constantly develop options so we are prepared. What I said is we will develop those options, but they will be higher risk options because of the reduction in readiness. If it is executed longer, 3, 5, 6, 8 months from now it is going to be at a higher risk. And the risk is lives, the cost of lives, because we will go, but if they are not as well-trained, the cost is more lives. And obviously that is what we all want to avoid. And that was the point I was making.

Mr. COLE. I appreciate your being very direct and candid about that, because I think that needs to be part of our political dialogue as we deal with this. I am hopeful later this year, we can have a larger fiscal deal which will give you gentleman the predictability and the resources that you need. But people ought to be very aware of what the consequences are, not just dollars and cents.

PALADIN INTEGRATE MANAGEMENT

General ODIERNO. If I can give you a quick answer on PIM, and then I will turn it over to the Secretary. It is a very important project. It is one that we have to have. Because of some issues we have had with him the auditability of the contractor, we just got that proposal back from them so we are not sure we are going to be able to execute it this year, which means it could be delayed 6 months. So you might see us reprogram some PIM money in some of the reprogramming actions for 2013, but it would be fully funded in 2014 as we go forward. And that is because of the issues we have had with the ability to audit the contractors working with us this PIM. It is not that we don't want to move forward with PIM.

Mr. COLE. Well, if you could keep my office informed on that. Having lived through the Crusader and NLOS–C, this is a pretty sensitive issue where I am from.

FURLOUGHS

Mr. MCHUGH. Congressman, with respect to furloughs, as you noted, and we appreciate your comments, this started at 22 days notionally. It is now down to 14. And I can tell you, the Secretary, all of us want to do everything we can to minimize the potential of any furloughs.

The other thing is trying to harmonize all the services. Obviously everyone is in a little bit different place. I wish it were otherwise, but from the Army's perspective, given the other fiscal challenges we have, we are going to have to continue to request furloughs. That will be a Department decision that I expect will be made fairly quickly here within the next couple of weeks, if I had to guess. And as it is notionally being figured at the moment, and this is not a decision, and I don't have the ultimate authority, but it would seem to be 14 or fewer days.

INDUSTRIAL BASE

With your request on the industrial base, this is a huge worry for us, as I know it is for all of you. We continue to try to work our programs not just in minimizing the impact to the industrial base, although that is important, but also to try to keep our vital programs working and viable. And every time we have to move a

program to the right, that stretches out the time period, that increases cost, that is less efficient and all kinds of problems come from there.

The original assessment we had in February, and that was based on both sequestration, which is still with us, and the at the time continuing resolution, which has been amended through PL 113–6, we thought the total dollar impact to the industrial base would be about $7.1 billion, and would affect up to almost 18,000 jobs.

We would like to think that has been somewhat diminished through our management and through Congress' help with reprogramming, but clearly this continues to be a huge issue and will continue to cascade into 2014 and beyond, absent some kind of either, as the chief mentioned, back-loading of sequestration or a grand bargain our however this Congress might be able to work that.

Mr. COLE. I thank the gentlemen. Thank you, Mr. Chairman.

Mr. YOUNG. Thank you, Mr. Cole.

Mr. Ryan.

LEGAL AID FOR VICTIMS

Mr. RYAN. Thank you, Mr. Chairman. Thank you, gentlemen.

Two issues, one obviously the sexual assault issue that has been covered here in a variety of ways. One of the questions I had is with the special victims counsel program. I know Secretary Hagel had a memo that directed the General Counsel to focus on that. And I seem to think, as many do, that having the SVCs as qualified counsel assigned to represent a victim across the full spectrum of legal issues, and how many times we need these victims to have advocacy, and I think in many ways, what is happening now, even with the additional personnel that you are talking about, that this may be still inadequate. The special victims counsel could give the victim, the client in the hearing where the victim has a right to be heard.

I will give you one example:

On a rape shield hearing where the defense is trying to drag the victim through the mud because of allegations about past actions, the guy who raped her has a lawyer, the government has a lawyer. It seems to me the victim should have an attorney on her side advocating for her interests.

So this is a program that I am supporting and going to continue to push and hope that members of this Committee can also help, but the initial results of the special victims counsel reveal overwhelmingly positive feedback, and particularly positive results in the willingness of victims to go through the very trying military justice process in order to hold the perpetrator responsible. So it gives them the confidence that they are walking in there on a level playing field.

I think the SVC program is essential for us to get out of this, because I think a lot of people are looking at this back in my district, and they do seem to think, as Ms. McCollum said, we are in the 1960s. A lot of people think this is like a Mad Men episode going on in the military today. And I think that is a drag on the entire country, it is a huge distraction from what should be the business of the military.

So can you please comment for me what is the Army currently offering now with the special victims counsel?

Mr. MCHUGH. As you are probably aware, Mr. Ryan, the Secretary authorized, and we supported in the Army the Air Force to do a special pilot program on using those kinds of personnel. That is ongoing. I would be totally guessing as to what the outcome of that would be.

I will just tell you from the Army perspective, we want to do what works best. At the current time, we have Army legal assistance attorneys who are intended to work with the victim-witness liaisons we have.

Mr. RYAN. I don't mean to interrupt you, Mr. Secretary, I understand that. But the people who are helping them now don't have the kind of courtroom experience. These are novice JAG officers, aren't they?

Mr. MCHUGH. I am not arguing that we are doing it the best way. I am trying to describe to you how we are doing it. And I do think it provides a very effective capability. That is not to say that there are not better ways to do this. And to the extent that the Air Force program comes back and the judgment of the Secretary of Defense is that this is something we need to do, we will certainly adopt it.

Mr. RYAN. General.

General ODIERNO. There are two things we are doing. One is, first we have developed our ability to collect forensics. I believe a lot of people now see that we have the premier forensics lab for sexual assault; I believe in all the services, and we have stood up the ability to analyze data and train our special investigators to collect data. That is first.

Second is we now have special prosecutorial training for this, specifically sexual assault, to ensure that we are training our prosecutors in the key pieces of understanding how you execute sexual assault cases. So it is no longer a brand new lawyer, it is one that has been, for these cases, have been specifically trained.

This Air Force proposal, which we want to wait and see how it turns out, would be somebody else on top of this that would be an advocate for the victim. So we want to see how it works out. There are differing opinions on it. But we absolutely want to see how the pilot turns out, because anything that will help, as the Secretary said, we are very supportive of.

Mr. RYAN. Mr. Chairman, I think it is an opportunity for us to look at this as well from a legislative standpoint. I mean, those of us who studied the law and look at how the intricacies of a courtroom and how people are represented, this current victim does not have the level of advocacy that they need. And they have assistance, and I think that is great, but you need someone walking in there, and this would be the equivalent of a guardian ad litem for a child. You walk in there with somebody who knows the law, has the experience, can go and really advocate.

POST TRAUMATIC STRESS

I have two other questions I will submit for the record on the mind fitness training program that I mentioned to the General. General Amos was here yesterday speaking of the benefits of that

program in the Marines, and I know the Army has been involved, so to continue to help prevent posttraumatic stress. And if you can let us know what the next steps are for you, and if you have reviewed the results of the studies and get back.

Thank you, Mr. Chairman.

Mr. YOUNG. I would like to pursue that with you further, by the way. That seems to be a really important issue that we ought to pay some attention to. Thank you for raising it.

As I go to Mr. Womack, I would like to sneak in a little time here because we are running short. I think the Committee would like to know about the result of the hailstorm that damaged so many of our helicopters and Humvees, to what extent that has affected their ability to be used, how long it is going to take to get them back online.

I will yield to Mr. Womack, and if can you weave in an answer to that issue somewhere along the way, I would appreciate it.

BASE REALIGNMENT AND CLOSURE

Mr. WOMACK. I thank the chairman, and I thank Mr. Secretary and General Odierno for your outstanding service to our country.

BRAC was mentioned a few minutes ago. Mr. Secretary, would you drill down on that just a little bit? I understand BRAC. I know how it unfolds. How do you envision BRAC unfolding the next time around, and what, if anything, would prevent another BRAC from having to occur?

Mr. MCHUGH. Well, the 2014 President's budget requests a BRAC for the Department of Defense for fiscal year 2015. We think that would provide the necessary time to do the very careful analysis that any BRAC should entail. And every service, as has happened in each of the three BRACs that occurred while I was a Member of Congress, approach has been a little bit differently.

For the United States Army, 2005 was a huge BRAC. We did a lot of headquarters consolidation, a lot of military construction, probably bigger muscled movements than any of the other services. Having said that, it really reduced our overall structure by less than 10 percent. So we feel now an additional BRAC in 2015 would provide us, particularly in light of the fact that we are going to be reducing end strength to 490,000 through the end of fiscal year 2017, with the opportunity to get rid of that excess infrastructure.

The only way a BRAC can happen with the kinds of large personnel moves that generally attend a BRAC is through congressional authorization. We are precluded from moving and shutting down bases, except in relatively small numbers.

COMBAT TRAINING CENTER ROTATIONS

Mr. WOMACK. Thank you. General Odierno, given that one of the great combat multipliers we have in our force as compared with other nations is the leadership component, I am really concerned about these CTC rotations and the number of opportunities to train our warfighters and our leader development. I know it is of great concern to you, but this really troubles me.

Yesterday or the day before, whenever we had the Navy and the Marine Corps in here, we talked a little about the impact, a lot about the impact on readiness. Tell me what the impact on readi-

ness is when we are discussing limiting the number of personnel we can send through our combat training centers?

General ODIERNO. Thank you, Congressman, for the opportunity to do this. That is how we certify our brigade combat teams. What it is, it is a scenario driven which is a very complex scenario that prepares them to operate in a conventional, combined arms environment mixed with counterinsurgency and stability operations. But it is how we train our brigade commanders, battalion commanders, company commanders, platoon leaders, our squad leaders, our platoon sergeants. It is a way for them with a quality Opposing Force component that they go against where we have—we have invested in evaluators who help them to see what they are doing, see themselves. And it really is a leader development and unit development test bed where they learn about themselves, they have the opportunity to correct their mistakes, they learn about how well they are doing certain things and they know what to emphasize.

So it is the fundamental baseline for our training, and it is the fundamental baseline for evaluating the readiness and capabilities of our companies, battalions and brigades. And since we are not able to do this, they lose that opportunity, a compressed 1-month training cycle that allows them to work in a very complex environment with resources that we have given to those training centers in order to test them and then learn. And when they don't go through this, I believe it significantly degrades their ability if we ask them to go do a mission, wherever it might be.

So for me they are incredibly important. And it is hard for people to understand, well, you just canceled a training center rotation, but it is a significant impact on the readiness of our tactical forces.

Mr. WOMACK. What assurance can you give this Committee and this Congress that the leaders that we are going to send downrange in the next conflict, in the next deployment, are going to be prepared and ready to execute the mission to the standards that we have today that are enhanced, in large measure, by their capacity to go through CTCs?

General ODIERNO. So obviously, the predictable missions we have, which is Afghanistan, the Sinai, Multinational Force and Observent, all of those, they will go through this training. The issue comes in, is the uncertain and unpredictable deployments we might have to do, and that is what I am worried about. So although we have leaders that—all of our leaders have combat experience and they can use that, but the environment that they have gained that combat experience is very different from the one they might have to go to, say if they have to go to South Korea or have to intervene in Syria or have to intervene in some other conflict. So that is what concerns me.

That is why it is so important. We can mitigate it a little bit by discussion, but discussion is not training. Discussion is talking about concepts, not executing and leading soldiers. That is what they will lose in these combat training centers.

Mr. WOMACK. Thank you. I know I am out of time. I will submit for the record some questions I have about the utilization of the Reserve component in future missions, the cancellation of some missions, and the fact that our reserve component leadership would

like to maintain their operational readiness, and the fact that we may be sending them back to a strategic reserve. So I have some for the record Mr. Chairman, that I will submit for responses.

Mr. MCHUGH. Mr. Chairman, can I just give a couple points on the question you asked——

HAILSTORM RESPONSE IN KANDAHAR

Mr. YOUNG. About the hailstorm?

Mr. MCHUGH. Yes, sir. In case you are unaware, as I was, apparently they have very big hail in Kandahar, Afghanistan. On 23 April, they had such a damaging hailstorm that it disabled 90 of our rotary wing aircraft across virtually the entire inventory, from the Chinooks to the Blackhawks and on and on and on. That took a lot of creativity on the part of the combatant commander, the theater commander, and all the troops on the ground, the Army troops that had charge over those aircraft, repriortized missions in RC south, made sure that close combat support, Medivac and other activities were supported, and did all of that really within the first 48 hours.

The news and the status is now as through the third of May, we have 53 of those 90 aircraft are back online. All but I believe six of the remaining parts and rotary wings are either on their way or have arrived in theater. The other six will be shipped shortly. So we are recovering. The cost of just the damage in that loss was about $26.9 million. That doesn't cover some of the other fixed wing aircraft that were damaged, et cetera.

So a really incredible amount of damage, far more than we are accustomed to, say, in the biggest battle losses of the last 12 years.

Mr. YOUNG. I was really concerned about that, because we are having some helicopter accidents and vehicle accidents, and I just wanted to make sure that we are either repairing or replacing.

Mr. MCHUGH. We are, and mostly new parts. Where they can repair in theater, of course, they are doing that, but a lot of new parts are being shipped.

Mr. YOUNG. Thank you for your response to that.

Ms. Kaptur.

PRE-ENLISTMENT SCREENING

Ms. KAPTUR. Thank you, Mr. Chairman. Thank you, gentlemen, for your enduring service to our country. I have a comment and then a couple issues I would like to highlight.

Number one, General Odierno, you mentioned the embedded behavioral health capabilities that you have instituted in the Army. I will just share with you a comment I shared with the Secretary of the Navy, and that is, that the nature of the volunteer force is such that based on studies we have done on behavioral health, we have a much higher proportion of those entering the service who have preexisting violent experiences in their own lives. That has now come out of studies that have been done.

I would just suggest that in addition to the efforts you are making on embedded behavioral health, that you look at pre-enlistment screening. I don't know, General, if that is being done yet, but I think it relates to the sexual assault issue as well as many other

challenges that we have inside the military and subsequent to discharge.

VETERANS CLAIMS ASSISTANCE

Secondly, I would ask Secretary McHugh if you might help us out in Ohio. Secretary Shinseki was just there the other day in Cleveland, because Cleveland is one of the regions that enormous difficulty in getting disability claims processed, and a major part of the problem is that the records from DOD just are not forthcoming. There are deadlines that are set, and then the records don't arrive from DOD. We have this electronic medical record transfer issue across the country, but I am wondering, Secretary, if you might assign a couple of people to work with us somehow, and then Secretary Shinseki, so we could deal with the backlog in that office in Cleveland?

Mr. MCHUGH. We certainly will take a hard look at that. I can tell you Army-wide, I don't want to speak to a particular State or region, we have reduced, and in fact, have now exceeded DOD's standard of 120 days for Medical Evaluation Board (MEB), Physical Evaluation Board (PEB). And sometimes the problem is we are getting the records out too quickly and where the VA and the DOD link up, there is a bottleneck and we are trying to work through that. So let us take a look at your experience.

Ms. KAPTUR. Well, I don't think Cleveland ranks in your success stories right now. I just wanted to put that on there and ask for help.

Mr. MCHUGH. Fine. We will be happy to take a look at that.

Ms. KAPTUR. I know the Secretary of the Veterans Administration is very interested in helping, and the Army man that he is, we may actually be able to get this done.

INDUSTRIAL BASE—TANK PLANT

Thirdly, I wanted to focus on industrial base issues. I will submit for the record a question about how you view the importance of maintaining the industrial capability of the Lima, Ohio Joint Systems Manufacturing Center, commonly referred to as the Lima tank plant, as a sustainment level in order to respond to urgent needs such as the conversion of the Stryker vehicles from the flat bottom to the double V hull.

PROPULSION

But I wanted to put it in a broader context, and again invite out the respective personalities from the Army. If we look at the propulsion, the over ground propulsion capabilities of this country, they are housed in the region that I represent. Not far from us is the Warren tank plant, and then we have the Lima tank plant in Ohio itself. As you move across that region, you have all of our truck platform manufacturing capability.

But importantly related to that are machining and our strategic metals capabilities. And if we look at machining in our power train systems, it would be very interesting to find the people at DOD, starting with Army, that care about this—it is not so easy to find them, they are buried in different places in a massive depart-

ment—and to really take a look at where our shortfalls lie, and to listen to the people who are in the industry.

STRATEGIC

Having had personal experience over a number of years now just in the strategic metals area, what it takes to get a focus at the department overall let's say on a metal like beryllium. We succeeded there. It has been a brutal, most brutally difficult task. We have got magnesium, titanium, all the "ums," aluminum and all their composites, and what it takes to make something that really works and what is happening to those capabilities nationally?

It would be really wonderful to be able to have a team of people to look at this and to be strategic about what we do so we can focus on where industry needs to go and where the military wishes to go.

So I would just—I passed legislation years ago when Ron Dellums was the chairman of the committee on the House on the authorizing side just on strategic metals. And the DOD was so focused on composites, they forgot about—literally there was no focus for it.

So I am asking you, Mr. Secretary, if you could think about this with us, and perhaps have, from your defense industrial side, a team of folks that we could look at to see how capable we are on the industrial base side focused on a part of the country that has the endowment for over-ground transportation.

Mr. MCHUGH. I appreciate that.

Mr. YOUNG. Ms. Kaptur, if I could interrupt, would it be acceptable for you to respond to Ms. Kaptur's questions on the record since we are approaching the deadline that you set for coming to the end of this hearing? I think we are like are like 2 minutes from that.

Mr. MCHUGH. Can we extend the deadline by 10 minutes, because I know my good friend from Virginia is here, and I don't want to cut him off, at great peril because I actually live in his district. Would that be all right?

INDUSTRIAL BASE

I will just give an Industrial Base brief response to the gentlelady because she raises a critical point, and it is something that we are very concerned about. One of the challenges we have at the Department is every time we make an analysis, everybody disagrees with us. So what we have tried to do, not just at the very important plant in Lima, Ohio, and we have, by the way, been working with General Dynamic Land Systems there to try to maximize the throughput there through foreign military sales and other kinds of programs, some of which you mentioned, to make sure that we maintain those critically highly-skilled jobs, but throughout our entire industrial base.

One of the things we have done is a contract with A.T. Kearney, which is an industrial process and analytic firm for the industrial base, to look the look at the very questions you raised, to identify single points of failure, to make sure that when we use the phrase "highly-skilled labor," we know what we are talking about, and that it actually is.

So what I would suggest respectfully is maybe we could weave you into that and you could get a feel for how that is turning out and make any suggestions you might have or approach it in a different way. I think you would find it both interesting and valuable. We are also working with the Department of Defense, they have what is called a sector-by-sector, tier-by-tier analysis, where they, too, from the department-wide perspective are looking at the failure points and the critical points of the industrial base.

So what I would like to do first is kind of get you read into those, and then to the extent and whatever path you would like to continue that, we could work with you some more.

Ms. KAPTUR. Mr. Chairman, I just want to say like yesterday when we had the Navy up here——

Mr. YOUNG. If you could expedite it. We have two members left and 9 minutes to go.

Ms. KAPTUR. I just wanted to say when the Marine Corps was here yesterday, and they have the vehicle that they want to be manufactured, and you look at what Army's needs are, I say to myself from the standpoint of the industrial base, where can that be integrated?

Mr. MCHUGH. We have a joint program with the Marines, JLTV, Joint Light Tactical Vehicle. We are hand-in-glove on that, for the very reasons that you state, ma'am.

Ms. KAPTUR. Thank you, and I accept your offer, Mr. Secretary.

Mr. YOUNG. Thank you very much.

Mr. Moran.

TRICARE

Mr. MORAN. Thank you very much, Mr. Chairman, and thank you, Mr. Secretary, for the additional time. You never ask for anything though. LaTourette used to always ask for something.

Anyway, so I asked my staff what issue has not been raised that would get me in the most trouble and, of course, it is TRICARE proposals that you have included in your budget in the hopes of stemming some of this very dramatic increase in military health care costs particularly.

So we are getting any number of letters that suggest that you are breaking faith with our service members, balancing the budget on the backs of retirees. They love that alliteration. So I want to put some things out here and see if this is the case.

First of all, what you are suggesting for TRICARE, it excludes all current service members?

Mr. MCHUGH. That is correct.

Mr. MORAN. All of the survivors of military members that died on active duty?

Mr. MCHUGH. Correct.

Mr. MORAN. All medically retired members?

Mr. MCHUGH. Correct.

Mr. MORAN. And, of course, it has got a cost ceiling so you don't have to pay more than is affordable. It was phased in over any number of several years, and it even excludes any current TRICARE for life enrollees. So all of those are things that we don't see in the letters complaining about the proposal. And there also seems to be an awful lot of confusion about who is affected. In to-

day's force, about 83 percent of our current service members don't get retirement benefits.

Mr. MCHUGH. Correct.

Mr. MORAN. Or generally access to TRICARE at all. And if you retire from active duty as a result of injury, then you do have access to TRICARE, but then your proposal exempts all those folks.

Mr. MCHUGH. Correct.

Mr. MORAN. Veterans Administration benefits, of course, go to all members who have medical needs up to 5 years after leaving.

Now, I want you to address that, because this is going to be a real controversial thing. We have lost in the past—and now we have also got the flag officers, and I can't go near a country club anymore because they want to raise that. I went to the realtors yesterday and there was a military retiree and that is all he wanted to talk about. He didn't care about the real estate market. But they suggest that there is patent discrimination because you are creating separate TRICARE pay tiers. In other words, you are asking flag officers to pay more than other officers and senior enlisted service members.

Can you now address the hundreds of letters we are getting on those proposals?

Mr. MCHUGH. I will start and then defer to the Chief, because particularly on the issue of the flag officers it was a matter of some discussion, as you might well imagine.

Mr. MORAN. It is best to hear from a flag officer himself.

General ODIERNO. Who will soon be paying the fees that we are recommending.

Mr. MCHUGH. Mr. Moran, you are absolutely correct in your description of all the categories that would be exempted from these increases to TRICARE, including active military. We did that very purposely, and I will be very frank as well when I say that we wish we didn't have to do this. It is not something that we feel is anything but essential.

As is occurring in the civilian medical sector, it has slowed down somewhat, but the cost of delivering medical care to TRICARE recipients has exploded in recent years. And as the Chief noted in his opening comments, today for every dollar the United States Army spends, nearly 45 cents of that goes to personnel costs, a huge part of which can be associated with the Defense Health Program and our later costs that come through the Department writ large. At some point, the personnel costs in the Army are going to shove aside virtually everything we have to do operationally.

What these programs would do, what these increases would do is simply begin to return the out-of-pocket expenses to what they were when those great soldiers were made that promise they are referring you to. We have had, with the exception of just last year where this Congress thankfully did provide us some relief, but apart from that, there has been little to no increase in what people pay. And if folks who may be affected, who I understand are concerned, would sit down and look at the most that these proposals would extract and compare that to the private sector, I think by any measure, the TRICARE program would continue to be enormously generous, and that is what we want and that is what we feel these soldiers and their families have earned.

General ODIERNO. If I can comment specifically, we have done it by percentages. So it is 0.5 percent of your gross retired pay in fiscal year 2014, raising it 2 percent in fiscal year 2017. But there are ceilings. So the ceiling is $150 in fiscal year 2014, raising to $600 in fiscal year 2017 for most beneficiaries a year. Now, I want to say that is a year, not a month. That is a year.

Then for flag officers, the maximum is $200 in 2014 and $800 in 2017. So I have got to admit, I have been a career military officer, I haven't had to deal with this until my son, I had to start paying because he got old enough and he wasn't quite at a point yet to pay his own health care. If I could pay $100 a month for his health care, I would be joyous, and I think you all understand that.

So I don't think it is unreasonable, especially for a flag officer, to pay $800 a year for TRICARE for life, based on the retirement and gross retirement pay they have. I think it is reasonable. It allows us to stop the rate of increase of benefits and slow that down, and it is going to allow us to invest more in our Army and allow us to—if we don't do it, we are going to have to decrease the size of the Army just because of the cost of each soldier, the average cost of every soldier that we have.

So I think these are reasonable requirements. I stand up and talk to retirees. When I talk to them about it, I think it is very reasonable and that they should really be supporting us, because it is about supporting the future of the Army frankly as we move forward. So I feel pretty strongly about it.

Mr. MORAN. Thank you, General. Thank you, Mr. Secretary, very much. Thank you, Mr. Chairman.

Mr. YOUNG. Thank you, Mr. Moran.

Secretary McHugh, General Odierno, thank you very much for a good hearing. We appreciate your direct responses to our questions. And thank you very much, both of you, for your many, many years of dedicated service to the security of our Nation.

We made your extended deadline, Mr. Secretary. The Committee will reconvene here in room H–140 tomorrow morning at 9:30 a.m. Get that, 9:30, as opposed to 10, at which time we will receive testimony on the 2014 budget for the United States Air Force.

And after all of that, the Committee is adjourned.

[CLERK'S NOTE.—Questions submitted by Mr. Crenshaw and the answers thereto follow:]

ARMY COMMAND TEAM IN JORDAN

Question. General Odierno, from your experience as Assistant Division Commander in the 1st Armored Division, how will soldiers from Division Headquarters help the Jordanian government and its citizens with the tremendous challenges they face regarding their refugee situation and spill-over violence from Syria?

Answer. An Army Division Headquarters (HQ) possesses a wealth of talent and capabilities that can support a wide array of missions and conflicts. The Division HQ is the Army's primary tactical level war fighting headquarters and brings valuable planning and organization experience. As a result, the division headquarters can plan and conduct Army, joint, and multi-national operations more effectively, including counter-insurgency and stability, security, transition and reconstruction operations (SSTRO).

The 1st Armored Division Headquarters is especially suited to participate in the regional security efforts in Jordan, as a headquarters regionally aligned to U.S. Central Command. This regional alignment will serve to build lasting relationships upon which the Combatant Commander can build to meet future requirements. The 1st Armored Division Headquarters will bring needed capabilities to the effort and

will work in concert with other U.S. military personnel currently serving in Jordan in order to provide cohesive and coordinated support to our Jordanian counterparts in many areas of mutual interest, but particularly in the area of humanitarian assistance for Syrian refugees. In concert with the Jordanian counterparts, we can assist in planning and organizing a myriad of stability operations to include refugees and spill over violence from Syria.

Members of this Headquarters will also participate in Eager Lion 13, an annual regional training exercise led by the U.S. and the Kingdom of Jordan. Eagle Lion13 strengthens military-to-military relationships of more than 19 partner nations through a joint, whole-of-government, multinational approach, integrating all instruments of national power to meet current and future complex national security challenges.

Question. How will we ensure the Jordanian military is ready for the tasks ahead of it?

Answer. Our efforts to increase the capacity of the Jordanian military is defined by the Foreign Military Financing (FMF) allocated as part of the National Defense Authorization Act, our military to military engagements (including International Military Education and Training or IMET), and our participation in Joint, Combined, and Multinational exercises with Jordan.

An Army Division Headquarters (HQ) possesses a wealth of talent and capabilities that can support a wide array of missions and conflicts. The Division HQ is the Army's primary tactical level war fighting headquarters and brings valuable planning and organization experience.

We have partnered with the Jordanian military and are conducting numerous training exercises with them. We have focused on pre-deployment training of Jordanian Task Forces as part of Jordan Operational Deployment Program. We also focus on Human Capital (NCOs, Women's affairs, leadership), enhanced interoperability in key areas, and most recently developed closer ties through bilateral contingency planning and preparation as it pertains to regional stability.

Members of this Headquarters will also participate in Eager Lion 13, an annual regional training exercise led by the U.S. and the Kingdom of Jordan. Eagle Lion 13 strengthens military-to-military relationships of more than 19 partner nations through a joint, whole-of-government, multinational approach, integrating all instruments of national power to meet current and future complex national security challenges. During FY14 we will continue and refine current efforts, and add military engagements that focus to enhancing consequence management capacity.

Question. In your opinion, what are the critical skills/equipment this unit provides to the Jordanians?

Answer. This U.S. Army element is capable of providing operational planning and command and control support for a variety of missions including, but not limited to, humanitarian assistance efforts and stability operations. This element will assist Jordan in operational planning for areas of mutual concern such as preventing regional instability, refugee assistance, and concerns related to unconventional weapons.

Question. We understand this planning staff is not intended to serve as command post for future military intervention, but how do you believe it will be seen by other governments and non-state elements in the region?

Answer. The Headquarters in question arrived in Jordan in advance of a Joint, Combined, Multinational exercise that will include the participation of a number of foreign militaries from around the world. We expect the arrival of this planning staff to be seen as a valid military necessity to command and control the U.S. forces assigned to participate in this Jordan-led exercise.

A Division HQ is the Army's primary tactical level war fighting headquarters and brings valuable planning and organization experience. As a result, the division headquarters can plan and conduct Army, joint, and multi-national operations more effectively, including counter-insurgency and stability, security, transition and reconstruction operations (SSTRO). It provides command and control over Army forces engaged in decisive and shaping operations, identifies requirements, and establishes priorities of support for Army forces conducting sustaining operations. When designated by competent authority, the Division HQ receives Army, Joint, or other service augmentation and transitions to form a Joint Task Force to command and control smaller scale contingencies operations in a Joint Operational Area. Both allied and hostile regional actors are aware of the capabilities of a U.S. Army Division HQ and are aware of the capacity and flexibility that the presence of one gives the U.S.

ARMY'S PLAN TO RETURN EQUIPMENT FROM AFGHANISTAN

Question. As we withdraw US forces from Afghanistan, how much of the 750,000 major items of equipment does the Army's Surface Deployment and Distribution Command (SDDC) plan on leaving in Afghanistan and how much are we transporting back to the states?

Answer. The Army uses a deliberate planning process to determine what equipment to retain or divest. The majority of the retained equipment will return to the United States to support present and future Army requirements.

In December 2012, there were approximately 1.54 million pieces of property valued at $28 billion in Afghanistan. The Army is executing its plan to retain approximately 907,000 pieces of that equipment valued at $21.2 billion and divest approximately 643,000 pieces of that equipment valued at $6.8 billion.

The Military Surface Deployment and Distribution Command (SDDC) is the Army Service Component Command of the U.S. Transportation Command that assists with the planning and executing of transporting equipment. After a collaborative Army effort, the Army G–3 approves what equipment will remain in Afghanistan and what will be returned to the United States, not SDDC.

Question. Is the Army's drawdown goal still to move 1,200 pieces of equipment by railway and 1,000 non-rolling stock pieces per month (assuming Pakistan Ground Lines of Communication and Northern Distribution Network are open)?

Answer. USFOR–A retrogrades equipment using Multi-Modal routes, Pakistan Ground Line of Communication, Northern Distribution Network, and direct air. While USFOR–A no longer uses the specific metric of 1,200 pieces of Rolling Stock and 1,000 twenty-foot equivalent units (TEUs) as retrograde goals per month, USFOR–A sets retrograde goals that are tied to the actual force reductions in theater.

With more fidelity on drawdown of forces and the associated units and personnel ending their mission in Afghanistan, USFOR–A has more accurate monthly projections. While the specific numbers are classified, USFOR–A's monthly projections show that on average they plan to exceed the original 1200 pieces of Rolling Stock and 1000 TEUs through February 2014.

In December 2012, there was approximately 1.54 million pieces of Army equipment valued at $28 billion in Afghanistan. The Army's plan was to retrograde approximately $21.2 billion worth of that equipment (907,000 pieces). As of May 1, 2013 the Army has approximately 1.33 million pieces of property in Afghanistan valued at $25.0 billion, of which we plan to retrograde $18.7 billion worth of that equipment (734,000 pieces).

Our goal is to retrograde all $18.7 billion worth of equipment by December 31, 2014, except for any equipment required for an enduring force.

Question. Do we know the routes and ports to be used for their return?

Answer. US Transportation Command (USTRANSCOM) is presently using multiple routes and ports to return Army equipment from Afghanistan. Using multiple routes and ports allows USTRANSCOM to retain operational flexibility and avoid any single point of failure.

The expanded use of the Pakistan Ground Line of Communication allows for enhanced retrograde velocity and volume while reducing costs. Commercial contracted carriers move equipment through Pakistan to the Port of Karachi where it is loaded onto ships for onward movement to the United States.

USTRANSCOM also uses multimodal routes through Dubai, Jordan, and other countries. In multimodal operations, equipment is moved via commercial or military aircraft to sea ports where the equipment is then loaded onto ships for return to the United States.

The Northern Distribution Network is being used and, while it is important for cross border relationships and stability operations, it is not significant to achieving the required retrograde velocity or volume needed for successful retrograde operations. Equipment is transported via ground directly to seaports or is loaded onto railcars for movement to seaports before being loaded onto ships for return to the United States.

Direct air is a fourth means being used to return equipment. The equipment is flown directly from Afghanistan to the United States.

USTRANSCOM has stated the available lines of communication have sufficient capacity to fully support retrograde operations.

Question. As you develop this plan, can you please keep my office informed?

Answer. Yes, we will keep your office informed. We will be prepared to come brief you or your staff in person as desired.

[CLERK'S NOTE.—End of questions submitted by Mr. Crenshaw. Questions submitted by Mr. Calvert and the answers thereto follows:]

GROUND COMBAT VEHICLE

Question. What assumptions regarding future strategic lift capability did the Army make that led to the decision to not require the GCV to be transportable in a C–130?

Answer. The Ground Combat Vehicle (GCV) will replace the M2A3 infantry fighting vehicle in the ABCTs. The M2A3 does not require C–130 transportability; therefore, the GCV also does not require C–130 transportability. Strykers can be delivered by C–130. The Armored Brigade Combat Teams (ABCTs) require strategic airlift and sealift in order to deploy. C–5 and C–17 aircraft provide strategic airlift for ABCTs. Once deployed to an area of operations, the ABCT is usually transported through a combination of rail and heavy lift trailer trucks to a forward assembly area. Depending on the mission, the ABCT could use a C–17 aircraft to expedite deployment to an assembly area due to mission critical requirements.

Question. Please provide the Subcommittee with any relevant information that would counter the proposal, contained in an April, 2013 Congressional Budget Office report, recommending the use of the Puma Infantry Fighting Vehicle as a less expensive, faster, and more capable alternative to the GCV.

Answer. The Congressional Budget Office (CBO) seems to have based its analysis on previously released programmatic documentation that does not reflect the current status of the program. The CB0 report did not address the technical risks of modifying the Puma for either basic US use or to meet GCV requirements. The Puma has good lethality, ride quality and mobility, but has the smallest squad capacity of all the Non-Developmental Vehicles (NDVs) assessed and does not address Manpower and Personnel Integration concerns such as Soldier size. Force protection is also lacking when compared to the GCV requirements. The Puma has an approximately 4.5% growth margin today. This would be rapidly utilized by our Network demands, which would result in little to no future capacity and require a major modification of the power-train system to maintain network and counter improvised explosive device (C–IED) capability. Finally, the savings offered by CB0 for procuring NDVs do not account for second-order effects of those strategies (additional personnel, training, facilities and logistics). These long-term costs traditionally far outweigh the initial production costs.

Question. What are the costs associated with the extension of the Technology Development phase by six months and delaying the Milestone C decision by one year?

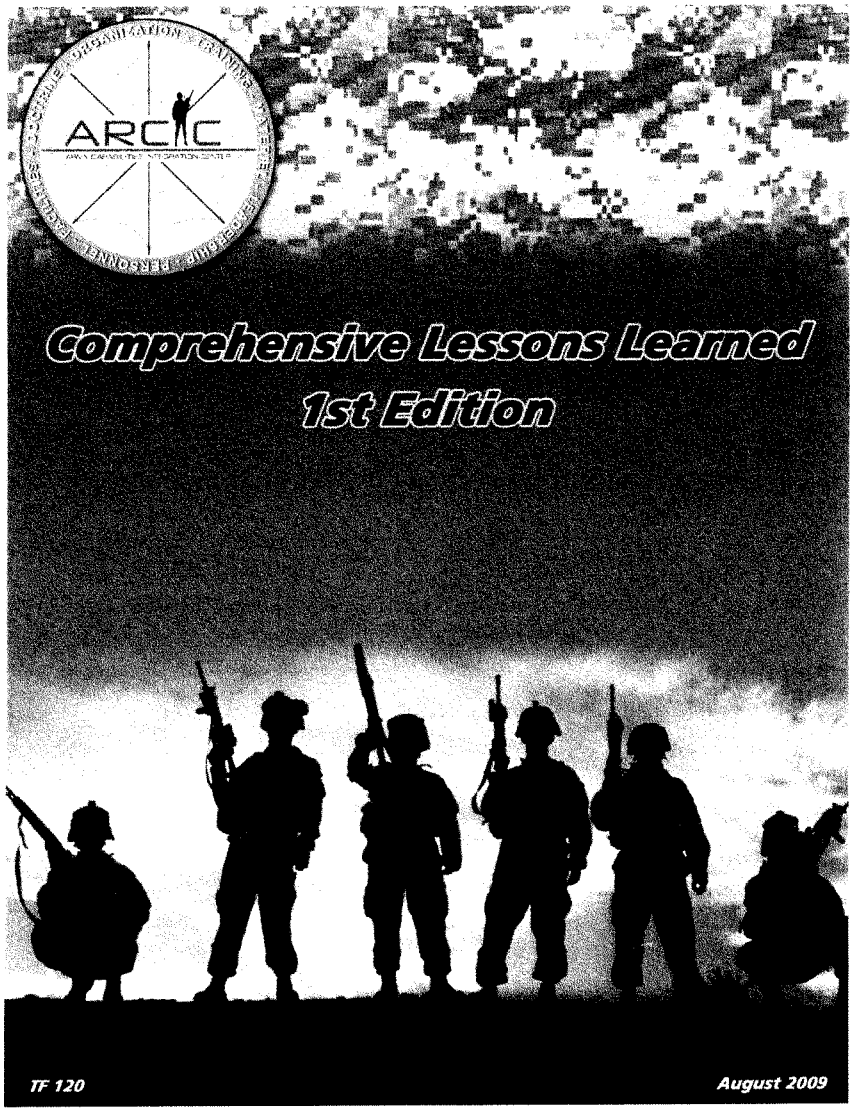
Answer. Due to budget uncertainty and the implementation of Sequestration the Army has been forced to make significant decisions about the GCV program. These changes have resulted in a $1.95 billion (B) net reduction to Research, Development, Test, & Evaluation (RDT&E) costs. The strategy changes reduce overall cost and technical risk. The Army awarded Un-definitized Change Orders (UC0s) to BAE and GDLS in April 2013 with Not-To-Exceed values of $160 million (M) and $180M respectively. Negotiations are estimated to be complete in October 2013, at which point the final values for the UCOs will be set. The overall reduction of $1.95B in RDT&E accounts for the extension of the TD phase and the lengthening of the Engineering and Manufacturing Development phase (overall delay to Milestone C of approximately one year).

Compounding this challenge is the focused effort to ensure the GCV program stays on schedule while facing unknown reductions due to the Budget Control Act.

Question. If there is a formal After Action Report or Lessons Learned document pertaining to ground vehicle acquisitions that was used in designing the GCV acquisitions program, please provide a copy to the Subcommittee.

Answer. The Ground Combat Vehicle (GCV) Program referenced lessons captured in a formal Lessons Learned document produced by the Army Capabilities Integration Center Task Force 120 in August 2009. This documentation will be provided to the Subcommittee under a separate cover. The GCV Program Plan also incorporates lessons learned from Future Combat Systems, Mine-Resistant Ambush Protected vehicle (MRAP), Joint Light Tactical Vehicle (JLTV), and Joint High Speed Vessel (JHSV). Lessons learned from MRAP, JLTV and JHSV were captured through interviews with personnel working on those programs.

[CLERK'S NOTE.—End of questions submitted by Mr. Calvert. Questions submitted by Mr. Bonner and the answers thereto following:]


ARCIC
Comprehensive Lessons Learned
1st Edition
TF 120
August 2009

Purpose

This white paper provides a comprehensive Lessons Learned summary from more than seven years of War in Iraq and Afghanistan to inform the Army's capabilities development and integration activities.

Introduction

We are an army at war ... an army that has been fighting for over seven years. What have we learned in this period? We have learned that this conflict is a competitive learning battle against adaptive adversaries who fight by their own rules amongst the local population. Operations will be conducted "among the people" and outcomes will be measured in terms of effects on populations.[1] The environment drives the Army to continuously adapt in order to succeed. In warfare, the side that learns faster and adapts more rapidly—the better learning organization—usually wins.[2] Throughout this conflict, there have been numerous non-lethal (e.g. cultural awareness) and lethal (e.g. Improvised Explosive Devices) challenges to cope with. As we contemplate the current and future operational environment, including possible adversaries, we must translate fact-based lessons into new or sustained actions to make them lessons learned. No military can remain stagnant and expect to prevail on today's battlefield. The active solicitation and validation of lessons learned directly affects our Army's ability to adapt and succeed.

Key insights derived from lessons learned help to shape our Nation's perspective, strategic direction, and necessary improvements to both the Operating Force and Generating Force. During this era of Persistent Conflict, several sources of information provide relevant and competing insights on lessons from the Wars in Iraq and Afghanistan, as well as insights gleaned from operations by other land forces. We must be cognizant of the wide variety of sources, recognize divergent perspectives, and seek to assess the numerous strategic, policy, programmatic, operational, tactical, acquisition, and analytical lesson learned inputs that could potentially inform and influence our decisions. Lessons learned that we accept and action must be based on facts.

Problem Statement

A fact-based approach to lessons learned is needed for implementing the highest payoff actions, sustaining hard won gains, minimizing the likelihood that our Army will learn the wrong lessons, and limiting emotions that could cloud risk management.

Defining Lesson Learned

A lesson is defined as knowledge or understanding gained by experience; it is learned when this understanding is put into action. The Army has acted upon every lesson learned listed to some degree (i.e. each need listed has been met all or in part). However, some lessons learned still require more action and resources to sustain or improve. To be useful, a lesson learned should be significant, valid, applicable, and describe a problem or issue that the Army may potentially leverage for successful change. A lesson learned is not simply restating or paraphrasing existing doctrine, policy, or process. There are several criteria that can assist decision makers in identifying useful lessons learned. They include: fact-based, credibility, relevance, significance, effectiveness, process relationships, and/or costs.

Key Lessons Learned Across Strategic, Operational, and Tactical Realms

Strategic

- People are the Nation's most valuable asset in prosecuting wars in Iraq and Afghanistan.[3] The need to sustain the All-Volunteer force includes our Soldiers, Families, and Army Civilians during a prolonged period of persistent conflict. Need to ensure that our People have the quality of life that matches the quality of their service. Need to recruit and sustain a high quality force.[4]

- Our Army must prepare our Soldiers, units, and equipment and maintain a high level of readiness aligned with mission for the current operational environments, especially in Iraq and Afghanistan.[5]

- Generating Force must change to accommodate challenges of an expanded 1.1M force and to meet demands of the changing security environment.[6] All institutional processes must adapt to support ARFORGEN for sustained rotations by synchronizing personnel and equipment aligned to directed readiness levels while achieving shorter timelines to deliver solutions.

- Reset of the Army operational force is an essential ARFORGEN component. To reset our force, we must prepare our Soldiers, units, and equipment for completing current operations and future deployments / contingencies.[7]

- A broader, government-wide response is the key to strategic resolution. There is a need for greater clarity in identifying roles, responsibilities and coordinating mechanisms among government agencies as well as expanding the capacity of several agencies.[8]

- U.S. needs to prepare for the drawdown of forces in Iraq without sacrificing the readiness of Army forces. Efficient and effective drawdown must address relocating thousands of personnel and billions of dollars worth of equipment; closing hundreds of facilities; and determining the role of contractors.[9]

- Failures in supply discipline and contract management have encumbered Army acquisition system performance and resulted in waste, fraud, and abuse.[10]

Operational

- Developing capabilities that help improve the capacity of the indigenous government and its security forces to successfully wage counterinsurgency campaign requires adequate resources.[11] This includes developing indigenous government and security force capabilities in the areas of: police forces, border security, ground combat, air strike, intelligence, command and control, information operations, and civil-military activities.[12]

- Trained, disciplined, and well rehearsed units with clear objectives, networked forces, and actionable intelligence are essential to counter irregular or hybrid threats.[13]

- Irregular operations and hybrid threats pose major challenges even for technologically advanced militaries. While materiel solutions can assist, these challenges are best met with skilled leaders and Soldiers conducting joint and combined arms operations.[14]

Tactical

- Need for combined arms formations with mounted and dismounted forces in urban areas for mutual protection.[15]

- Need for support formations to train with maneuver force and deploy with equipment usually considered for maneuver formations (e.g. individual/crew-served weapons, night vision devices, communication gear, optics, infrared aiming devices, and indirect-fire capability).[16]

- Need for information operations that match words to deeds, deliver the truth "first," and build/sustain momentum.[17]

- Need for stand-off detection of explosives and explosive precursor components.[18]

- Need for appropriately employed technology, e.g. Unmanned Vehicles (air and ground), combined with networked C2 to provide real time situational awareness and air-ground integration.[19]

- Need for responsive, persistent, and precise fires to counter fleeting targets and reduce collateral damage.[20]

- Need to synchronize rapid/new equipment fielding to deploying units to ensure training before arrival in theater.[21]

Key Lessons Learned by DOTMLPF Categories

Doctrine

- Need for new or updated doctrine and concepts to address the fundamental manner in which the Army organizes, mans, trains, equips and conducts operations across the full spectrum of conflict.[22] In particular, doctrine revisions for counterinsurgency operations, stability operations, urban operations, full spectrum operations, security force assistance, and training for full spectrum operations.

Organization

- Need to develop versatile formations capable of conducting offense, defense, and stability operations or civil support operations simultaneously.[23]

- Need for improved balance across Active and Reserve components to address high demand/low density capabilities (e.g. SOF, INF, AVN, MP, MI, CA, and EN).[24]

- Need to add a third maneuver battalion to modular brigade combat team (BCT) design. [25]

- Need for sharing information in real time across and between Army formations using network.[26]

- Need to develop and field new organizations (e.g. Human Terrain Teams) to provide commanders a more holistic perspective on operations conducted among the population.[27]

- Need to embed specialties (e.g. IO, PAO, Civil Affairs, PSYOP, EW) into existing formations while informing commanders through leader development on the requirements associated with these specialties.[28]

- Need to develop new (e.g. University of Foreign Military and Cultural Studies, etc) and modify existing (e.g. Futures Center) organizations in the Generating Force to empower adaptation of operating forces.[29]

- Need to establish new Generating Force organizations to provide Army-wide solutions for complex or asymmetric challenges (e.g. rapid equipping and fielding, capabilities integration, and identification of mines and improvised explosive weapons).[30]

Training

- Need to develop and/or refresh leader competencies in training management, reestablish leader responsibilities for full spectrum operations training, and rapidly replicate the complexities of the contemporary operating environment at home station and Combat Training Centers.[31]
- Need to allow greater tailoring of directed skill requirements during the Army Force Generation Cycle (ARFORGEN) cycle.[32]
- Need for broader skills for interpersonal and information engagement, political and economic assessment, and infrastructure repair.[33]
- Need to incorporate other organizations (e.g. Department of State, USAID, PRTs, etc.) into training and education events.[34]
- Need for cultural awareness and language proficiency as a priority throughout the Army.[35]
- Need to establish an enduring capability to train combat advisors.[36]

Leadership and Education

- Need for institutionalized development programs to promote adaptive decision making and creative problem solving at all levels. Skills such as combat advisory capability, red teaming, counterinsurgency tactics, and security assistance.[37]
- Need to develop leaders prepared to confront hybrid, decentralized, networked threats and lead operations across the full spectrum of conflict.[38]
- Need to develop leaders who can frame ill-structured, complex problems in order to anticipate change, create opportunities, and manage transitions over extended time periods.[39]
- Need to develop leaders who understand and can operate in the evolving Joint, Interagency, Intergovernmental, and Multinational environment.[40]
- Need to develop leaders competent in their tactical skill sets but who appreciate the shifting balance between the tactical and operational art.[41]
- Need to develop leaders who are committed to coach, teach, and mentor their subordinates in modular organizations through repetitive cyclic deployments to build the bench of future leaders of our Army.[42]
- Need to adequately train lower-level unit leaders to recognize and identify changes in behavior that may be indicative of a problem.[43]

People

- Need to rebalance Active and Reserve components of the force to provide versatile mix of forces while meeting increased requirements in a resourced-informed manner. Increased demands from the theater include: INF, AVN, EN, MI, MP, SIG, MED, ORD, TRANS, CA, PSYOP, and SF.[44]

- Need for continuous reevaluation of recruitment, retention, promotion and separation programs to maximize the potential of individual Soldier and ensure the quality of and sustain the All Volunteer Force during unprecedented rotations to combat.[45]

Facilities

- Need to construct new, enhanced, and more realistic training facilities (e.g. MOUT, driving range, etc.) and update institutional processes (e.g. range operations, ammunition forecasting, etc) to better reflect the contemporary operating environment.[46]

- Need to establish facilities for an enduring capability in Generating Force to train combat advisors.[47]

Materiel

- Need to develop and field extensive equipment for individual Soldier protection.[48]

- Need to develop and field extensive equipment for force protection and vehicle survivability to allow protected mobility along predictable routes.[49]

- Need to equip Soldiers with the precision non-lethal and lethal means, advanced situational awareness systems, and ability to share information in real time across formations.[50]

- Need capacity to rapidly adapt aircraft lethality and survivability equipment to threat changes.[51]

- Need to increase ground and air vehicles' electrical power and data capacity to meet demands of new or added technologies at reduced overall weight (size, weight, and power constraints).[52]

- Need to use an incremental approach to vehicle development to allow for expansion of network and adding new technologies (e.g. advanced armor) as they become available.[53]

- Need for protecting essential friendly locations from rocket, artillery, and mortar fires.[54]

- Need for rapid acquisition cycle from operational requirements determination through fielding of materiel solutions using both Service and Joint assets without "requirements creep."[55]

- Need to reduce the weight of personal protective equipment (PPE) to lighten the Soldier's load to improve survivability, extend endurance, and prevent injuries.[56]

Conclusion and Way Ahead

The U.S. Army has addressed the needs listed in these lessons learned (all or in part). As our aim shifts, we continue to assess the comprehensive lessons learned from over seven years of war to sustain or improve. While lessons can come from a wide variety of sources, a summary of these disparate efforts is vitally important to ensure that we distill and refine competing sources of data. Not all pieces of information are accurate or appropriate for Army wide action. We must review and provide fact-based assessments to establish a comprehensive set of lessons learned to ensure that we are learning the right ones.

The wealth and quality of data from seven years of war is extremely important to help our Army adapt as the operational environment and our adversaries continue to change. Comprehensive lessons learned from the edge of the battlefield must drive the changes needed for the Operating and Generating Forces. Leading from this edge will help us keep pace with the operational environment, drive adaptability, and serve as a foundation for Army innovation. It is about driving fact-based adaptability with fact-based solutions for current and future operations.

Submit requests for source materials, comments, or recommendations to the Army Capabilities Integration Center.

ANNEX	INFORMATION	SOURCE	GATEKEEPER
ANNEX A: Capabilities Needs Analysis	Capabilities Needs Analysis FY 11-15 Ordered Capability Gaps	TRADOC Capabilities Needs Analysis FY 11-15	Capabilities Assessment Division, ARCIC
ANNEX B: Warfighters Forums	Selected Warfighter Forum briefings on challenges in theater	FORSCOM Units	Operations, Plans and Policy Directorate, ARCIC
ANNEX C: Government Accountability Office	Contains selected GAO reports from 2007 to 2009	GAO publications	Operations, Plans and Policy Directorate, ARCIC
ANNEX D: Congressional Research Service	Selected CRS reports 2008	Congressional Research Service	Operations, Plans and Policy Directorate, ARCIC
ANNEX E: Centers of Excellence	Prioritized Capability Gaps and lessons learned	COEs	Operations, Plans and Policy Directorate, ARCIC
ANNEX F: Strategic Studies Institute (SSI)	Contains selected SSI reports 2007	Strategic Studies Institute	Operations, Plans and Policy Directorate, ARCIC
ANNEX G: Combat Studies Institute (CSI)	Selected CSI reports 2006	Combat Studies Institute	Operations, Plans and Policy Directorate, ARCIC
ANNEX H: RAND Corporation Studies	Selected RAND Corporation Studies	RAND Corporation	Operations, Plans and Policy Directorate, ARCIC
ANNEX I: Analytical Studies	Contains selected Analytical Studies 2003 to 2006	Center for Strategic and International Studies and Army War College	Studies Division, ARCIC
ANNEX J: Classified Analytical Studies	Contains selected classified studies	Various sources	Studies Division, ARCIC
ANNEX K: Logistics and Sustainment	Consolidated lessons from operations	Various sources	Force Development Directorate, CASCOM
ANNEX L: Combat Vehicles Data	Lessons derived from operations	Multiple Databases	TRAC White Sands Missile Range
ANNEX M: Center for Army Lessons Learned	Lessons learned summary	CALL	Operations, Plans and Policy Directorate, ARCIC

All classifications and restrictions on access to source information still apply.

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UH–72 LAKOTA

Question. By all accounts, the Army has a substantial problem of underfunded Operations and Maintenance accounts, which has forced you to make hard decisions. Early reports on your reprogramming document and OCO request clearly indicated that your procurement, R&D and personnel accounts are being leveraged as bill payers to cover O&M.

Is this a reasonably accurate description of the Army's challenge?

Answer. Yes. The shortfalls in our Operation and Maintenance Army (OMA) account were due to three factors: the effect of the continuing resolution, the impact of sequestration, and the higher than expected costs related to Operation Enduring Freedom (OEF). As a result, the Army has leveraged procurement, Research and Development, and military personnel accounts to fund the OMA OCO shortfalls needed to support OEF.

Question. The UH–72A is the least expensive helicopter in DoD production to procure, operate and has superior operational availability. The Lakota program has never missed a delivery and has remained on cost thru the entire program. It would seem counterintuitive to cancel our most successful and cost-effective rotary-wing aircraft program. Could you explain why the Army recommends reducing UH–72A procurement, as well as what your plans are for the Lakota's currently operating in the active component?

Answer. The UH–72A was purchased for the active Army and Army National Guard (ARNG) to replace Vietnam-era helicopters in permissive environments only. As a commercial aircraft, the UH–72 Lakota is not able to deploy into non-permissive environments. This operational constraint is based on a lack of active and passive survivability systems, engine and drive train hardening requirements, as well as militarized external lighting and communication radios requirements. A full development program would be required for the UH–72A to meet military specifications for deployment in non-permissive environments.

The decision to reduce the procurement was based on valid operational necessity and changes in the fiscal environment over the last two years, to include the effects of the Budget Control Act, including sequestration. The documentation validating the reduced requirement is expected to be approved in FY13.

The Army is funded for a total inventory of 316 UH–72A helicopters. The active Army UH–72A inventory will be less than the original projection and will consist of 104 UH–72s to execute test, training, and general support missions in the continental United States (CONUS) and Germany. The Army has determined that it can meet existing requirements with 104 LUHs and does not require the additional 31 aircraft to be procured. For the ARNG, 212 UH–72As will meet their state and homeland security doctrinal requirements for air movement, MEDEVAC, search and rescue, command and control, disaster relief support, law enforcement and counterdrug support.

Neither the Army nor the ARNG has identified additional missions or has found it necessary to increase quantities of UH–72s to meet current mission needs. In light of current budget considerations, particularly compelling justification would be needed to fund quantity increases beyond current projections.

Question. According to an Army analysis, the Lakota can be configured for non-permissive missions with minimal effort and cost (approx $2–2.5 million/each). Given the low operating cost of the platform, that investment would pay for itself relatively quick. So, I would simply ask that you work with us to look at all options and make sure we don't make budget driven decisions that will sacrifice opportunities over the long-term.

Answer. The Lakota helicopter was procured to conduct missions only in permissive, i.e., non-combat environments; it is not designed for combat. Comparisons between the Lakota and rotary wing aircraft that operate in hostile environments are misleading since those costs would change if the Lakota was modified for hostile environments. The Army has been examining options to modify the Lakota so it can operate in hostile environments. The Army estimates such modifications would cost $851 million as well as adding 775 pounds to the aircraft, thereby significantly decreasing its performance and potentially compromising its ability to accomplish some missions.

ARMED AERIAL SCOUT (AAS)

Question. Last March you both testified that you expected to make a decision on the armed scout program by either the end of fiscal year '12, or beginning of '13. We know that all the analysis from last year's RFI and voluntary flight demonstration has been completed for several months. Industry is out there burning through millions every month trying to best prepare solutions for your requirements.

What steps are left for you to make and Armed Scout material decision and when can we expect an announcement on that decision?

Answer. The Army has not made a final decision regarding the armed scout. Results from the voluntary flight demonstration indicate that no aircraft exists today with the integrated technologies necessary to satisfy AAS requirements. This needed technology integration and qualification effort will require significant cost, engineering and manufacturing development in order to meet threshold capabilities. These threshold capabilities would likely produce a scout platform whose performance is at best only commensurate with the performance of attack and cargo platforms currently in fielding. The goal is to have a defined way ahead by 3rd Qtr FY13.

Question. It is understandable that the budget pressures are complicating your ability to fix requirements, but if your analysis validates there are new capabilities that you have deemed affordable and close your capability gaps, wouldn't you at least know that your preferred course of action is to compete for a new platform?

Answer. The Army has not made a final decision regarding the armed scout. Results from the voluntary flight demonstration indicate that no aircraft exists today with integrated technologies necessary to satisfy AAS requirements. This needed technology integration and qualification effort will require significant cost, engineering and manufacturing development in order to meet threshold capabilities. These threshold capabilities would likely produce a scout platform whose performance is at best only commensurate with the performance of attack and cargo platforms currently in fielding. The goal is to have a defined way ahead by 3rd Qtr FY13.

Question. A couple weeks ago you indicated that the early analysis on the Armed Scout options didn't reveal existing platforms that offered a "generational" change. I am confused about what you mean by "generational". The Kiowa Warrior, while improved some, is over 40 years old. What do you mean by generational?

Answer. The Cockpit and Sensor Upgrade Program (CASUP) is the program of record designed to address obsolescence and safety concerns in the current Kiowa Warrior helicopter and will result in a re-designation of the aircraft to the OH–58F. CASUP provides a more capable nose mounted sensor, cockpit software and hardware updates, as well as safety and armament improvements.

"Generational" change implies a manned armed scout platform with all integrated technologies necessary to satisfy Armed Aerial Scout (AAS) threshold and objective requirements. The aircraft that participated in the voluntary flight demonstration (VFD) require a significant investment and development effort to meet draft AAS threshold requirements.

Question. As I understand, your previous analysis of alternatives (AoA) required you to develop a new platform to meet 100% of your scout requirements, therefore it was unaffordable. If that is what you mean by "generational" then it appears you will have to resurrect the Comanche program. Don't you think that even an 80% solution would be a significant leap in capability?

Answer. The Department of the Army has not yet reached a decision on whether to pursue the development of the AAS or to recapitalize the Kiowa Warrior (KW). Results from the voluntary flight demonstration indicate that no aircraft exists today with integrated technologies necessary to satisfy AAS requirements. This needed technology integration and qualification effort will require significant cost, engineering and manufacturing development in order to meet threshold capabilities. These threshold capabilities would likely produce a scout platform whose performance is at best only commensurate with the performance of attack and cargo platforms currently in fielding. The goal is to have a defined way ahead by 3rd Qtr FY13.

Question. In March, we received a briefing that focused on the flight demonstration, but lacked any of the critical study data such as return on invest and cost benefit analysis. When can the Congress and industry expect to receive the complete briefing on this program?

Answer. The Army has not made a final decision regarding the armed scout. Results from the voluntary flight demonstration indicate that no aircraft exists today with integrated technologies necessary to satisfy AAS requirements. This needed technology integration and qualification effort will require significant cost, engineering and manufacturing development in order to meet threshold capabilities. These threshold capabilities would likely produce a scout platform whose performance is at best only commensurate with the performance of attack and cargo platforms currently in fielding. The goal is to have a defined way ahead by 3rd Qtr FY13.

ABRAMS TANK (M1A2–SEP VERSION 3)

Question. Although the Army may develop a new tank or tank upgrade to replace the current Abrams, such actions are not planned for the near term. Are you concerned at all about maintaining the industrial base for the current Abrams so that when the Army does decide to move forward with a new Abrams variant, the workforce will already be in place?

Answer. In the current fiscally constrained environment the Army is working to address concerns related to the industrial base as well as position the force for future conflicts. There is a significant risk that the Army force structure will be reduced further based on a severely constrained fiscal environment resulting from sequestration. The combination of these additional potential force structure changes and further budgetary reductions due to sequestration will continue to be a factor in strategic equipping decisions that impact the industrial base.

The Army supports a healthy industrial base and remains especially attuned to any impacts on critical suppliers and needed expertise as the Army faces reduced budgets. A slowdown in U.S. Army Abrams tank production has already begun and will likely continue until the next major recapitalization of the Abrams tank resumes in FY19. The Army continues to aggressively apply mitigation measures to preserve critical skills and supplier base. Specifically, we have extended our FY12 production of 67 M1A2SEP v2 tanks for two years through December 2014. With the FY13 Congressional add of $181 million, the Army is considering a range of options that could extend production of the Abrams M1A2SEP v2 tank for approximately 12–18 months and help provide significant work for critical and fragile suppliers. There is every indication that both "Firm" and "High Potential" foreign military sales production will maintain a minimal level of sustaining work flow through FY16.

The Army is also conducting a very rigorous and detailed Industrial Base Study that includes JSMC, which should help us identify other potential mitigation courses of action. We expect to provide you with the emerging results of this study, including the Supplier/Vendor Base and Critical Skills, in June 2013.

ANNISTON ARMY DEPOT CARRYOVER FUNDING

Question. How is sequestration affecting your carryover funding for work in FY13?

Answer. Sequestration impacts include reductions in end strength, a hiring freeze, limitations on overtime, and potential furloughs of up to 88 hours per person by the end of Fiscal Year 2013 (FY 2013). These factors are causing delays in completing workload and may stretch some production schedules into FY 2014. Although carryover may rise slightly from the previous projection of $3.7B, the Army will reduce carryover from the FY 2012 level of $5.0B.

Question. Are you worried at all about carryover dollars for FY14 as a result of sequestration?

Answer. No. Although carryover dollars may rise slightly from previous projections due to sequestration, the growth will help stabilize depot workload in FY 2014 when depot maintenance funding is likely to be reduced.

ARMORED MULTI-PURPOSE VEHICLE (AMPV)

Question. We understand that the sense of urgency for replacing the M113 is high. Because of its survivability it had significant utility limitations during operations in Iraq and Afghanistan, principally driven by survivability. The M113 divestiture effort has been in the planning for at least 5–10 years. In fact during Industry Day the Army indicated that the program was actually "6 years behind schedule." What analysis has the Army done on systems in the Army's inventory that could be used now that can affordably reduce this risk, on a quicker timeline with a manageable impact on O&S costs, thereby saving taxpayers money?

Answer. The Army executed a comprehensive Analysis of Alternatives (AoA) for the Armored Multi-Purpose Vehicle (AMPV) program over three phases that ran from March 2011 to November 2012. It assessed 115 vehicles, from both the Army inventory and others. The AoA focused on the three operational gap areas of the M113 Family of Vehicles (FoV): mobility, force protection and power to host network capabilities. For mobility, the AoA indicated that a tracked platform solution would best be able to maintain its doctrinal positioning within the Armored Brigade Combat Team (ABCT). For protection, the AoA indicated that a turretless Bradley and a modified M113, called the Mobile Tactical Vehicle Light (MTVL) used by foreign armies, had similar levels of force protection. The Stryker with "double V" hull design and Mine Resistant Armor Protected (MRAP) vehicle both had excellent under-

belly force protection, but had limited direct fire protection. For power, only the turretless Bradley and an MRAP called Caiman Multi-Theater Vehicle (CMTV) had sufficient power to host inbound capabilities for all mission roles the vehicle is intended to replace. No single existing vehicle satisfies all of the above requirements without significant modifications.

Question. By all appearances, the program structure does not appear to support a competitive acquisition strategy. The required use of a modified capital asset and the offer of an exchange program, combined with the lack of available/adequate technical data in advance of the release of the RFP make submission of a proposal with a reasonably competitive technical approach, demonstrating proper design maturity (The number 1 evaluation criteria) problematic for anyone with the possible exception of the OEM. How does this program's draft RFP assure adequate fair competition?

Answer. The Army acknowledges that the challenging schedule and cost targets are predicated on leveraging a Military Vehicle Derivative. However, the Request for Proposal (RFP) does not mandate the use of a Modified Capital Asset and this term is no longer in use.

There are multiple potential bidders that plan to use the offered vehicles in their designs. In fact, the optional exchange program has almost doubled competition. In addition, Bradley and M113 Technical Data Packages and the AMPV Analysis of Alternatives concept models completed by the Tank Automotive Research, Development, and Engineering Center will be available to potential contractors prior to RFP release.

Question. At the Industry Day on 23 April the Project Management Office repeatedly stated that they wanted all the requirements met according to their schedule while staying within the target AUMC of $1.8M. There have been too many recent programs where the Army has had to reissue an RFP with an adjusted requirements set, most notably GCV and JLTV, where the requirements drove AUMC outside of an affordable range. What body of evidence do you have that clearly shows the AUMC can be met against the documented requirements set to preclude such a misstep in the AMPV program?

Answer. The practice of conducting an Industry Day to discuss the draft Request for Proposal (RFP) and clarify requirements trade space is a powerful tool to ensure that the official RFP is set up for success.

Moreover, the RFP will contain trade space within lower-tier requirements to achieve the target Average Unit Manufacturing Cost (AUMC) of $1.8 million, which was derived from the AMPV Analysis of Alternatives. Four of the five potential prime vendors stated at the AMPV Industry Day that they could achieve the target AUMC.

Question. As we watch the aftermath of the past 10 years of war, the cost of operating and sustaining the Army has required significant investment, and is a major Army concern under sequestration. How are you evaluating and prioritizing the operational and sustainment cost of the AMPV in your program solicitation? Will it assure a lower, or at least equal operations cost compared to the M113 its replacing.

Answer. The source selection evaluation factors include reliability as a priority, which is also incentivized in the contract. Increased reliability reduces sustainment cost. Commonality among the Family of Vehicles is also an evaluation factor, which reduces the logistics footprint and, in turn, reduces AMPV Operation and Support cost. Operational costs for AMPV, as compared to the M113, are expected to be higher based on current requirements for greater protection and mobility.

CYBERSECURITY

Question. Considering the growing threat that the Nation faces today in regard to cybersecurity, would you comment on the possibility of establishing a cooperative cybersecurity program with DHS that utilizes the DOD National Cyber Range and a DOD software engineering center to enhance the development of new and innovative software? Do you believe that this coordination might improve the national capabilities to counter cybersecurity threats?

Answer. Yes, absolutely. The DOD National Cyber Range (NCR) provides cost-effective and timely validation of cyber technologies across a broad range of uses, such as advanced cyber research and development of new capabilities, analysis of malware, cyber training and exercises, and secure cloud computing and storage architecture. While it is not yet specifically written in DoD policy, DoD does state in the DoD Cyber Policy Report Pursuant to Sections 934 of the NDAA of FY2011 and the DoD Strategy for Operating in Cyberspace, July 2011, that partnering with other U.S. Government departments and agencies and the private sector to enable

a whole-of-government strategy and a nationally integrated approach to cybersecurity is one of its distinct strategic initiatives to support DoD's cyberspace operations and its national security mission. DoD Cyber Policy Report Section V: Application of Cyber Modeling and Simulation, specifically mentions that the National Cyber Range will provide vast improvements in DoD's ability to model and simulate a variety of networks quickly and at scale.

Additionally, CIO/G6 is currently working on amplifying guidance for Information Assurance (IA) security controls that are needed for software assurance to build security into the life cycle of all new software. This will be a key element of any new and innovative software that is developed as part of this initiative.

DHS and the Department of Defense (DOD) each play a key role in responding to cybersecurity incidents that pose a risk to the United States. Given the dynamic nature of real-world cyber threats, providing fast turnaround time for experimentation and analysis is vital to establishing consistent, repeatable, quality driven, measurable, and understood integrated capability across DoD organizations. Teaming with NCR would be a prudent next step. We simply cannot afford not to collaborate.

[CLERK'S NOTE.—End of questions submitted by Mr. Bonner. Questions submitted by Mr. Womack and the answers thereto follows:

CUTTING ARMY GUARD DEPLOYMENTS

Question. Recently, your office issued a memo to Members of Congress advising us of a change in policy regarding deployments of Army National Guard and the Army Reserve where you propose canceling some or all future deployments for the Army National Guard beginning in FY14, including rotational missions in Afghanistan along with historically Guard missions in Kosovo, the Sinai and the Horn of Africa. This seems to run, counter to your rhetoric of keeping the Guard and Reserve operational and would, in my opinion, represent the first major step toward relegating the reserve components back to a strategic reserve after Congress and this committee has dedicated tens of billions of dollars to get them to this operational state. We all know that if they can't deploy, their high level of readiness will atrophy, training opportunities will dwindle, and resourcing the Guard with new equipment will no longer be a priority.

Can you provide us with more details about how the Army plans to implement this policy change, and what overseas rotations, if any, you plan to continue to include the Guard in?

Answer. The Budget Control Act of 2011, Sequestration, and shortfall in Overseas Contingency Operations (OCO) funding, combined with the need to ensure the highest readiness of our forces deployed or preparing for deployment to Afghanistan, forward stationed in Korea, and the Global Response Force, are forcing the Army to make a number of necessary but undesirable decisions, such as replacing select Reserve Component (RC) units with Active Components (AC) for deployments.

Working closely with the Army National Guard and Army Reserve, the Army identified RC units that will be replaced by AC units to support operational requirements in Fiscal Year 2014. The Army views these measures as temporary and will continue to program RC units for employment where possible under 10 U.S.C. 12304(b) after this period of fiscal constraint passes.

The Army needs all of its components in order to address its full range of missions and contingency responsibilities outlined in the defense strategic guidance and in accordance with Army Total Force policy. Cost, readiness, responsiveness, and availability are all essential components in the decision to employ an Army capability to meet a valid requirement. Generally, AC formations and select RC units are maintained at a high state of readiness to be available to respond to war plans and contingencies; most RC elements are available to respond quickly in the homeland, and select numbers of these RC units are managed in a progressive readiness model in support of pre-planned combatant command requirements.

Question. How will the Guard continue to remain operational?

Answer. The Army will continue to ensure the highest possible readiness for Reserve Component Soldiers through the 5-year progressive readiness model. This model ensures that units achieve combat readiness (i.e., trained, manned, and equipped) by the fifth year of their cycle. The units are staggered in the cycles so that the Army always has a pool of ready and available Reserve Units to draw from. The 5-year cycle also provides the Soldiers (and their families and employers) with predictability in their deployments.

Question. How much would be saved by replacing Guardsmen with Active Duty personnel on overseas deployments?

Answer. The total cost savings in pay and allowances for all-Active Component sourcing for these 3 missions is estimated at $84.8 million for FY13 and FY14 combined.

Question. Have you analyzed those costs in relation to how much it costs to rebuild an operational reserve if they are left out?

Answer. The Army will continue to ensure the highest possible readiness for Reserve Component Soldiers through the 5-year progressive readiness model. This model ensures that units achieve combat readiness (i.e., trained, manned and equipped) by the fifth year of their cycle. The units are staggered in the cycles so that the Army always has a pool of ready and available Reserve Units that are ready for mobilization at any point in time. The 5-year cycle also provides the Soldiers (and their families and employers) with predictability in their deployments.

Question. Why would you remove the Army National Guard from historically Guard-led missions in Kosovo, the Sinai and the Horn of Africa, where trust and partnership has already been established?

Answer. Due to the immediate budget shortfalls in FY13 and FY14 resulting from sequestration and cuts to Overseas Contingency Operations (OCO) and base funding, the Army had to make some tough choices. The total cost savings in pay and allowances for all-Active Component sourcing for these 3 missions is estimated at $84.8 million for FY13 and FY14 combined. Additionally, as Army forces draw down from Afghanistan there are sufficient Active Component forces to perform the missions in support of Kosovo, the Sinai, and the Horn of Africa.

While the National Guard has performed in an exemplary manner in the missions in support of Kosovo, the Sinai, and the Horn of Africa, these missions have not always been sourced by the National Guard. The Army began using National Guard forces for these missions in 2003 to meet our global requirements. The historical record shows that for years the Multinational Observer Force (MFO) mission to Sinai was alternately performed by 82nd Airborne Division and the 101st Airborne Division (Air Assault). The Kosovo Force (KFOR) mission began as an Active Component mission then transitioned to the Reserve Components and recently has been split with two-thirds of the requirements filled by Active Component units and one-third filled by Reserve Component Units. The Horn of Africa mission began during the wars in Iraq and Afghanistan and has been primarily completed by Reserve Component forces. However, the 1–63 Armor Battalion, as part of the 2nd Brigade, 1st Infantry Division, a Regionally Aligned Brigade to AFRICOM, is fully prepared to take on the mission to support the Horn of Africa. We are confident that our active component forces will have the trust and confidence of our partners in these three missions.

Question. Would removing the Army National Guard from overseas deployments cause a significant drop in the high levels of readiness that the Guard has attained through over a decade of overseas operations?

Answer. No. The Army will continue to ensure the highest possible readiness for Reserve Component Soldiers through the 5-year progressive readiness model. This model ensures that units achieve combat readiness (i.e., trained, manned and equipped) by the fifth year of their cycle. The units are staggered in the cycles so that the Army always has a pool of ready and available Reserve Units to draw from. The 5-year cycle also provides the Soldiers (and their families and employers) with predictability in their deployments.

Question. Wouldn't this drop in readiness incur additional long term costs in order to return to readiness levels sufficient for future threats?

Answer. There would not be any additional long term costs associated with returning National Guard units to sufficient readiness levels for future contingency operations. Units in the National Guard would continue to progress through the 5-year progressive readiness cycle with or without deployments to Kosovo, the Sinai and the Horn of Africa.

The 5-year progressive readiness model ensures that units achieve combat readiness (i.e., trained, manned and equipped) by the fifth year of their cycle. The units are staggered in the cycles so that the Army always has a pool of ready and available Ready Units to draw from. The 5-year cycle also provides the Soldiers (and their families and employers) with predictability in their deployments.

Question. How do you justify your commitment to the Total Force Policy if you intend on restricting or eliminating the Army National Guard's rotation in overseas operations?

Answer. Due to the immediate budget shortfalls in FY13 and FY14 resulting from sequestration and cuts to Overseas Contingency Operations (OCO) and base funding, the Army had to make some tough choices. The total cost savings in pay and

allowances for all-Active Component sourcing for these 3 missions is estimated at $84.8 million for FY13 and FY14 combined. Additionally, as Army forces draw down from Afghanistan there are sufficient Active Component forces to perform the missions in support of Kosovo, the Sinai and the Horn of Africa. And since these missions have previously been conducted by Active Component forces, we believe the actions we are taking in the face of extraordinary budgetary challenges is consistent with our commitment to the Total Force Policy.

Question. In your recent testimony before the Senate Armed Services Committee, you stated that the National Guard needs "two years" notice for deployments." First, I'm curious where did you come up with that number since my Adjutant General tells me that his units can be mobilized with no notice and be ready to train?

Answer. The Army will continue to ensure the highest possible readiness for Reserve Component Soldiers through the 5-year progressive readiness model, known as Army Force Generation (ARFORGEN). This model ensures that units achieve combat readiness (i.e., trained, manned and equipped) by the fifth year of their cycle. If a National Guard or Reserve unit is notified two years prior to deployment, then that unit can focus their training in years 3 and 4 of their ARFORGEN cycle on the expected mission. This has proven effective for enduring operational deployments such as Operation Enduring Freedom in Afghanistan. National Guard and Reserve units that are not notified for a specific mission will continue to be trained, manned, and equipped to be available in year 5 of their ARFORGEN for a generic mission based on their unit's core mission set.

The units are staggered in their progressive readiness cycles so that the Army always has pool of ready and available Reserve units to draw from. The 5-year cycle also provides the Soldiers (and their families and employers) with predictability in their deployments.

Subject to future funding, the Army will utilize three Army National Guard Brigade Combat Teams on an annual basis to train and deploy for preplanned missions in support of combatant commands under the authority of Title 10, U.S.C. section 12304(b).

Question. And moreover, with the Army Force Generation model, don't you have a certain percentage of the National Guard force ready and available to go in any given year?

Answer. The units are staggered in their progressive readiness cycles so that the Army always has pool of ready and available Reserve units to draw from. The 5-year cycle also provides the Soldiers (and their families and employers) with predictability in their deployments.

Subject to future funding, the Army will utilize three Army National Guard Brigade Combat Teams on an annual basis to train and deploy for preplanned missions in support of combatant commands under the authority of Title 10, U.S.C. section 123049(b).

Question. If this model has worked so well, why then, are you abandoning it now?

Answer: The Army will continue to ensure the highest possible readiness for Reserve Component Soldiers through the 5–year progressive readiness model, known as Army Force Generation (ARFORGEN). We are not abandoning ARFORGEN. This model ensures that units achieve combat readiness (i.e., trained, manned and equipped) by the fifth year of their cycle. If a National Guard or Reserve unit is notified two years prior to deployment, then that unit can focus their training in years 3 and 4 of their ARFORGEN cycle on the expected mission. This has proven effective for enduring operational deployments such as Operation Enduring Freedom in Afghanistan. National Guard and Reserve units that are not notified for a specific mission will continue to be trained, manned, and equipped to be available in year 5 of their ARFORGEN for a generic mission based on their unit's core mission set.

SAVING MONEY

Question. With defense budgets shrinking, it's important to evaluate if our current Active Component and Reserve Component force mix is appropriate for future engagements. We should ask ourselves if we need a very large standing Army with our current defense shift toward PACOM or would a larger, "pay-as-you-go" flexible National Guard allow us to maintain capabilities and continue to meet every challenge.

In terms of possibly bringing down end strengths because of sequestration cuts, has the Army discussed ways that the Army Guard could be expanded to keep more capabilities in the cheaper Guard to prevent a hollow force, since they train and perform to the same standards, can perform any mission, and cost 1/3 of an Active Army soldier?

Answer. The Army requires all of its components in order to address its full range of missions and contingency responsibilities outlined in the defense strategic guidance and in accordance with Army Total Force policy. Cost, readiness, responsiveness, and availability are all essential components in the decision to employ an Army capability. Generally, Active Component formations and select Reserve Component units are maintained at a high state of readiness to be available to respond to war plans and contingencies; most Reserve Component elements are available to respond in the homeland, and are managed in a progressive readiness model in support of pre-planned combatant command requirements.

Understanding fully-burdened life cycle costs by component is an important factor in deciding the appropriate component for a mission, as is readiness, capabilities responsiveness, availability and requirements. The Reserve Forces Policy Board estimate that the Army National Guard was less expensive than active component was limited in its scope in that it did not address institutional overhead such as schools, training facilities, maintenance, and transportation in preparation for an operational deployment. Additionally, the life cycle costs for Reserve Components increases as they are used in an operational reserve role and cost basically the same as the Active Component when mobilized.

Question. A recent report from the Reserve Forces Policy Board has concluded that the fully burdened life-cycle cost of a National Guardsmen is less than one third that of his Active Duty counterpart. Considering that once National Guardsmen have concluded their deployment tour and no longer incur expenses such as depending housing, schooling and healthcare, how do you see this as an effective long-term cost savings measure for the Army?

Answer. The Army is reducing the size of the Active Component force from 570,000 to 490,000 based on the initial $489 billion cut in the Budget Control Act which changes the shape of the Total Army. However, the Army requires all of its components in order to address its full range of missions and contingency responsibilities outlined in the defense strategic guidance and in accordance with Army Total Force policy. Cost, readiness, responsiveness, and availability are all essential components in the decision to employ an Army capability. Generally, Active Component formations and select Reserve Component units are maintained at a high state of readiness to be available to respond to war plans and contingencies; most Reserve Component elements are available to respond in the homeland, and are managed in a progressive readiness model in support of pre-planned combatant command requirements.

Understanding fully-burdened life cycle costs by component is an important factor in deciding the appropriate component for a mission, as is readiness, responsiveness, capabilities availability and requirements. The Reserve Forces Policy Board estimate was limited in its scope in that it did not address institutional overhead such as schools, training facilities, maintenance, and transportation in preparation for an operational deployment. Additionally, the life cycle costs for Reserve Components increases as they are used in an operational reserve role and cost basically the same as the Active Component when mobilized.

[CLERK'S NOTE.—End of questions submitted by Mr. Womack. Questions submitted by Mr. Visclosky and the answers thereto follow:]

HMMWV MODERNIZATION

Question. The Congress added $100 million above the fiscal year 2013 budget request of $221 million for HMMWV Recapitalization in the Overseas Contingency Operations {OCO) portion of the budget.

What is the status of the $100 million that the Committee provided for the Army National Guard to modernize their Humvee fleet?

Answer. The Army supports the use of the $100 million (M) in base budget to continue successful Recapitalization (RECAP) efforts as the principal means to modernize High Mobility Multipurpose Wheeled Vehicles (HMMWVs) while divesting of excess. The Army supports using the $100M for RECAP based primarily on the fact that HMMWV quantities already on hand (146K) exceeds both current (134K), and likely future, Light Tactical Vehicle requirements, which are projected to be lower. The Army considers RECAP to be the most cost-effective means to improve overall current readiness and is finalizing the exact scope of work with the Red River Army depot.

Question. Please provide the Committee with the following information:

a. The cost to procure a new Ml165A1 HMMWV both with and without armor B Kits.

b. The cost to recapitalize an existing M1165A1 HMMWV both with and without armor B Kits.

c. The cost to procure a new M1152A1 HMMWV both with and without armor B Kits.

d. The cost to recapitalize an existing M1152A1 HMMWV both with and without armor B Kits.

Answer. The Army supports the use of the $100 million (M) in base Budget to continue successful recapitalization (RECAP) efforts while divesting excess High Mobility Multipurpose Wheeled Vehicles (HMMWVs). The Army supports using the $100M for RECAP based primarily on the fact that HMMWV quantities already on hand (146K) exceeds both current (134K) and likely future Light Tactical Vehicle requirements, which are projected to be lower. The Army considers RECAP to be the most cost-effective means to improve overall current readiness.

The following table provides the requested cost data. The prices shown for RECAP are for the M1152A1B2 and M1165A1B3 and include the armored B-kit (doors, roof and rocker panels) and the Improved Vehicle Emergency Egress windshield (IVEE). New vehicle procurement without B-kit armor would be delivered with canvas doors and roof, and without armored rocker panes or the IVEE windshield.

Armor B-Kit	M1165A1		M1152A1	
	With	Without	With	Without
New Procurement *	$188K	$148K	$167K	$133K
Recapitalized	105K	** N/A	102K	** N/A

* These costs are based on previous contracts, which have expired. Any new purchases would also require the negotiation and award of a contract, which would take approximately 12 months.

** The Army National Guard indicates that they have no ''without Armor B-kit'' version available for RECAP.

Retrograde Equipment

Question. $22 billion of the $28 billion in equipment deployed to Afghanistan must be returned to ensure the material readiness of Army combat formations.

Please explain how the Army derived its estimate of equipment that must return from Afghanistan, and the extent to which the Army must return equipment in FY 2014 to maintain the material readiness of Army units.

Answer. The Army identified the equipment to be returned home by comparing the equipment required for the approved force as envisioned for the next five years. All returning equipment to the United States meets the following categories: 1) equipment and munitions required for the approved force, 2) non-standard equipment approved as program of record candidates, 3) other non-standard equipment approved as bridging capabilities, and 4) trade or security restricted equipment that must be demilitarized and disposed of in the United States.

Equipment returning to the United States will be inducted to the Army's Reset program which in turn supports the Army Force Generation process, improves Army materiel readiness, and allows for the reconstitution of combat power.

Question. What becomes of the remaining $6 billion in equipment that likely does not return to the US?

Answer. The Army will divest equipment in Afghanistan that is obsolete or excess to Army needs.

Some of the non-standard equipment is being transferred to the Afghanistan National Security Forces (ANSF), through the Foreign Excess Personal Property (FEPP) process, to enhance their capabilities.

Additionally, some equipment will be transferred to the Department of State as it continues to execute the mission post 2014.

The Army is also trying to sell divestiture-eligible equipment to partner nations through the Excess Defense Article (EDA) process. However, it is important to note that making equipment in Afghanistan available to nations outside Afghanistan requires resolution of several issues beyond the Army's control, such as how to allow a foreign country representative entry into Afghanistan to conduct Joint Visual Inspections and how to resolve possible export and tax and/or tariff requirements.

Finally, equipment will also be sent to the Defense Logistics Agency—Disposition Services for disposal.

Question. Is retrograde materiel flowing through the Pakistani Ground Lines of Communication (GLOC) to the port of Karachi? Or, does retrograde equipment have to flow through the northern route and/or airlift?

Answer. Retrograde materiel is flowing on the Pakistan Ground Lines of Communication to the Karachi ports (Port of Karachi and Port of Qasim). There are at least four distinct lines of communication: the aforementioned Pakistan Ground Lines of Communication; the Northern Distribution Network; several multi-modal lines (Jordan, UAE, etc., which have both air and surface portions); and direct air. It is important to ensure we maintain viability of each of the lines of communication to maintain operational options and flexibility, and ensure successful retrograde operations.

SEXUAL ASSAULT INCIDENCE AND PREVENTION

Question. Sexual assaults remain a serious problem, especially among younger service members. One of the common factors found in a majority of incidents is alcohol use by one or more person involved.

The Navy reports having 123 programs in place to address and prevent sexual assault. How many programs are in place within the Army?

Answer. The Army has one integrated campaign to combat sexual harassment and sexual assaults. The Army's Sexual Harassment/Assault Response and Prevention (SHARP) program includes the integration of the Army's Sexual Assault Prevention and Response program and Prevention of Sexual Harassment policies and functions.

There are 32 operational and institutional training courses and multiple subprograms that support our campaign to achieve the desired culture change. Some of these include various programs under the Army's Ready and Resilient Campaign (dealing with serious issues such as drug and alcohol abuse, hazing, suicide prevention, and gender discrimination), the U.S. Marshal's office and Department of Justice (tracking and identifying sex offenders) and programs that strengthen the Army as a Profession.

Initial Training: We are teaching SHARP training during pre-commissioning not just at the United States Military Academy, but also at the 278 ROTC programs on college campuses to change behavior earlier. The Army is developing training for future soldiers (those in the delayed entry program) that includes a pre/post test to measure knowledge of Sexual Harassment and Sexual Assault, Army Values, how to intervene and what reporting options are available.

Investigation Training: As of 2012, the Army executes the 80–hour Special Victim Investigation Course—a DoD "Best Practice"—and trains military investigators and prosecutors from all Services. Army developed ground-breaking Forensic Experiential Trauma Interview (FETI) technique based on research and collaboration with national subject matter experts.

Improving Investigations: The Army has increased special victim prosecutors to 20 and will have 23 by the end of fiscal year 2013. These special victim prosecutors along with Criminal Investigation Division (CID) agents and paralegals collectively comprise 23 Special Victim Unit-like capabilities located both CONUS and OCONUS. The personnel who provide the special victim capability are hand-selected for their skills and experience and receive on-the-job training in civilian special victim units. These special teams assist the commanders and support the victims in the investigation and subsequent disposition of the each case.

Additionally, each Army Military Treatment Facility has a Sexual Assault Care Coordinator, Sexual Assault Clinical Provider, and a Sexual Assault Response Coordinator (SARC) who train other healthcare providers and healthcare personnel on their requirements regarding the preservation of restricted reports, in addition to providing support to victims of sexual assault.

Question. What measures has the Army taken to make the most efficient use of resources in implementing its approach to sexual assault programs?

Answer. The Army is revising its I. A.M. (Intervene, Act, Motivate) Strong Sexual Harassment/Assault Prevention Campaign to align with the recently released 2013 DoD Sexual Assault Response and Prevention (SAPR) Plan. The Army's Sexual Harassment/Assault Response and Prevention (SHARP) program includes the integration of the DoD SAPR program and Prevention of Sexual Harassment (POSH) policies and functions. Our research shows that many times assault is preceded by harassment type behavior. We believe a focus on correcting behavior associated with harassment can stop assaults and lead to cultural change over time.

The Ready and Resilient Campaign is the Army's collaborative and interdisciplinary approach to maintaining Army readiness, tailoring prevention and response measures to promote physical, moral and mental fitness, emotional stability, personal growth, dignity and respect. We continue to integrate SHARP into the larger campaign umbrella.

To date, more than 20,000 personnel have successfully completed the SHARP 80-hour certification course, approved by the National Organization for Victim Assistance.

To support the operational force the Army established and is in the process of hiring 73 full-time government trainer positions to teach the SHARP 80–hour Certification Course and replace temporary contract mobile training teams.

The Army provides SHARP training in 32 operational and institutional training courses spanning multiple levels of career progression, including all institutional leadership courses for officers and non-commissioned officers, and including pre-command courses. In addition, the Army is teaching SHARP training during pre-commissioning not just at the United States Military Academy, but also at the 278 ROTC programs on college campuses to change behavior earlier. The Army is developing training for future soldiers (those in the delayed entry program) that includes a pre/post test to measure knowledge of Sexual Harassment and Sexual Assault, Army Values, how to intervene and what reporting options are available.

As of 2012, the Army executes the 80–hour Special Victim Investigation Course—a DoD "Best Practice"—and trains military investigators and prosecutors from all Services. Army developed ground-breaking Forensic Experiential Trauma Interview (FETI) technique based on research and collaboration with national subject matter experts.

GROUND COMBAT VEHICLE (GCV)

Question. This program would develop a new infantry fighting combat vehicle to replace the Bradley Fighting Vehicle which has been in service since 1981. $639.9 million is included for the GCV in FY 2013 and the FY 2014 budget requests $592.2 million. CBO estimates that the cost of fielding GCV would total $29 billion over the period FY 2014–2030. The FY 2014 budget proposes a 6 month delay to the technical development (TD) phase of the program, and proposes simplifying the acquisition process to select a single vendor for Engineering and Manufacturing Development (EMD).

Please provide your views on the alternatives proposed in the CBO study including procurement of the Israeli Namer personnel carrier or the Puma Infantry Fighting Vehicle, or the possibility of upgrading or reconditioning Bradley Fighting Vehicles instead of proceeding with the GCV.

Answer. The Army believes the Congressional Budget Office (CBO) based its analysis on previously released programmatic documentation that does not reflect the current status of the program. The CBO report did not address the technical risks of modifying Puma, Namer or Bradley to meet current Ground Combat Vehicle (GCV) requirements. The centerpiece of our equipment modernization program is the Soldier and the Squad. Neither the Puma nor the Bradley fulfill the Army's requirement to transport the 9–man Infantry Squad. While the Namer may fulfill this capacity requirement, it would require significant modifications to meet GCV lethality and mobility requirements.

The Israeli Namer is a heavy Armored Personnel Carrier and the most survivable, most protected vehicle the Army assessed; however, its armors are tuned for a different threat environment than the GCV. Israeli Defense Forces doctrine does not require high maneuver speed or lethality. This leaves the Namer unable to meet the GCV lethality and high-speed mobility requirements. The Namer's focus on force protection also has an impact on transportability (train, air and rail) due to its size and weight. With its transportability and lethality limitations, the Namer does not present itself as a viable candidate for the GCV without major modifications.

The Puma has good lethality, ride quality and mobility, but has the smallest squad capacity of all the Non-Developmental Vehicles (NDV) the Army assessed. Force protection is also lacking when compared to the GCV requirements. The Puma has approximately 4.5 percent growth margin today. This would be rapidly utilized by our Network demands and would result in little to no future capacity and require a major modification of the powertrain system to maintain capability, thereby increasing cost and risk.

After 31 years of service life, the Bradley has reached the point where it cannot be upgraded to meet key Army requirements of capacity and lethality without major modifications. Underbody blast testing has shown that it is possible for the Bradley to achieve only about half of the GCV requirements. The Bradley could meet lethality, capacity, or automotive requirements individually with modification, but not collectively without such a major modification that it would risk not being cost-effective and become essentially a new development vehicle.

Finally, the savings offered by CBO for procuring NDVs do not account for second-order effects of those strategies (additional personnel, training, facilities and logistics). These long-term costs traditionally far outweigh the initial production costs.

Question. Are these realistic alternatives to developing and fielding the GCV? Why or why not?

Answer. The alternatives to developing and fielding the Ground Combat Vehicle (GCV) are unrealistic insofar as each Non-Developmental Vehicle (NDV) has its own strengths, but none completely meet our key requirements of capacity, protection, growth and lethality in a single platform.

The Namer, with its transportability and lethality limitations, does not present itself as a viable candidate for the GCV without major modifications. The Puma would require major modifications to address the areas of mobility, growth and protection. The Bradley could not meet lethality, capacity, or automotive requirements collectively without major modifications that would risk not being cost-effective.

The centerpiece of our equipment modernization program is the Soldier and the Squad. Neither the Puma nor the Bradley fulfill the Army's requirement to transport the 9–man Infantry Squad. While the Namer may fulfill this capacity requirement, it would require significant modifications to meet GCV lethality and mobility requirements. All NDVs the Army assessed would require some major modifications and essentially become new development vehicles.

Question. Do you agree with the CBO assessment that these alternatives provide a more cost effective and less risky path for the Army's requirements? Why or why not?

Answer. The Army does not agree with the Congressional Budget Office (CBO) that the alternatives assessed would be more cost effective and less risky path for meeting the Army's requirements. First, the CBO did not model the complete Ground Combat Vehicle (GCV) requirements, including a larger caliber weapon system, in their analysis. The CBO analysis did not address the technical risks and costs of modifying a Non-Developmental Vehicle to meet the needs of the Army. Specifically the CBO did not address modifications to foreign vehicles that would be needed for them to be suitable for use by U.S. forces. The CBO did not account for the complex technical changes needed to significantly modify the Bradley to meet the GCV requirements. Major modifications to weapon systems are often more challenging to execute than a new design due to technical challenges of making complex changes to an existing design. Finally, the CBO assessment did not include the underlying burden on personnel, training, facilities, and logistics of purchasing either a Namer or Puma.

M1 ABRAMS

Question. Total funding in FY 2013 was $255.4 million, an increase of $181 million above the request. Funds were added both to ensure uninterrupted production of the latest Abrams variant (the M1A2 System Enhancement Program (SEP)), and to move the Army toward a pure fleet. The FY 2014 budget again proposes ceasing M1A2 SEP production.

What measures does the Army propose to preserve the tank industrial base and workforce skills in the FY 2014 budget?

Answer. The Army supports a healthy industrial base and remains especially attuned to any impacts on critical suppliers and needed expertise as the Army faces reduced budgets. A slow-down in U.S. Army Abrams Tank production has already begun and will likely continue until the next major recapitalization of the Abrams tank resumes in FY19. The Army continues to aggressively apply mitigation measures to preserve critical skills and supplier base. Specifically, we have extended our FY12 production of 67 M1A2SEP v2 tanks for two years through December 2014. With the FY13 Congressional add of $181 million, the Army is considering a range of options that could extend production of the Abrams M1A2SEP v2 tank for approximately 12–18 months and help provide significant work for critical and fragile suppliers. There is every indication that both "Firm" and "High Potential" foreign military sales production will maintain a minimal level of sustaining work flow through FY16.

Question. Are Foreign Military Sales of M1 Abrams tanks sufficient to protect the domestic industrial base? Please explain why or why not.

Answer. There is every indication that both "Firm" and "High Potential" Foreign Military Sales production will maintain a minimal level of sustaining work flow through the Fiscal Year 2016 (FY16) time frame. The Army continues to aggressively apply mitigation measures to preserve critical skills and supplier base. Specifically, we have extended our FY12 production of 67 M1A2SEP v2 tanks for two years through December 2014. The Army is also conducting a very rigorous and de-

tailed Industrial Base Study that includes Joint Systems Manufacturing Center, which should help us identify other potential mitigation courses of action. We expect to provide you with the emerging results of this study, to include the Supplier/Vendor Base and Critical Skills, in June 2013.

[CLERK'S NOTE.—End of questions submitted by Mr. Visclosky. Questions submitted by Mr. Owens and the answers thereto follows:]

USE OF ARMY GUARD

Question. As the Army deals with sequestration, has expanded use of the Army Guard been considered to prevent a hollow force?

Answer. Sequestration causes us problems in every component of the Army. Hollowness is generated by a lack of funding to sustain a force's readiness. The Army requires all of its components in order to address its full range of missions and contingency responsibilities outlined in the defense strategic guidance and in accordance with Army Total Force policy. Cost, readiness, responsiveness, and availability are all essential components in the decision to employ an Army capability. Generally, Active Component formations and select Reserve Component units are maintained at a high state of readiness to be available to respond to war plans and contingencies; most Reserve Component elements are available to respond in the homeland, and are managed in a progressive readiness model in support of pre-planned combatant command requirements.

Question. A recent report from the Reserve Forces Policy Board concluded the fully burdened life-cycle cost of a National Guardsmen is less than one third of his Active Duty counterpart. Considering that once National Guardsmen have concluded their deployment tour and no longer incur expenses such as depending housing, schooling and healthcare, do you see this as an effective long-term cost savings measure for the Army?

Answer. Understanding fully-burdened life cycle costs by component is an important factor in deciding the appropriate component for a mission, as is readiness, capabilities responsiveness, availability and requirements. The Reserve Forces Policy Board estimate was limited in its scope in that it did not address institutional overhead such as schools, training facilities, maintenance, and transportation in preparation for an operational deployment. Additionally, the life cycle costs for Reserve Components increases as they are used in an operational reserve role and cost basically the same as the Active Component when mobilized.

[CLERK'S NOTE.—End of questions submitted by Mr. Owens. Questions submitted by Ms. McCollum and the answers thereto follows:]

TACTICAL AND SUPPORT EQUIPMENT

Question. I would like to discuss some of the technological investments proposed in your budget, specifically the Warfighter Information Network-Tactical (WIN–T) and the Joint Tactical Radio System. Taken together, the Army plans to invest about $1.4 billion on these programs in FY2014, $973 million and $383 million respectively.

General Odierno, could you describe these programs, their value, and how they will improve the Army's operational capabilities?

Answer. The WIN–T is the Army's high-speed, high-capacity tactical communications network, similar to your home Internet. Programmatically divided into three increments, WIN–T provides the critical voice, data and video communications link to forces anywhere in the world. We recently delivered our final WIN–T Increment 1a system, which provides those capabilities down to the battalion level and above, "at-the-quick-halt," meaning that soldiers need only to pull over the side of the road to communicate without wasting valuable time setting up complicated infrastructure.

In October 2012, we began fielding WIN–T Increment 2, which brings an initial on-the-move communications capability and extends the satellite communications pipe down to the company level. The WIN–T Increment 2 has arrived in Afghanistan at a crucial time. As U.S. forces continue to draw down, they have turned over many of their Forward Operating Bases and other infrastructure to the local forces, gradually losing fixed network locations. The WIN–T Increment 2 will allow commanders to take the network with them in vehicles as they conduct security assistance and combat missions.

The WIN–T Increment 3, currently in development, will provide the "full" on-the-move networking capability by improving line-of-sight capability, adding an air tier to the existing WIN–T architecture and refining the network architecture.

The Joint Tactical Radio System (JTRS) family includes multiple variations of software defined radios connecting users from the individual Soldier through each echelon of command in the network. In addition to dismounted and mounted ground configurations, the airborne form factor provides rotary wing platforms entrance into the tactical network. The JTRS voice, data and video transport capabilities support mission planning, command and control, previously unavailable situational awareness (SA) and individual positioning location information (PL) to the tactical edge of the battlefield.

Coupled together, WIN–T and the Tactical Radios program create a network where Soldiers at the lowest echelons can effectively share voice, data and video with their commanders across all levels, significantly improving the Army's operational capabilities anywhere in the world.

Question. We have heard from groups that these programs could be adversely affected by any upcoming reprogramming requests. Is this the case?

Answer. To meet the Army's operational requirements in Fiscal Year 2013, funds from Warfighter Information Network-Tactical (WIN–T) and the Joint Tactical Radio System (JTRS) have been submitted for consideration in a reprogramming. While reprogramming decisions would reduce the WIN–T system quantity purchased in 2013, we do not anticipate that continued developmental efforts of WIN–T will be affected. The reprogramming seeks to reprogram JTRS Airborne Maritime Fixed Radio procurement funding that is "ahead of need," given program restructure of that portion of the JTRS program. The Army's ability to compete and procure JTRS Rifleman and Manpack radios is unaffected.

AFGHANISTAN AND RETROGRADE EQUIPMENT

Question. Gentleman, in your testimony you mention the challenging task of equipment retrograde from Afghanistan. On page 15, you state that "FY13 budget reductions have already placed the Army at a disadvantage, forcing the cancellation of depot maintenance that will delay required repairs and upgrades."

In addition to these budgetary pressures, could you discuss some of the logistical and geographical challenges of transporting equipment from Afghanistan?

Answer. There are a number of logistics and geographical challenges the Army is overcoming in Afghanistan in order to retrograde equipment to the United States.

Afghanistan is a land locked country that has a poor road network significantly affected by weather conditions, lacks reliable rail, has limited C–17 capable airfields, and has limited cleared land for staging equipment. Additionally, there are still threats of attacks along the routes, pilferage and theft remains an issue, and retrograde operations are slowed during Islamic holidays because of our need for local contracted carriers.

Afghanistan retrograde requires extensive collaboration with neighboring countries to allow transit through and over their country and eventual use of their seaports. Availability of this supporting infrastructure enables retrograde velocity and controls costs. Agreements can be strained due to geo-political issues, which require retrograde operations to have multiple options and flexibility.

The Army continues to successfully retrograde equipment from Afghanistan while simultaneously supporting combat operations despite the many unique logistics and geographical challenges that Afghanistan poses.

[CLERK'S NOTE.—End of questions submitted by Ms. McCollum. Questions submitted by Mr. Young and the answers thereto follow:]

STORM DAMAGE TO ARMY HELICOPTERS IN AFGHANISTAN

Question. On Apri1 26, 2013, the Committee was notified by Army Liaison, that there had been a severe hail storm in Afghanistan which damaged over 85 Army aircraft (mostly rotary wing).

At that time the assessment of cost, time to repair, and operational impact was still underway. The extent of the damage ranges from minor dings in the aircraft to baseball size holes in the canopies. No major airframe structural damage has been seen.

We understand that the highest casualty rate is in rotor blades.

Theater is moving aircraft to help support missions and is locating parts and mechanics to repair the aircraft.

General Odierno about ten days ago there was a severe hail storm in Afghanistan which damaged quite a large number of Army helicopters. The initial assessment

was that damage was severe to canopies and rotor blades. What can you tell us about the extent of damage, operational impact, and actions that you are taking to make repairs and restore Army aviation support to the required level?

Answer. Theater staff assessed the damage to 90 aircraft within the first 48 hours. The damage was extensive and centered primarily on the rotor blades, canopies and windscreens. The initial cost estimate to the damaged aircraft was approximately $30 million to be taken from our base OCO OMA account. The immediate operational impact was minimized through the leveraging of other aviation assets in theater through prioritized MEDEVAC, close combat support, and downed aircraft recovery teams and shifting assets from Regional Commands to meet mission requirements. Through an Army-wide effort we immediately infused the unit with the appropriate resources necessary to repair the aircraft and we expect the unit to regain pre-storm levels of readiness within a few weeks. As of the date of the hearing, 53 of the 90 damaged aircraft had been repaired and returned to fully mission capable. As of June 10, 2013, we have repaired 86 of the 90 damaged aircraft.

EIGHT SOLDIERS KILLED IN AFGHANISTAN

Question. (From New York Times, May 5, 2013):

Eight U.S. soldiers were killed in Afghanistan on Saturday May 4th.

- Two were killed by an insider-turncoat. An Afghan National Army soldier in training shot two of his instructors.
- One soldier was killed by small arms fire in Northern Afghanistan.
- Five U.S. soldiers were killed in Kandahar Province when their vehicle struck a road side bomb.

General Odierno, over the weekend there were attacks in Afghanistan that resulted in the loss of eight of our soldiers. Five were killed in a vehicle that was attacked by an TED. Two were killed when an Afghan National Army trainee shot two of his instructors. And the eighth soldier was killed by small arms fire in the North.

General, can you provide us with an update on these incidents?

Answer. The two Service Members referred to in the article as being killed by an insider were U.S. Marines. Additionally, 1 Soldier and 1 Navy Corpsman were wounded.

The one soldier killed by small arms fire in Northern Afghanistan was a German soldier. Additionally, another German soldier was wounded.

The five U.S. Soldiers were killed in Kandahar Province when their Stryker struck an IED on Highway 1. The local national interpreter riding in the vehicle with them was also killed. The insurgents had tunneled approximately 15 feet through the side of the elevated road where they placed approximately 500 pounds of unknown bulk explosives and initiated the explosion with a command wire.

Question. Does this series of rapid fire attacks tell us anything we did not already know about the situation in Afghanistan as we drawdown?

Answer. Attacks in the aggregate are down 32% this year relative to the same January through May time period in 2012. Thus, these specific attacks do not provide additional insight into what we know regarding the security situation in Afghanistan or the challenges associated with the simultaneous transition of security responsibility to that of Afghan authorities while drawing down to meet mandated force management levels by December of 2014. ISAF & Government of the Islamic Republic of Afghanistan (GIROA) routinely see increased violence from April to October in comparison to the remainder of the year.

Question. General Odierno, in this open forum, what can you tell us about the attack on the vehicle by IED?

Answer. The five U.S. Soldiers were killed in Kandahar Province when their Stryker struck an TED on Highway 1. The local national interpreter riding in the vehicle with them was also killed. The insurgents had tunneled approximately 15 feet through the side of the elevated road where they placed approximately 500 pounds of unknown bulk explosives and initiated the explosion with a command wire.

[CLERK'S NOTE.—End of questions submitted by Mr. Young.]

THURSDAY, MAY 9, 2013.

FISCAL YEAR 2014 AIR FORCE BUDGET OVERVIEW

WITNESSES

HON. MICHAEL B. DONLEY, SECRETARY OF THE AIR FORCE

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

OPENING STATEMENT OF CHAIRMAN YOUNG

Mr. YOUNG. The committee will be in order. This morning our hearing is with the United States Air Force, the Secretary of Air Force and the Chief of the Air Force. Of course the topic is the fiscal year 2014 budget and your posture for fiscal year 2014.

Air Force is the only service to receive a base budget increase in the fiscal year 2014, but much of this increase is devoted to an attempt to maintain readiness with the threat of continuing sequestration. In the meantime the Air Force is aging and shrinking and has modernizing needs across the fleet, and we are anxious to hear how the Air Force will meet this challenge.

This will be Secretary Donley's final appearance before this subcommittee. And Mr. Secretary, since you have announced that you would be stepping down from this important post in June, I would say on behalf of the committee we have appreciated your service and your years of testimony before the committee, and thank you for being here today. And thank you for all of your service. Thirty-five years working in one area, in one part of the national defense is a pretty important challenge and a pretty important accomplishment. So thank you for that, sir.

General Welsh is making his second appearance before the subcommittee, but this is his first budget and posture hearing. General Welsh comes before us as a 1976 Air Force academy graduate with over 36 years of military service. He became the Chief of Staff of the Air Force last August, having previously served as Commander of U.S. Air Forces in Europe.

Thank you for appearing before us today your statements will be entered into the record, and you will present those statements any way that you wish.

Before I turn to Mr. Visclosky I must advise those, the members and the witnesses there will be a series of votes at about 10:30 so we are trying to structure the hearing so that part of us will be able to go make the votes while the others remain to continue the hearing, and then when those return the rest of us will go.

Having said that, I am ready to turn any opening statement over to Mr. Visclosky.

OPENING STATEMENT

Mr. VISCLOSKY. Mr. Chairman, thank you very much and as in the past I appreciate you having the hearing, gentlemen, for your service, particularly Mr. Secretary, anticipating your retirement from your office and I look forward to your testimony. Thank you very much.

Mr. YOUNG. There are several concerns that we have. One of the major issues is some of the unfortunate stories that we are getting on sexual harassment and sexual abuse in the Air Force, and we will be pursuing that today, this morning. But something that caught my attention was a story in the Washington Post, and the headline said, "Air Force sidelines 17 ICBM launch officers; commander cites 'rot' within the system." That headline alone is really worrisome. So I am hoping that you would discuss in some detail to tell us just what is going on here. And I know that Mr. Frelinghuysen, who is chairman of the Energy Committee, has some very serious interest in this issue as well.

So I think what we will do is at this point, Mr. Secretary, we are anxious to hear your statement. Your entire statement will be placed in the record. You present it to us any way you like.

SUMMARY STATEMENT OF SECRETARY DONLEY

Mr. DONLEY. Thank you, Mr. Chairman. And if I could indulge the committee, I will read the statement and both General Welsh and I are prepared to address the two issues that you raised among others this morning.

Mr. Chairman, Mr. Visclosky, members of the committee it is a pleasure to be here representing our active duty, guard reserve, and civilian airmen and I am honored to be here with my teammate and partner in this work, our 20th Chief of Staff and a great Air Force leader General Mark Welsh.

For fiscal year 2014 the Air Force is requesting $114.1 billion in our baseline budget. As with all budgets fiscal year 2014 request represents a snapshot in time, our best analysis of Air Force needs based on available information. And especially given the budget turmoil over the past year, if I could indulge the committee, this morning's discussion on the fiscal year 2014 budget needs to begin with where we stand this year in fiscal year 2013. First I would like to highlight that throughout the current budget turmoil our Air Force priorities remain aligned with the January 2012 defense strategic guidance. This includes supporting combatant commanders in the current fight in Afghanistan, maintaining a strong and stable presence in the Pacific and Korea, supporting nuclear and regional deterrence, counterterrorism and other operations.

There is demand for air power and your airmen are busy around the world. Today more than 35,000 airmen are deployed, more than 57,000 airmen are stationed oversees and more than 132,000 are providing support to combatant commanders every day. And as the fiscal constraints get tighter we need to tighten our alignment with the new strategy and strengthen our commitment to joint and interdependent solutions to the Nation's military challenges.

You have heard many times that the implications of sequestration are dire, and they are. That is why the President has put for-

ward a balance deficit reduction proposal that would allow Congress to repeal sequestration in fiscal year 2013 and beyond. While the Department is working full out to adapt to these new realities, it was not possible given the necessary timelines to turn around a new fiscal year 2014 budget based on new assumptions derived from March 1st's sequestration and from the final Defense Appropriations Act which was also approved in March, nearly 6 months into the fiscal year.

We need to stipulate up front that our fiscal year 2014 budget request does not provide funding to recover from the damage done by even a partial year of fiscal year 2013 sequestration, much less the full impact that would hit the Air Force if the President's proposal to replace sequestration for fiscal year 2013 and beyond is not enacted.

This morning I will summarize the state of our Air Force in three broad categories. First, force structure; that is, the size and composition of the force; readiness, the training and preparedness of our airmen and their equipment; and modernization, the replacement of aging aircraft and infrastructure and our investment in future capabilities.

First, force structure. Last year in our efforts to meet the requirements of the first half of the Budget Control Act amounting to $487 billion in reductions over 10 years, the Air Force's fiscal year 2013 budget proposed a number of force structure changes, including aircraft transfers, retirements and changes in unit missions, that were the subject of much controversy in our reserve component, with the State adjutant generals and congressional delegations. Thanks to the work of this committee and others, we were able to fashion a compromise which was approved in the National Defense Authorization Act.

This year I can report that the fiscal year 2014 budget proposes no major changes in force structure, as compared to force levels enacted in fiscal year 2013 NDAA, our 2014 budget proposal would reduce active duty end strength by 1,860, reduce Air Force reserve end strength by 480, and the Air National Guard by 300. We retain C-130 and Global Hawk Block 30 force structure as directed through fiscal year 2014. Our nuclear forces remain at current levels pending future decisions on the implementation of the New START agreement, and we are on track to achieve 65 medium altitude combat air patrols with our remotely piloted aircraft fleet.

We will focus in fiscal year 2014 on implementing the retirements, transfers and mission changes outlined in the fiscal year 2013 NDAA, and we have provided two reports to Congress outlining implementation plans for each affected unit and location.

Looking ahead, it has never been more important for our Air Force to maximize the strength of our total force. Our active, guard and reserve components are increasingly integrated. They are training, deploying, and conducting a full range of missions together as a total force. We must continue to ensure that our active-reserve component mix correctly balances the strengths of each component, meets our strategic requirements and fiscal demands.

We have made progress over the past year in our intergovernmental relationships working with DOD and the Council of Governors to formalize a consultative process between DOD and the

States to provide more transparency in planning and programming. Within the Air Force, working with our Guard and Reserve leaders, General Welsh and I have established the Total Force Task Force to provide strategic options on the appropriate mix of total force capabilities and to inform our strategic planning for fiscal year 2015 and beyond. This task force will also serve as a resource to the congressionally directed National Commission on the Force Structure of the Air Force, which held its first meeting last week.

In summary, our proposed force structure is relatively stable for now, but beyond fiscal year 2014 it is dependent on decisions yet to be made, and especially on achieving a balanced approach to deficit reduction to avoid further sequestration.

Turning to readiness, while the Air Force has met the demands of a high operational tempo in support of today's fight, it has taken a toll on our weapon systems and people. Unit readiness has declined significantly from 2003 onward. And despite significant investments in the past few years only half our combat Air Force have met acceptable standards of readiness. With the rebalance to the Asia-Pacific and our continued presence in the Middle East and Africa, we expect the demand for Air Force capabilities will remain constant, perhaps even increase over the next decade. We must improve Air Force readiness to prevent a hollow force.

With respect to fiscal year 2013, the Joint Chiefs of Staff and Air Force leaders have already recounted the readiness impacts we anticipated this year as a result of sequestration. Passage of the final fiscal year 2013 continuing resolution, which included defense appropriations, was helpful to DOD overall, but did not improve the active Air Force's operations and maintenance budget. It left shortages in overseas contingency operations accounts and did not mitigate the impacts of sequestration which required approximately $10 billion in reductions to be taken in the last seven months of fiscal year 2013.

Anticipating this challenge, we took steps to cut back normal operations, including a civilian hiring freeze for permanent, temporary and term vacancies, canceling non-mission critical official travel and conferences, reducing major command and combatant command O&M budgets by 10 percent, and deferring non-emergency facilities sustainment and modernization projects.

However, these steps alone are not sufficient to absorb the full impacts of sequestration without affecting readiness. Collectively the sequestration reductions and readiness impacts are now being felt across the Air Force. Currently nine combat coded fighter units and three coded bomber units are stood down and have ceased flying operations. Seven combat coded units are flying at basic mission capable levels and will only return to combat mission ready status if funding becomes available. Flying hour reductions will halt training for the rest of the year in many units and will take up to six months to restore pilot proficiency.

Other impacts include reductions in weapon system sustainment that will delay necessary maintenance, increase costs and take two to three years to recover from repair backlogs. And there is the potential furlough of our valued civilian workforce, significantly reducing civilian pay, potentially devastating morale and slowing productivity.

Our main objective in the fiscal year 2014 budget mirrors our objective for three years running, to slow and reverse the erosion of Air Force readiness. To that end our fiscal year 2014 budget request is aimed at setting the Air Force back on the course toward full spectrum readiness. The budget request prioritizes funding for 1.2 approximately million flying hours, an increase of roughly 40,000 hours over last year, to ensure pilot proficiency and continue new pilot production. It funds training ranges to enhance flying training effectiveness and to restore deteriorating infrastructure. It adds approximately $1.5 billion across the Future Years Defense Plan, the FYDP, to weapon systems sustainment to keep our aircraft and space systems ready.

Unfortunately, fiscal year 2013 sequestration now jeopardizes the gains we had hoped to achieve next year. Even assuming this budget is approved as proposed and even if the Congress acted some time this summer to repeal and replace sequestration for fiscal year 2013, we would almost certainly begin fiscal year 2014 carrying forward a significantly degraded readiness posture from this year.

The Air Force is working with OSD on a fiscal year 2013 reprogramming request to cover OCO shortfalls and to address some of the worst effects of sequestration. However, the transfer authority available to DOD is not sufficient to address all our known shortfalls. And even if such transfer authority were available, we do not have sufficient internal resources to pay for these shortfalls without digging far too deeply into modernization programs, and there may not be sufficient time left in fiscal year 2013 to repair the damage now immediately ahead.

To sum up the readiness situation, we have been consuming Air Force readiness for several years. We will continue to focus our resources available to meet combatant commander requirements but with the steep and late fiscal year 2013 budget reductions brought on by sequestration, the readiness hole we have been trying to climb out of just got deeper.

The full readiness and budgetary implications of this situation could not be accounted for in the fiscal year 2014 budget request and are still under review. And we will continue to work with our DOD leadership and Congress to fashion a practical way forward.

Finally, modernization. As I have previously testified this challenge facing the Air Force is pervasive and if unaddressed will seriously undermine our ability to accomplish the mission this Nation asks us to undertake. The average age of our fighter force structure is now 23 years, rescue helicopters, 22 years, training aircraft, 25 years, bombers, 37 years, and tankers nearly 50 years. Satellites for missile warning, navigation, secure communications and other needs are also aging, and replacements must be built and launched on a schedule consistent with the life expectancy of current constellations.

The most significant Air Force priorities remain on track in fiscal year 2014. The fifth generation F–35 Joint Strike Fighter, the KC–46 tanker, the long range strike family of systems, including the bomber. The continued modernization of existing fleets like the B–2, the F–22, the F–15, F–16 and C–17 to keep them operationally effective and to extend their service lives is also key. We request

funding for preferred munitions as well as critical space satellite assets such as the Global Positioning System, AEHF and SBIRS satellite programs. And we intend to maintain our science and technology funding, too, in order to stay on the cutting edge of technological innovation and sustain our air power advantage.

We also face major challenges with major acquisition programs, but have recently achieved some success using block buys and more efficient procurement strategies to drive down the cost of our three largest space programs, EELV, AEHF and SBIRS by over $2.5 billion. And the fiscal year 2014 request includes the first year of a multiyear procurement for the C–130J which is expected to save over $500 million over the next five years. We will need more successes like these in the future because there is still significant pressure on our modernization programs. Last year in programming the Air Force share of $487 billion in defense reductions over 10 years the cancellation or delay of modernization programs accounted for 65 percent of total Air Force reductions across the FYDP. This year each program was reduced on average by more than seven percent in sequestration. In the immediate years ahead major programs like the F–35, the KC–46 and the bomber are scheduled to grow, as the overall DOD budget declines. And some long-standing needs such as a new trainer aircraft and a replacement for the E–8 JSTARS remain unfunded.

Looking ahead, if there continues to be resistance to force structure changes, to base closures or constraining growth in compensation, and given our focus on improving readiness it is very likely that outyear reductions in the Budget Control Act will require further disproportionate cuts to our modernization programs. As advanced technologies continue to proliferate around the globe, these cutbacks in modernization would put at risk the Air Force capabilities this Nation will need in the decade ahead.

The decisions ahead of us are extraordinarily difficult but Congress has the power to help the Air Force and the Department of Defense maneuver through these unparalleled budget challenges. In recent years Congress has placed limits on the Air Force's efforts to take tough, but urgently needed actions to balance our readiness, modernization and force structure, and has rejected some of the DOD's proposals to help slow the growth in military compensation. As our DOD leaders have testified, these congressional actions if sustained will add billions to our costs over the next five years. We hope that in view of the serious economic problems facing the Nation Congress will allow us to implement these and other important changes.

Mr. Chairman, it is now more critical than ever that we get your support on reductions in base infrastructure. The Air Force executed BRAC 2005 on time and under budget, and those adjustments today are generating savings estimated at $1 billion per year. We are looking at European basing requirements with our DOD partners and we are ready to begin the next steps in the continental U.S. We estimate more than 20 percent of our basing infrastructure is excess to need. BRAC authority is a tool that we urgently need to allow DOD to divest excess infrastructure and refocus resources to meet other critical needs, including readiness, modernization and taking care of our people.

In the area of compensation we are committed, as you are, to taking care of our airmen, but the impact of increasing personnel costs continues to be a serious concern and can no longer be ignored. Therefore, we support DOD's efforts to slow the growth of personnel costs, we support the modest one percent pay raise in the TRICARE fee and pharmacy copay changes included in the fiscal year 2014 budget proposal.

While these are some of the broad outlines of fiscal year 2014 budget, there is clearly more work to do as we assess the rolling implications of sequestration in fiscal year 2013 and beyond. We will need your help to make necessary adjustments in our force structure, to keep us ready and to avoid a hollow force, and to equip this Air Force with the modern capabilities it needs for the future. But perhaps one of the most helpful things Congress can do is to return to regular order and approve the annual defense authorization appropriation measures in a timely way.

Throughout history our Nation has effectively dealt with both strategic and fiscal challenges, but our recent track record of repeated delay and uncertainty, continuing resolutions that disrupt programs and budget planning and midyear cuts that impair readiness and threaten civilian furloughs must not become the new normal. We sincerely appreciate the ongoing commitment of this committee and its professional staff to return to regular order.

Today's world is a dangerous place and it is counterproductive to generate problems of our own making while so many other serious threats beyond our control demand attention. Together we must do better for our men and women in uniform and their families, our civilian workforce, and our national security.

Mr. Chairman, the American people have the world's best airmen and the world's finest Air Force. Your Air Force leadership team remains committed to getting the most capability possible from whatever level of resources you provide. We remain grateful for the support this committee unfailingly provides to our Air Force and to the men and women of our Armed Forces.

We are prepared to address the two issues that you raised, Mr. Chairman. I will turn it over to my colleague, the Chief, to get us started in that direction and we stand ready to assist in any way we can and we look forward to addressing your questions. Thank you.

[The statements of Secretary Donley and General Welsh follows:]

DEPARTMENT OF THE AIR FORCE

PRESENTATION TO THE HOUSE APPROPRIATIONS
SUBCOMMITTEE ON DEFENSE

FISCAL YEAR 2014 AIR FORCE POSTURE STATEMENT

STATEMENT OF: THE HONORABLE MICHAEL B. DONLEY
SECRETARY OF THE AIR FORCE

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

MAY 9, 2013

NOT FOR PUBLICATION UNTIL RELEASED BY
THE HOUSE APPROPRIATIONS SUBCOMMITTEE
ON DEFENSE
UNITED STATES HOUSE OF REPRESENTATIVES

BIOGRAPHY

UNITED STATES AIR FORCE

MICHAEL B. DONLEY



Mr. Michael B. Donley is the Secretary of the Air Force, Washington, D.C. He is the 22nd Secretary and was confirmed Oct. 2, 2008. He is responsible for the affairs of the Department of the Air Force, including the organizing, training, equipping and providing for the welfare of its more than 334,000 men and women on active duty, 176,000 members of the Air National Guard and the Air Force Reserve, 170,000 civilians, and their families. He also oversees the Air Force's annual budget of more than $110 billion.

Mr. Donley has 30 years of experience in the national security community, including service in the Senate, White House and the Pentagon. Prior to assuming his current position, Mr. Donley served as the Director of Administration and Management in the Office of the Secretary of Defense. He oversaw organizational and management planning for the Department of Defense and all administration, facility, information technology and security matters for the Pentagon.

From 1996 to 2005, Mr. Donley was a Senior Vice President at Hicks and Associates, Inc., a subsidiary of Science Applications International Corporation, and a consultant to DOD and the State Department on national security matters. From 1993 to 1996, he was Senior Fellow at the Institute for Defense Analyses. During this period he was a Senior Consultant to the Commission on Roles and Missions of the Armed Forces and participated in two studies on the organization of the Joint Staff and the Office of the Chairman, JCS. Prior to this position, he served as the Acting Secretary of the Air Force for seven months, and from 1989 to 1993 he was the Assistant Secretary of the Air Force (Financial Management and Comptroller).

Mr. Donley supported two Presidents and five National Security Advisers during his service at the National Security Council from 1984 to 1989. As Deputy Executive Secretary he oversaw the White House Situation Room and chaired interagency committees on crisis management procedures and continuity of government. Earlier, as Director of Defense Programs, Mr. Donley was the NSC representative to the Defense Resources Board, and coordinated the President's quarterly meetings with the Joint Chiefs of Staff. He conceived and organized the President's Blue Ribbon Commission on Defense Management (the Packard Commission), coordinated White House policy on the Goldwater-Nichols DOD Reorganization Act of 1986, and wrote the National Security Strategy for President Reagan's second term. He was also a Professional Staff Member on the Senate Armed Services Committee from 1981 to 1984.

Mr. Donley served in the U.S. Army from 1972 to 1975 with the XVIIIth Airborne Corps and 5th Special

Forces Group (Airborne), attending the Army's Intelligence and Airborne Schools and the Defense Language Institute. Mr. Donley earned both Bachelor of Arts and Master of Arts degrees in international relations from the University of Southern California. He also attended the Senior Executives in National Security program at Harvard University.

EDUCATION
1972 U.S. Army Intelligence School, Fort Huachuca, Ariz.
1973 Defense Language Institute, Monterey, Calif.
1974 U.S. Army Airborne School, Fort Benning, Ga.
1977 Bachelor of Arts degree in international relations, University of Southern California, Los Angeles
1978 Master of Arts degree in international relations, University of Southern California, Los Angeles
1986 Senior Executives in National Security program, John F. Kennedy School of Government, Harvard University, Cambridge, Mass.

CAREER CHRONOLOGY
1. 1972 - 1975, U.S. Army, XVIIIth Airborne Corps and 5th Special Forces Group (Airborne), Fort Bragg, N.C.
2. 1978 - 1979, Editor, National Security Record, Heritage Foundation, Washington, D.C.
3. 1979 - 1981, Legislative Assistant, U.S. Senate, Washington, D.C.
4. 1981 -1984, Professional Staff Member, Senate Armed Services Committee, Washington, D.C.
5. 1984 - 1987, Director of Defense Programs, National Security Council, the White House, Washington, D.C.
6. 1987 - 1989, Deputy Executive Secretary, National Security Council, the White House, Washington, D.C.
7. 1989 - 1993, Assistant Secretary of the Air Force (Financial Management and Comptroller), Washington, D.C.
8. 1993, Acting Secretary of the Air Force, Washington, D.C.
9. 1993 - 1996, Senior Fellow at the Institute for Defense Analyses, Alexandria, Va.
10. 1996 - 2005, Senior Vice President at Hicks and Associates, Inc., a subsidiary of Science Applications International Corporation, McLean, Va.
11. 2005 - 2008, Director of Administration and Management, Office of the Secretary of Defense, Washington, D.C.
12. 2008 - present, Secretary of the Air Force, Washington, D.C.

(Current as of August 2009)

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)

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INTRODUCTION

Today's Airmen play a pivotal role in the constant pursuit of better ways to defend the Nation. Since the airplane was employed over the battlefields of World War I, Airmen have stood for and pioneered new and innovative ways to shape the fight and reinvent the battle itself. While pre-Kitty Hawk warriors relied on breaking through fortified lines on the ground, Airmen have always sought to go over, not through, those fortifications to achieve victory. This spirit of innovation, seeing problems from an alternative, multi-dimensional perspective, is in our Service history, in our culture, and in every Airmen—Active, Guard, Reserve and Civilian—regardless of his or her specialty or role. We call this perspective "airmindedness." Airmen characteristically view security challenges differently—globally, without boundaries.

As a direct result of our status as the world's preeminent aerospace nation, airpower—the ability to project military power or influence through the control and exploitation of air, space, and cyberspace to achieve strategic, operational, or tactical objectives—allows America to control the ultimate high ground that is essential to winning our Nation's wars. The air arms of the Army, Navy, and Marine Corps are supremely capable at what they do—facilitating their parent Service's respective mastery of operations on the ground, at sea, and in a littoral environment. However, America has only one Air Force specifically designed and precisely employed to exploit the singular global advantages of military operations in air, space, and cyberspace. Airmen provide *Global Vigilance*, *Global Reach*, and *Global Power* for America through the enduring Air Force core missions of air and space superiority, intelligence, surveillance, and reconnaissance (ISR), rapid global mobility, global strike, and command and control. By integrating capabilities across these core missions, we bring a unique set of options to deter war, deliver rapid, life-saving responses to threatened areas anywhere on the planet, and strike hard and precisely wherever and whenever the national interest demands.

Recruiting and developing high-quality, innovative Airmen who leverage technology to rethink military operations to achieve strategic objectives will remain a fundamental tenet of the United States Air Force. Only through the efforts of Airmen who have led the way in integrating military capabilities across air, space, and cyberspace—even as their numbers have become significantly smaller—has our Nation maintained its airpower advantage. In an uncertain world, the Nation will depend even more on ready Airmen to deliver *Global Reach*, *Global Vigilance*, and *Global Power*.

STRATEGIC ENVIRONMENT

In January 2012, the Secretary of Defense issued new defense strategic guidance (DSG)—*Sustaining U.S. Global Leadership: Priorities for 21st Century Defense*—which serves as a foundational document in establishing national security interests, the threats to these interests, and the fiscal realities that guide our military posture. The DSG directed a rebalance of forces, with a renewed focus on the Asia-Pacific region, as well as continued emphasis on the Middle East. Using the DSG as a point of departure, the Secretary of Defense recently directed a strategic choices and management review in light of budget realities—such as sequestration—and strategic uncertainty. This review will continue to help the Air Force to identify the major strategic choices that we must make to properly and realistically plan for the future.

Although the future is uncertain, we know that the capability to sustain national priorities hinges upon a strong and capable Air Force. Over the last 12 years, the wars in Iraq and Afghanistan

required Air Force capabilities to help force rogue regimes from power and then to provide critical support to land forces engaged in counterinsurgency and counterterrorism operations, and the Air Force currently plans to maintain these capabilities. In addition, the expected military challenges of the Asia-Pacific region, the Middle East, and Africa suggest an increasing reliance on airpower, not only by America and her allies, but also by her adversaries. The defining characteristics of American airpower—range, speed, flexibility, precision, persistence, and lethality—have played a crucial role in cultivating stability in these regions, a trend that will only increase in the future. The sheer geographic size and extended lines of communication of the Asia-Pacific region, along with the developing military expansion of potential regional adversaries, demand an air force that is postured to ensure stability and preserve U.S. interests. The Air Force is committed, along with our joint partners and allies and through cooperative military relationships, to ensuring global and regional stability and mutual freedom of access to the global commons to secure our common interests around the world.

The Air Force's technological advantage is threatened by the worldwide proliferation of advanced technologies, including integrated air defenses, long-range ballistic and cruise missiles with precision-capable warheads, and advanced air combat capabilities. Advances in adversarial capabilities in space control and cyber warfare may also limit U.S. freedom of action. Some of these technologies are attained with relatively minimal cost, greatly reducing the barriers to entry that have historically limited the reach and power of non-state actors, organized militias, and radical extremists. We live in an age of surprise, where individual acts can be powerful and the effects can be global. Today's strategic environment presents a broad range of threats and an unpredictable set of challenges, ranging from non-state actors to nuclear armed nations. We must continue to invest in our science and technology base to ensure that the future balance of power remains in our favor. This requires flexibility, versatility, and a shift to inherently agile, deployable, and networked systems from those designed for fixed purposes or limited missions.

One initiative that we continue to pursue as we consider the strategic environment is the Air-Sea Battle concept. Air-Sea Battle is an operational concept focused on the ways and means that are necessary to overcome current and anticipated anti-access and area denial threats. By focusing on increased integration and interoperability between all Services, the concept ensures that joint forces maintain the ability to project power and protect national interests despite the proliferation of anti-access/area denial threats worldwide. The concept is not a strategy, nor does it target a specific adversary, but instead focuses on acquiring pre-integrated, joint capabilities. Beyond conflict, the Air-Sea Battle concept can enhance response to humanitarian missions where weather or geography may deny access.

Even as we rebalance our forces, we are aware that the time, place, and nature of the next contingency can never be predicted with certainty. When contingencies arise, we must maintain the ability to respond immediately and effectively if called to action. To align with the DSG, the Air Force has traded size for quality. We aim to be a smaller, but superb, force that maintains the agility, flexibility, and readiness to engage a full range of contingencies and threats.

FISCAL ENVIRONMENT

We recognize that because our Nation is striving to reduce spending and our military is transitioning operations from the U.S. Central Command area of responsibility and rebalancing to the Asia-Pacific region, the Air Force must adapt to a relatively static or reduced budget.

However, reliance by the joint team and the Nation on our unique ability to provide *Global Vigilance*, *Global Reach*, and *Global Power* constrains Air Force options in reducing or terminating capabilities or missions. Therefore, we are working hard and making real progress in eliminating unnecessary expenses and ensuring more disciplined use of resources. Nonetheless, the fiscal environment requires us to make trades between force structure, readiness, and modernization among the core missions to ensure the highest quality and ready Air Force possible.

Fiscal Year 2013 Sequestration Effects

As a result of the triggering of the 2011 Budget Control Act's sequestration provision, the Air Force is implementing significant reductions to our fiscal year 2013 (FY13) operations. If the post-sequester Budget Control Act funding caps remain in effect, the Air Force will be unable to achieve our agenda of reinvigorating readiness and aligning to the DSG. In both the short- and long-term, sequestration will have devastating impacts to readiness, will significantly affect our modernization programs, and may cause further force structure reductions.

Sequestration will force the Air Force to reduce expenditures by around $10 billion in FY13. These actions include a planned furlough of more than 170,000 civil service employees, an 18 percent reduction in flying training and aircraft maintenance, and deferment of critical facility requirements (including runway and taxiway repairs).

Many of these actions severely degrade Air Force readiness. Lost flight hours will cause unit stand downs which will result in severe, rapid, and long-term unit combat readiness degradation. We have already ceased operations for one-third of our fighter and bomber force. Within 60 days of a stand down, the affected units will be unable to meet emergent or operations plans requirements. Lost currency training requires six months to a year to return to current sub-optimal levels, with desired flying proficiency for crewmembers requiring even longer. Sequestration impacts are already occurring, and the FY14 President's Budget (PB) does not assume the costs of recovering the readiness impacts from even a partial year of sequestration.

Depot delays will also result in the grounding of some affected aircraft. The deferments mean idled production shops, a degradation of workforce proficiency and productivity, and corresponding future volatility and operational costs. It can take two-to-three years to recover full restoration of depot workforce productivity and proficiency. In our space portfolio, sequestration will force the elimination of some system redundancies, as well as other preventative maintenance actions designed to minimize risk. All of these sequestration impacts negatively affect Air Force full-spectrum readiness at a time when we have been striving to reverse a declining trend in this critical area.

As a result of the Consolidated and Further Continuing Appropriations Act, 2013, the Air Force has been able to make limited funding transfers and reprogramming actions that will help alleviate the most problematic and immediate FY13 funding shortfalls. However, the decisions that we have been forced to make in short-term spending may increase total costs over the long run. For example, sequestration cuts to Air Force modernization will impact every one of our investment programs. These program disruptions will, over time, cost more taxpayer dollars to rectify contract restructures and program inefficiencies, raise unit costs, and delay delivery of validated capabilities to warfighters in the field. The drastic reduction to modernization

programs reduces our Air Force's competitive advantage and decreases the probability of mission success in the Asia-Pacific region.

Sequestration Effects in FY14 and Beyond

The President's Budget includes balanced deficit reduction proposals that would allow Congress to replace and repeal sequestration in FY13 and the associated cap reductions in FY14 – 21. If sequestration is not replaced, however, the Air Force will have to rebuild degraded unit readiness, accept further delays to modernization, absorb the backlog in depot maintenance inductions, and invest additional funding to restore infrastructure. While the Air Force has made every effort to minimize impacts to readiness and people, the bow-wave of reductions, deferments, and cancellations associated with sequestration will challenge the strategic choices made in the FY14 budget submission.

The exact impacts of sequestration on Air Force resources in FY14 and beyond depend on congressional action. We do know, however, that the national fiscal situation will require some reductions that may increase risk to our readiness, force structure, and our ability to modernize an aging aircraft inventory. In addition, the outcome of the strategic choices and management review may drive further changes.

As we navigate the uncertain way ahead, in order to mitigate risk in critical areas like readiness, force structure, and modernization, and to avoid a hollow force, we will continue to work with Congress to develop force shaping options, urgently seek another base realignment and closure (BRAC) round, and ask for relief from legislative restrictions on the reduction of excess force structure and from mandatory expenditures on programs that we have proposed to retire or terminate. To slow the growth in military compensation while also fully supporting the all-volunteer force, we also request congressional support on limiting the basic military pay raise to one percent and allowing sensible TRICARE fee and pharmacy co-pay changes.

In spite of these fiscal challenges, the Air Force will continue to strive to balance reductions across the force to maintain the capabilities of the remaining forces and keep the Air Force strong.

AIR FORCE CORE MISSIONS

The Air Force will only remain a superb fighting force in FY14 and beyond by investing in the capabilities that enable us to bring our five core missions to the joint team. President Truman assigned several roles and missions to the Air Force at its establishment in 1947. Today, the Air Force brings essentially the same interdependent, integrated, and enduring contributions to the joint fight:

- Air and space superiority;
- Intelligence, surveillance, and reconnaissance;
- Rapid global mobility;
- Global strike; and
- Command and control.

Through these core missions, our Airmen provide *Global Vigilance*, *Global Reach*, and *Global Power* for America. While the means through which we provide these core missions will change and evolve—for example, the addition of space and cyberspace—the core missions themselves will endure. None of these core missions function independently. Their interdependency and synchronization provide an unparalleled array of options, giving America the ability to respond quickly in the face of unexpected challenges.

The five core missions shape where we invest the resources we are given. However, the significant reductions that the Air Force has faced in the last few years have required us to make difficult choices. We have become a markedly smaller Service—the smallest in Air Force history.

Despite this decline in size, our Airmen have stepped up to the challenge and delivered incredible airpower for the Nation, 24 hours a day, 7 days a week, 365 days a year. They always respond when needed—from combat rescue Airmen who exfiltrate the wounded from battlefields, to joint terminal attack controllers who direct the actions of combat aircraft engaged in close air support, to mobility Airmen who quickly airlift personnel, vehicles, and equipment in both combat and relief operations, to the missile combat crews who sit nuclear alert to deter our enemies. These brave and innovative men and women must be properly trained and equipped to defend the Nation. Experience has taught us that during periods of fiscal austerity, tough decisions are necessary to avoid a hollow force—one that looks good on paper, but has more units, equipment, and installations than it can support, lacks the resources to adequately man, train, and maintain them, and are not provided with enough capable equipment and weapons to perform their missions.

In each core mission described below, we highlight what each core mission means, why it is important, our Airmen's recent accomplishments in that area, and what we are focusing on for the future with respect to force structure and modernization.

AIR AND SPACE SUPERIORITY...*FREEDOM FROM ATTACK, FREEDOM TO ATTACK*

Air Superiority

Air superiority is foundational to the application of joint military power, and it ensures that the advantages of the other Air Force core missions, as well as the contributions of our sister Services, are broadly available to combatant commanders. It includes the ability to control the air so that our military forces do not have to worry about being attacked from the air, and it ensures that joint forces have the freedom to attack in the air, on the ground, and at sea. Air superiority has been and remains an essential precondition for conducting successful military operations. Air superiority has provided our Nation with a decades-long asymmetric advantage. Joint force and coalition commanders have come to expect mission-essential air superiority provided by America's Airmen. The Air Force has given them ample reason—not since April 15, 1953, has an enemy combat aircraft killed a service member in the American ground forces.

In the six major U.S. combat operations of the last two decades, the Air Force's ability to provide air superiority has played an indispensable role in determining the outcome of each conflict. Recently, in Operations ODYSSEY DAWN and UNIFIED PROTECTOR, our Airmen patrolled the skies of Libya providing 50 percent of allied airborne reconnaissance and 40 percent of allied strike missions, equating to over 1,800 total strikes in support of the United Nations-sanctioned

no-fly zone. In addition, the Air Force provides nearly 100 percent of the Nation's homeland air defense.

Although air superiority underwrites the freedom of action required for all joint military operations, there is no guarantee of it in the future. Substantial near peer investment and proliferation of advanced technologies threatens this freedom of action. Our legacy, or fourth-generation, fighter fleet has secured more than 20 years of an air superiority advantage, but may lose its ability operate as effectively in contested environments. Large-scale use of legacy aircraft in these environments could be inhibited by the increased survivability of highly lethal, advanced integrated air defenses that will likely persist for the duration of future conflicts. Our air superiority future depends on modern technology and fifth-generation fighter capability. Weapon systems like the F-22, with contributions from the F-35, are what will carry America's Air Force forward to continue to provide that capability. Fifth-generation aircraft possess the survivability to operate despite these threats, and the Nation will need them in quantity.

In FY14, the Air Force will focus on maintaining air superiority by investing $1.3 billion to modernize the F-22 and F-15 fleets. The last F-22A was delivered in May 2012. The current F-22 upgrade programs include hardware and software enhancements to improve electronic protection, weapons capabilities, and service life. The F-15 is undergoing full scale fatigue testing to determine remaining service lifespan. In FY14, the Air Force is requesting $308 million for F-15 fleet radar and electronic warfare upgrades that will permit it to operate in conjunction with fifth-generation aircraft in the future threat environment.

Space Superiority

Along with air superiority, space superiority is integral to our forces' ability to remain free from attack and have the freedom to attack in the air, on land, and at sea. Joint, interagency, and coalition forces depend on Air Force space operations to perform their missions every day. For example, the Global Positioning System (GPS) enables precision guided munitions employment by all Services, in all weather conditions, minimizing collateral damage and providing the nanosecond-level timing needed by today's interconnected and highly-networked communications systems. Beyond defense uses, annual GPS benefits to the economy are in the tens of billions of dollars. Air Force military satellite communications (MILSATCOM) systems, including Advanced Extremely High Frequency (AEHF) and Wideband Global SATCOM (WGS) satellites, provide wideband and protected communications to deployed forces around the globe. This enables the command and control needed by our joint force commanders and allows deployed warfighters to receive intelligence, logistical, and other support from those serving at their home stations.

In calendar year 2012 (CY12), the Air Force launched nine National Security Space (NSS) satellites to bolster our GPS, MILSATCOM, and situational awareness, and this year, we have successfully launched an additional satellite to enhance our missile warning capability. These launches include putting the fourth WGS, the second AEHF satellite, and the Space-Based Infrared System (SBIRS) GEO-2 satellite into orbit. The Air Force also delivered to orbit a new communications satellite for the Navy, a third GPS II-F satellite, and four National Reconnaissance Office satellites, as well as handled the third successful launch of an orbital test vehicle (OTV), including the first reuse of OTV-1. These launches make 58 consecutive successful Evolved Expendable Launch Vehicle (EELV) launches to date and 90 consecutive successful NSS missions.

To continue to advance our space superiority mission, the Air Force will continue to launch satellites to enhance the GPS, AEHF, WGS, Defense Meteorological Satellite Program (DMSP), and SBIRS constellations. In CY13, in addition to the SBIRS GEO-2 launched in March, the Air Force has five more launches planned— two GPS, one AEHF, and two WGS. In CY14, the Air Force plans five launches—three GPS, one DMSP, and one additional EELV launch. Each of these launches will continue the necessary modernization of space-based positioning, navigation, and timing, protected communications, weather monitoring, and missile warning.

Despite our success in space, we cannot take our space technological capabilities and advantages for granted. The barriers to space access have dropped; nine nations have cleared the engineering and technical challenges required to reach space independently, and at least 40 other nations have a space presence. As a result, the current space environment is more congested, contested, and competitive than ever, and we will see this trend continue for the foreseeable future. To ensure that America remains a nation with unfettered access to space and superior space capabilities, the Air Force is pursuing ways to maintain a resilient[1] and affordable system architecture. Building and launching satellites is expensive, and we are exploring ways to reduce costs, increase competition, and improve resiliency without introducing unacceptable risk.

Our space programs demand significant modernization investment, and the pace of modernization for those programs often is based on the life expectancy of on-orbit capabilities. The Air Force's 10 largest programs include four space systems upon which the joint team and the American public depend. We must sustain these critical space capabilities with a focus on warfighting and mission assurance priorities, while accepting risk to meet fiscal goals.

To get our satellites safely into orbit, the Air Force has implemented a new EELV acquisition strategy to efficiently purchase up to 36 EELV common core boosters at a savings of more than $1 billion. This strategy also introduces a competitive environment for up to 14 additional common core boosters for which new launch provider entrants can compete, starting as early as FY15, giving new entrants a clear path to compete for future NSS missions. For FY14, we are investing $2 billion in EELV.

Our Efficient Space Procurement (ESP) strategy[2] is driving down satellite costs, resulting in savings across the future years defense program (FYDP) of more than $1 billion for AEHF satellites, and modernizing MILSATCOM systems to provide greater capacity, force reach back, and access in benign, contested, and nuclear environments. To improve our ability to provide global, persistent, and infrared surveillance capabilities, the Air Force is requesting $1.2 billion in FY14 for sustained funding of the Space-Based Infrared System (SBIRS). We have already achieved over $500 million in savings due to our "block buy" approach and have the potential for additional future savings in the SBIRS program due to the ESP strategy.

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[1] Resilience is the ability of an architecture to support the functions necessary for mission success in spite of hostile action or adverse conditions. An architecture is "more resilient" if it can provide these functions with higher probability, shorter periods of reduced capability, and across a wider range of scenarios, conditions, and threats. Resilience may leverage cross-domain or alternative government, commercial, or international capabilities.

[2] ESP is an acquisition strategy that builds on the Office of the Secretary of Defense, Cost Assessment and Program Evaluation-developed concept known as Evolutionary Acquisition for Space Efficiency (EASE). EASE sought to lower the cost of acquiring space systems by using block buys and reinvesting the savings into the Space Modernization Initiative. The Office of the Assistant Secretary of the Air Force for Acquisition took the EASE concept as a building block and added "should cost/will cost" methodology and fixed price incentive fee contracting.

In addition to replenishing and modernizing aging satellite constellations in critical space mission areas, the Air Force must improve space surveillance and the resilience of space-based capabilities. Therefore, in FY14, we are requesting $1.2 billion to modernize the GPS space, control, and user segments, including the addition of new signals and enhanced anti-jam capabilities. To ensure precision navigation and timing capabilities in the future, we are also developing technologies, including chip scale atomic clocks, cold atoms, and vision-based navigation to reduce dependency on GPS. Space situational awareness (SSA) is truly foundational for ensuring our ability to operate safely and effectively in space. To improve our ability to discover, search, and monitor near earth objects, we are requesting $403.7 million to fund the Space Fence, a new system that will provide increased capacity to observe objects in space and, therefore, improve our ability to safely operate our critical space systems.

International Space Partnerships

The Air Force remains fully committed to the long-term goal of fostering international relationships and supporting ongoing security efforts with partner nations around the globe. Teaming with allies and partners not only helps cost-sharing, but it also increases their capability and their capacity to support contingency operations. Space is an area in which we have made significant progress in building partnerships. For example, in May 2012, the Air Force concluded a United States-Canada SSA partnership memorandum of understanding (MOU) regarding the Canadian Sapphire satellite system, and we successfully concluded a United States-Australia MOU in November 2012 to begin an eight-year, bilateral effort to provide dedicated space surveillance coverage in the southern hemisphere. International partners are also supporting our SATCOM efforts. In January 2012, the Air Force signed the WGS MOU with Canada, Denmark, Luxembourg, the Netherlands, and New Zealand to enable expansion of the WGS program to a ninth satellite, thus increasing interoperability and partner access to the system. We are also acquiring and fielding the AEHF constellation in cooperation with our international partners from the United Kingdom, the Netherlands, and Canada. In addition, the Air Force has also established nine bi- or multi-lateral international agreements to advance the benefits of the GPS system.

In coming years, our Nation's ability to gain and maintain superiority in air and space will become progressively more contested as sophisticated technologies continue to proliferate. Beyond modernizing our systems, the key to maintaining air and space superiority is ready and trained Airmen who are properly equipped for their mission. When called upon, these Airmen must command a well-honed combat edge so that they are ready to prevail even against the most advanced opponents.

INTELLIGENCE, SURVEILLANCE, AND RECONNAISSANCE…EYES AND EARS ON ADVERSARIES

Since the beginning of armed conflict, superior knowledge of adversary intentions, capabilities, and actions has been a critical enabler to victory. The evolution of globally integrated ISR has fundamentally changed how our military fights wars. The tremendous demand for Air Force ISR during recent conflicts and crises highlights their combat advantage. ISR capabilities are among the first requested and deployed, and they are increasingly essential to all facets of Air Force and joint operations. Airmen deliver integrated, cross-domain ISR capabilities that allow the Air

Force to provide our Nation's decision-makers, commanders, and warfighters with a continual information advantage over our adversaries.

The Air Force ISR force is networked to provide both foundational intelligence and immediate warfighter support. Sensors operating in air, space, and cyberspace, global communication architectures, and a network of regionally aligned centers enable our forces to conduct exploitation and analytical efforts in support of combatant commander requirements. The Air Force Distributed Common Ground System (DCGS) is a critical capability within this global network, providing decision advantage across the spectrum of conflict, in all theaters, and in support of all operations.

Last year, our ISR Airmen conducted intelligence preparation of the operational environment, shaped combat plans for 33 named operations, enabled the removal of 700 enemy combatants from the fight, and provided critical adversary awareness and targeting intelligence to U.S. and coalition forces in over 250 "troops-in-contact" engagements. ISR Airmen enhanced battlespace awareness through 540,000 hours of sustained overwatch of tactical maneuver forces and lines of communication and identified over 100 weapons caches and explosive devices that would have otherwise targeted American and partner forces.

ISR Force Structure and Modernization

In FY14, our ISR budget request maintains investments in the DCGS, the MQ-1 Predator, the RC-135 Rivet Joint, the RQ-4 Global Hawk Block 40, and U-2 programs, and makes internal adjustments in MQ-9 Reaper program funding so that the program was able to meet a key acquisition milestone.

The Air Force remains on track to field 65 MQ-1B Predator and MQ-9A Reaper combat air patrols by May 2014. To maintain our ability to conduct counterterrorism operations, we are standing-up five new medium-altitude remotely piloted aircraft combat air patrols in calendar year 2013 and continuing our transition to an all-MQ-9 fleet. We have built a highly effective permissive ISR capability—a growth of 4,300 percent since 2000—but the survivability in contested environments of some remotely piloted aircraft (RPA) is questionable. Therefore, in a post-Afghanistan security environment and as we rebalance to the Asia-Pacific, we are reviewing the need to adjust the RPA mix toward more survivable systems.

The enduring and universal requirement for ISR capabilities, coupled with a complex and dangerous future security environment, drive the need to modernize our ISR forces. This modernization will include improved automated tools for the Air Force DCGS, a system that allows the processing, exploitation, and dissemination of an enormous amount of information every day, as well as integrated networks that are secure and reliable. The regionally aligned distributed ground sites will be the centerpiece of our cross-domain, global ISR enterprise and will allow Airmen to exploit real-time data from sensors and platforms, even in contested environments. To modernize to an easily upgradable and interoperable architecture, we must overcome policy and technical impediments to allow for seamless intelligence sharing and integration with intelligence community agencies, other Services, and coalition partners. The FY14 PB requests $62 million for military construction investments for a new DCGS building to support more than 200 operators, maintainers, support personnel, and mission systems at Beale AFB, California.

Significant reductions in Air Force-provided ISR capabilities would be inconsistent with the current needs of our joint forces. Although ISR forces will continue to engage in counterinsurgency and counterterrorism operations, they must also evolve to address the challenges of the more contested environment of the Asia-Pacific region, including increased emphasis on air and naval forces, as well as greater cooperation and partnership with allies and regional partners. For example, we are currently exploring potential ISR efficiencies that can be gained by collaborating with the Navy, and we continue to grow and mature our intelligence partnerships with strategic allies across the Pacific. One ISR Airmen will also continue their partnerships within the intelligence community to leverage national capabilities for the air component commander and better position combat support agencies to support air, space, and cyber operations.

To enhance our ability to conduct ISR across the range of military operations, we must shift our efforts to solutions that enable robust and reliable communication architectures, all-domain data processing and exploitation, advanced analytical tools, and cross-domain targeting. We are dedicated to improving the automation and machine-to-machine capabilities of intelligence analysis systems in order to deliver greater operational advantage to combatant commanders. Therefore, in the FY14 PB, we are requesting an increase of 88 personnel at the Air Force Targeting Center to support deliberate planning requirements, and we are investing $20 million for network centric collaboration targeting capabilities, which includes developing targeting automation tools, machine-to-machine interfaces, and auto-populate capabilities across ISR intelligence and command and control systems. We also plan to add Air National Guard targeting units at two locations to solidify our commitment to reinvigorating the Air Force targeting enterprise.

The strength of our Air Force ISR enterprise continues to be our professional, well trained, and dedicated Airmen, officer, enlisted, and civilian, who take all this technology and data and transform it into a decision advantage for our Air Force, our joint teammates, and our Nation. Air Force ISR allows our forces to own the night in Afghanistan, connect with partners across Europe and Africa, and provide warning on the Korean peninsula. The integration of air, space, and cyber ISR is a powerful capability—one in which we must continue to invest our talent and resources.

RAPID GLOBAL MOBILITY...DELIVERY ON DEMAND

The Air Force's rapid global mobility core mission projects American influence quickly and precisely to anywhere on the face of the earth. Air mobility forces provide swift deployment and sustainment capability by delivering essential equipment and personnel for missions ranging from major combat to humanitarian relief operations around the world and at home. On any given day, the Air Force's mobility aircraft deliver critical personnel and cargo and provide airdrop of time-sensitive supplies, food, and ammunition on a global scale. America's mobility fleet averages one take-off or landing every two minutes, every day of the year.

Airlift

The Air Force provides unprecedented airlift responses through our strategic and tactical airlift fleets. Here at home, a 12-base effort was initiated within 72 hours of Superstorm Sandy's landfall in October 2012. Active and Reserve airlift crews from Wright-Patterson Air Force Base (AFB), McChord AFB, and Travis AFB converged on March Air Reserve Base and worked

together to move 356 utility workers from across California and 134 utility vehicles with their associated equipment—totaling 2.4 million pounds of cargo—in less than 96 hours to places like Stewart Air National Guard Base and John F. Kennedy International Airport in New York. This Total Force effort helped quickly bring utility trucks and workers to where they were needed on the East Coast to help restore power to affected Americans four days sooner than if the vehicles and equipment would have been driven across the country.

In CY12, Airmen flew 38,000 airlift missions, and over the course of 1,300 airdrops, the Air Force dropped 40 million pounds of life-saving sustainment to coalition forces on the ground in Afghanistan—86 percent more than the entire Korean War. The capability to airdrop personnel, equipment, and humanitarian relief, especially in contested environments, remains critical to our Nation's defense.

For the inter-theater airlift fleet, C-17 procurement will complete this year, but essential modernization programs to standardize the configuration of the entire 223 aircraft fleet continue. Our FY14 budget request includes $1.1 billion to continue the conversion of 52 C-5B aircraft to C-5M Super Galaxy aircraft, with expected completion in FY17.

In FY14, the Air Force will also continue its efforts to modernize its intra-theater airlift and special operations C-130-type aircraft. In 2014, the Air Force seeks congressional support to embark upon a C-130J multi-year procurement contract that will extend through FY18. Over the course of this contract, we will procure 72 C-130J-type aircraft to further recapitalize our airlift, special operations, and personnel recovery platforms. The contract is expected to provide approximately $574.3 million worth of savings to the Air Force over the life of the procurement program and deliver aircraft earlier than annual contracts would.

Supported by the C-130 multi-year contract, the Air Force has programmed $963.5 billion dollars to continue procurement of AC/MC-130Js to recapitalize Air Force Special Operation Command's MC-130E/P and AC-130H aircraft. The AC-130H recapitalization effort concludes in FY14, as does the CV-22 procurement, with the purchase of the last three airframes.

Air Refueling

Mobility forces also provide in-flight refueling—the linchpin to power projection at intercontinental distances. Over the past 50 years, the Air Force has provided unparalleled air refueling capability to support the interests of our Nation and her allies. The Air Force flew 16,000 tanker missions last year, and since September 11, 2001, America's tanker fleet has offloaded over 2.36 billion gallons to joint and coalition air forces. The new KC-46 tanker will help maintain this capability—the backbone of America's military reach—while also extending the range and persistence of joint and coalition aircraft.

As the Air Force considers where to invest in this core mission area, we are seeking the most effective and efficient way to move people and equipment. We also anticipate a future that will call for us to provide rapid global mobility to remote, austere locations in contested environments. This will first require a very capable tanker fleet. Replacing one-third of the 50 year-old KC-135 aerial refueling tanker fleet with the KC-46A is our top Air Force acquisition priority. The KC-46A program will ensure that our Nation retains a tanker fleet able to provide crucial air refueling capacity worldwide for decades to come. In FY14, we programmed $1.6 billion dollars for the manufacture of four developmental aircraft. The initial flights of the KC-

46A test aircraft are scheduled to begin in FY14. The program is currently executing as planned, and we are on track to receive 18 operational aircraft by late FY17. Until the KC-46A reaches full operational capability, we are resourcing critical modernization of the KC-10 and KC-135 tanker fleets.

Combat Rescue/Aeromedical Evacuation

Combat rescue and aeromedical evacuation forces are other key parts of the rapid global mobility force. The Air Force is the only Service with a dedicated force organized, trained, and equipped to execute personnel recovery. These highly trained Airmen support Air Force, joint, and coalition forces in a wide variety of mission areas. With a unique combination of armed, highly advanced HH-60-G Pave Hawk helicopters and specially trained Airmen, we provide a unique capability to recover wounded soldiers and civilians in environments considered too hostile for standard medical evacuation units. In addition to overseas contingency deployments, these Airmen also serve as first responders during disaster relief and humanitarian assistance operations, making pararescue one of the most highly stressed career fields in the U.S. military. Since 2001, our combat rescue forces have saved over 7,000 lives, and in 2012 alone, they flew 4,500 missions that saved 1,128 coalition, joint and partner nation lives in some of the harshest environments in the world.

Aeromedical evacuation also continues to play a vital role in providing responsive, world-class medical support to wounded soldiers and injured civilians around the globe. In CY12, the Air Force airlifted 12,000 patients; since 2003, we have transported a staggering 195,000 patients. To enhance our response to battlefield evacuation support, we developed and deployed tactical critical care evacuation teams to provide triage care on rotary wing aircraft closer to the point of injury. Our health response teams include rapidly deployable, modular, and scalable field hospitals. They provide immediate care within minutes of arrival, surgery and intensive care units within six hours, and full capability within 12 hours of deployment. These advances have elevated battlefield survival rates to unprecedented levels, with a nearly 30 percent improvement since Operation DESERT STORM (Iraq) in the early 1990s.

With the recapitalization of the HC-130N/P with the HC-130J through the C-130 multi-year program, the Air Force continues its effort to modernize its personnel recovery programs. The Combat Rescue Helicopter Program will replace the aging HH-60G fleet, and the Operational Loss Replacement Program will replace HH-60G aircraft lost during operations over the past decade, returning the HH-60G inventory to 112 aircraft. This year, we budgeted $393.6 million to finalize the modification process and begin testing the first two aircraft. The ability of Air Force helicopters to fight their way in and out of medical evacuation and recovery operations is unique to the joint team and has proven its value over the past ten years. Currently, the combat rescue fleet is sized appropriately to meet our global strategy.

Mobility Force Structure

Air Force mobility forces, including long-range strategic airlifters, tankers, and tactical airlifters are sized to move and sustain joint forces over long distances. Congress manages the long-range fleet to a specific floor, currently 301 aircraft. However, after submission to Congress of a report required by the FY13 National Defense Authorization Act, we anticipate that this floor will be lowered to 275. The tanker fleet is largely right-sized to support the joint force. However, the tactical airlift fleet is sized somewhat larger than the defense strategy requires.

Rapid global mobility will continue to be a critical core mission for the Air Force. Whether it is sustaining the warfighter in any environment or delivering hope with humanitarian assistance, Airmen will ensure that the whole of government and international partners are strengthened with this unique capability to get assets to the fight quickly, remain in the fight, and return home safely.

GLOBAL STRIKE...ANY TARGET, ANY TIME

As a significant portion of America's deterrent capability, Air Force global strike provides the Nation the ability to project military power more rapidly, more flexibly, and with a lighter footprint than other military options. The Air Force's nuclear deterrent and conventional precision strike forces can credibly deny adversary objectives or impose unacceptable costs by effectively holding any target on the planet at risk and, if necessary, disabling or destroying targets promptly, even from bases in the continental United States. Global strike may entail close support to troops at risk, interdicting enemy fielded forces, or striking an adversary's vital centers from great distances. Credible long-range strike capabilities are indispensable for deterrence and provide fundamental military capabilities to underpin U.S. military power. Air Force global strike capability relies on a wide-range of systems including bombers, missiles, tankers, special operations platforms, fighters, and other Air Force systems.

Nuclear Deterrent Forces

The unique attributes of the Air Force's nuclear deterrent forces—the stabilizing characteristics of the intercontinental ballistic missiles (ICBM) and the flexibility of the bomber—underwrite the Nation's ability to achieve stability amidst the likely crises and challenges of the coming decades. Air Force B-2 and B-52 bombers and ICBM crews—who continually stand watch all day, every day—provide two legs of the Nation's nuclear triad, while our nuclear command, control, and communications systems provide the National Command Authority the necessary tools to employ all strategic forces. Together, our bombers, tankers, ICBMs, and dual-capable fighters provide this "no fail" capability as the backbone of America's deterrence.

Against a backdrop of increasingly contested air, space, and cyber environments, the Air Force must maintain its ability to hold any target at risk and provide the Nation a credible strategic deterrent force. This capability, unmatched by any other nation's air force, will only grow in importance as America rebalances its force structure and faces potential adversaries that are modernizing their militaries to deny access to our forces. Therefore, the Air Force will modernize global strike capabilities to ensure that American forces are free to act when, where, and how they are needed.

Consistent with the DSG, in FY14, the Air Force is investing in the development of the long range strike family of systems. The Long Range Strike-Bomber (LRS-B)—another of the Air Force's three top acquisition programs—is a key piece of that effort, and we are requesting $379.4 million for LRS-B in FY14. The Air Force is committed to leveraging mature technologies and streamlined acquisition processes to deliver an affordable new bomber with conventional and nuclear strike capabilities. Therefore, the Air Force will certify the LRS-B for nuclear weapons employment within two years after initial operating capability to simplify the development and fielding of the aircraft, as well as have the benefit of conducting its nuclear certification on a mature system.

While the LRS-B is in development, sustaining and modernizing B-52 and B-2 bombers is critical to ensure that these aging aircraft remain viable. Upgrades to the B-2's Defensive Management System, communications improvements on the B-52 via the Combat Network Communications Technology (CONECT) program, and aircraft sustainment efforts, such as the anti-skid system replacement on the B-52, are just a few examples of steps being taken to ensure the effectiveness of our bomber fleet for years to come. Independent of specific platforms, we budgeted $122.8 million to continue the adaptive engine technology development effort to mature advanced propulsion technology to decrease fuel consumption and increase range and loiter time.

Nuclear weapons improvements include the B61-12 tail kit assembly program, which is undergoing its preliminary design review. We are also modernizing ICBM fuzes for Mk21 and Mk12A re-entry vehicles, leveraging common technologies and components with the ongoing Navy fuze program.

As long as nuclear weapons exist, the Air Force is committed to meeting the President's direction to maintain safe, secure, and effective nuclear deterrence capabilities. The quantity of nuclear-capable bombers and ICBMs comprising the bulk of the Nation's deterrent force may be reduced as we continue to implement the New START Treaty. However, the treaty allows both sides to determine their own force structures, which gives us flexibility to deploy and maintain our strategic nuclear forces in a way that is best calculated to serve our national security interests. But deeper reductions must consider multi-dimensional challenges from the world's emerging nuclear powers in a more complex security environment. The Nation's nuclear expertise must not be allowed to atrophy, and focused attention is necessary no matter the size of the nuclear force.

Precision Strike Forces

In addition to nuclear deterrent forces, our conventional precision strike forces hold any target at risk across the air, land, and sea domains. Currently, precision strike forces and armed ISR support joint and coalition ground forces in Afghanistan and Africa. In 2012, the Air Force flew and supported over 28,000 close air support sorties in Operation ENDURING FREEDOM (Afghanistan). However, as our forces rebalance to the Asia-Pacific region and as anti-access/area-denial capabilities proliferate, the ability of our fourth-generation fighters and legacy bombers to penetrate contested airspace will be increasingly challenged.

Success in counterterrorism and irregular warfare missions requires the continued ability to conduct operations in hostile, denied, or politically sensitive environments, using other than conventional forces. Air Commandos provide specialized expertise for infiltration, exfiltration, precision strike, battlefield air operations, ISR, and aviation foreign internal defense that are essential to joint special operations capabilities. In 2012, Air Force special operations personnel executed 1,642 strike missions and 7,713 specialized mobility missions. Persistent special operations presence in Afghanistan and elsewhere, increasing requirements in the Pacific, and enduring global commitments will continue to stress our Air Force special operations Airmen and aircraft.

In FY14, the Air Force is concentrating on funding the F-35 program—one of our top three acquisition programs. While also complementing the F-22's world class air superiority capabilities, the F-35A is designed to penetrate air defenses and deliver a wide range of precision

munitions. This modern, fifth-generation aircraft brings the added benefit of increased allied interoperability and cost-sharing between Services and partner nations. In FY14, we are investing $4.2 billion in the continued development of the F-35 weapon system and the procurement of 19 low rate initial production Lot 8 aircraft. The Air Force is focused on completion of the system design and development of the F-35 by FY17 and requests $782.3 million in FY14 for this purpose.

During F-35 development, it is imperative that we maintain our fourth-generation fighter fleet. The F-16 is undergoing full-scale durability testing to inform structural modification efforts to extend its service life. At least 300 F-16s will undergo a service life extension program and a capability enhancement called Combat Avionics Programmed Extension Suite, which permits them to remain relevant in the near-term threat environment until the F-35 is available in sufficient numbers. We are requesting $52.3 million in FY14 for these enhancements.

Modernizing our munitions to align with the DSG is also an urgent requirement that is fundamental to managing the risk associated with combat force reductions. In FY14, the Air Force is investing $1.1 billion in preferred conventional munitions, such as the AIM-120D, AIM-9X, AGM-158, and GBU-53, and is developing new munitions to address future needs. We are also continuing our efforts to ensure the safety, security, and effectiveness of our nuclear arsenal.

The Air Force must maintain its ability to neutralize any target at any time with global strike forces so that America's military credibility will remain uncontested, allies will not worry, and potential adversaries will not be emboldened to challenge the pursuit of our national objectives.

COMMAND AND CONTROL…TOTAL FLEXIBILITY

Airmen employ the Air Force's other four interdependent and enduring core missions through robust, adaptable, and survivable command and control systems. The Air Force provides access to reliable communications and information networks so that the joint team can operate globally at a high tempo and level of intensity. Air Force command and control systems give commanders the ability to conduct highly coordinated joint operations on an unequaled scale using centralized control and decentralized execution.

The Theater Air Control System (TACS) is the Air Force's primary system to enable planning, control, and execution of joint or combined air operations. The senior element of the TACS is the air operations center (AOC). The inherently flexible capabilities of the AOC and its crews allow for deliberately planned responses to anticipated challenges and dynamically planned responses to contingencies. The Air Force's primary TACS weapons systems, such as the Control and Reporting Center (CRC), the E-3 B/C/G Airborne Warning and Control System (AWACS), and the E-8C Joint Surveillance Target Attack Radar System (JSTARS), provide the AOC with the critical battle management, sensors, and communications that are required to get the right information to the right person in a timely manner.

In Operation ODYSSEY DAWN (Libya) in 2011, TACS Airmen enabled more than 2,000 sorties to enforce the United Nations' no-fly zone. In 2012, Air Force command and control operations included: planning, executing, and controlling over 60,000 combat sorties in support of Operation ENDURING FREEDOM (Afghanistan); over 12,000 sorties in support of Operation NOBLE EAGLE (U.S. air defense); over 1,700 sorties supporting 35 defense support to civil authorities events; over 9,000 global aeromedical evacuation missions; noncombatant evacuation

operations as a result of the terrorist attack on the American embassy in Libya; and over 1,500 ISR missions supporting United States Southern Command and Northern Command. Our command and control systems enabled us to conduct many of these operations simultaneously.

It is essential that we continue to modernize, upgrade, and refit our operational and tactical level command and control systems and sensors to maintain the Nation's advantage in command and control. Our systems are under constant attack, as illustrated by the new and more capable threats emerging daily in the areas of cyber weapons, anti-satellite systems, advanced fighter/attack aircraft, and electromagnetic jamming. Our potential adversaries are also making advances by electronically linking their own combat capabilities, creating new military challenges that our forces must be prepared to address.

To respond to these challenges, the Air Force will field advanced command and control systems that are more reliable, resilient, and interoperable. More importantly, we will recruit and train innovative Airmen to build, manage, and advance our complex and diverse command and control systems while enabling their ready use by our own and allied forces. Modernization of existing systems, such as the CRC and E-3G Block 40/45, and AOC 10.2 will serve as the backbone of this effort. In FY14, we are investing $396.8 million in E-3G Block 40/45, $58.1 million in AOC 10.2, and $26.4 million in CRC. We are also funding critical investments in future capabilities, such as the Joint Aerial Layer Network. The Air Force has also initiated modernization of crucial national command, control, and communications systems and is investing $52.3 million in FY14 to fund data linkages between fifth-generation aircraft and legacy fleets. Finally, the Air Force continues to examine alternatives for the future of the JSTARS mission area.

Cyber Capabilities

The capability to deliver airpower is intimately dependent on the ability to operate effectively in cyberspace, which is critical to all of our core missions and many of our command and control systems. Operations in cyberspace can magnify military effects by increasing the efficiency and effectiveness of air and space operations and by helping to integrate capabilities across all domains. Pervasive and highly interconnected, cyberspace operations will remain extremely contested. The United States faces cyber-attacks on key infrastructures. The cost of entry is low, anonymity is high, and attribution is difficult. The Air Force recognizes the severity of these threats, as well as the speed and interconnected nature of cyberspace, and is dedicated to ensuring the access and freedom of maneuver that are essential for effective cyber operations.

Cyber roles and responsibilities are certainly not exclusive to the Air Force; however, the integration of cyber capabilities with each of our core missions is an essential component of how we bring innovative, globally focused "airmindedness" to ensure our warfighting advantage. In FY13, the Secretary of Defense decided on a new force model for Department of Defense (DoD) cyber operations. This model will increase the Air Force cyber force structure and manning. The additional manpower will provide the Air Force capability for national, combatant command, and Air Force cyber missions. For example, the Air Force has increased funding to $3.6 million in FY14 to Cyber Hunter teams who provide precision capability to identify, pursue, and mitigate cyberspace threats affecting critical links and nodes within the Air Force network.

The Air Force will continue to synchronize forces across air, space, and cyberspace to achieve mission success in dynamic battlespaces and support integrated and interoperable joint command

and control capabilities that are agile, responsive, and survivable, even in contested environments.

AIRMEN READINESS AND DEVELOPMENT

While it is common to define the Air Force by its core missions or by our aircraft, missiles, and satellites, the reality is that our Service's unmatched capabilities exist only because of the imagination and knowledge of our outstanding Airmen. Accordingly, we believe in taking care of our people first, while always remaining focused on the mission. To ensure that our Airmen can continue to power the enduring core missions for the Nation, we must invest in their readiness and development.

READINESS

Underpinning our Airmen's ability to provide *Global Vigilance*, *Global Reach*, and *Global Power* to the Nation and contribute our core missions to the joint team is their readiness. "Readiness" is the ability of a unit to provide its designed operational capabilities within the required timeline. It is comprised of personnel requirements, training (to include flying hours), weapon system sustainment, facilities, and installations. A good readiness posture depends on health in all of these key areas. While protecting future readiness includes modernizing the weapons systems and equipment, creating combat readiness in the near-term is a complex task involving the intersection of personnel, materiel, and training. It includes balancing time between operational and training commitments, funding from multiple sources, informed levels of risk, and effectively managing resources to achieve the desired state of readiness.

Mitigating the risk associated with a smaller military requires a fully ready force. A smaller force with less capacity requires greater attention to ensuring adequate personnel levels, aircraft availability, weapons, and sufficient training to support the full range of mission requirements at the desired level of competency. If we attempt to sustain current force levels while personnel and operational costs rise, there will be progressively fewer resources available to support our current number of installations, maintain existing aircraft inventories, vital equipment, and weapons, and invest in future capabilities. These factors become more critical as shortages in aircraft availability, weapons, and key personnel grow and exert a larger negative effect on the overall readiness of the force.

While the Air Force has met the demands of a high operational tempo in support of today's fight, this has inevitably taken a toll on our weapons systems and people, putting a strain on the overall readiness of the force. As reflected by Office of Secretary of Defense (OSD)-mandated Status of Requirements and Training System (SORTS) metrics, we have seen a steady decline in unit readiness since 2003; our readiness must improve. The rebalance to the Asia-Pacific and our continued presence in the Middle East and Africa indicate that the demand for Air Force capabilities will remain constant, or perhaps even rise, over the next decade.

Currently, the bulk of the funding for maintaining numerous missions initially fielded with overseas contingency operations (OCO) funding (e.g., MQ-1/9, MC-12, and the E-11A with its battlefield airborne communications node capability) remains in the upcoming FY14 budget request. If the Air Force is to retain those capabilities for the long-term, funding for the aircraft and the capabilities and the infrastructure that supports them must migrate from OCO funding to an adjusted base budget. If the base budget is not adjusted, these capabilities will either have to

be retired or be retained at the expense of other full spectrum forces and capabilities, which would increase risks.

The Air Force supports combatant command missions that require 24/7 availability and attention. Space operations, command and control, cyber defense, ISR, special operations, personnel recovery, and nuclear deterrence are all high priority missions that cannot be done adequately, and in some cases cannot be done safely, at low readiness levels. In support of U.S. defense strategy, air forces are inherently capable of responding quickly and can be shifted on relatively short notice between critical theaters of operation. Allowing the Air Force to slip to a lower state of readiness that requires a subsequent long buildup to full combat effectiveness will negate the essential strategic advantages of airpower and put joint forces at increased risk.

Therefore, the Air Force's portion of the FY14 PB aligns resources in an effort to slow the readiness decline and sets the stage for restoring full-spectrum readiness. However, as noted previously, the effects of sequestration in FY13 will hamper our readiness efforts in FY14 and beyond. The pillars of our full-spectrum readiness effort include: a consistent, equitable, and attainable flying hour program; prioritized full-spectrum training venues; focused weapons systems sustainment funding; appropriate reallocation of manpower to our highest priority missions; sustainment of our power projection platforms (Air Force installations); and developing and caring for Airmen and their families.

Through planned funding of weapons system sustainment, the flying hours program, training ranges, facilities and installations, and modernization programs, the Air Force could maintain its legacy of "spring-loaded" readiness. In the past 35 years, the Air Force has been called upon nearly 150 times to conduct combat or humanitarian operations in more than 45 countries, and combat sorties in the U.S. Central Command area of responsibility have continued uninterrupted since 1991. The completion of combat operations in Iraq and Afghanistan are important milestones that should provide an opportunity to reset the force, but other international security challenges remain and, in some cases, are growing. America will continue to need a ready Air Force.

Weapons System Sustainment (WSS)

WSS is a key component of full-spectrum readiness. Years of combat demands have taken a toll across many weapons systems, and we continue to see an increase in the costs of WSS requirements, which are driven by sustainment strategy, complexity of new weapons systems, operations tempo, force structure changes, and growth in depot work packages for aging, legacy aircraft. With recent force structure reductions, we must carefully manage how we allocate WSS in order to avoid availability shortfalls.

The FY14 budget submission adds $1.5 billion to the WSS portfolio across the FYDP. Although the FY14 PB adds baseline funds for WSS, we continue to rely on OCO funding for global contingency operations.

WSS funding requirements for combat-ready air, space, and cyber forces have consistently increased at a rate double that of DoD inflation planning factors. Although service life extension programs and periodic modifications have allowed our inventory to support 20 years of unabated operations, the cost of maintenance and sustainment continues to rise. As a result, we want to improve the link between resources and readiness for Air Force weapons systems by reducing

costs, improving risk-based decision making, and balancing costs with performance. To address the trend of higher costs, we are reviewing and streamlining organizations and processes to reduce maintenance and material costs, develop depot efficiencies, and manage weapons systems requirements growth. We are taking actions to reduce requirements by examining the potential for restructuring or modifying new and existing contractor logistics support contracts to optimize tradeoffs, provide visibility, and improve flexibility between costs and outcomes. We will also leverage risk-based strategies and evaluate maintenance schedules to maximize aircraft availability and apply performance-based logistics solutions to balance total sustainment costs with performance.

Despite our efforts, WSS costs are still expected to grow, and new, more capable aircraft are often more expensive to maintain than those they replace. In the current fiscal environment, our efforts to restore weapons system availability to required levels will be a serious challenge.

Flying Hour Program (FHP)

The emphasis on readiness in the DSG reinforced the need to implement a FHP that achieves full-spectrum readiness. The Air Force balanced the allocation of flying hours across the Total Force to incrementally improve readiness levels. The flying hour program will continue to rely on OCO funding to support Operation ENDURING FREEDOM and the redeployment of combat forces from Afghanistan. With the expectation of decreasing OCO flying hours, we have programmed increasing O&M-funded flying hours in FY15 and throughout the FYDP. Beginning in FY15, the program is approximately 90 percent of the peacetime training requirement to attain full-spectrum readiness across the Total Force, reflecting our assessment of the full executable program.

We are also committed to a long-term effort to increase our live, virtual, and constructive operational training (LVC-OT) capability and capacity by funding improvements in LVC-OT devices (e.g., simulators and virtual trainers) and networks. Adjustments to the flying hour programs will continue to evolve as the fidelity of simulators and LVC-OT capabilities improve. Increasing our virtual capabilities will minimize fuel consumption and aircraft maintenance costs while ensuring high quality training for our aircrews. In FY14, we are investing $3.3 million for LVC-OT purposes.

Training Ranges

Full-spectrum training requires the availability of air-to-air and air-to-ground training ranges. Many of our ranges are venues for large-scale joint and coalition training events and are critical enablers for concepts like Air-Sea Battle. In FY14, we are requesting range O&M funding of $75.8 million to sustain these crucial national assets to elevate flying training effectiveness for the joint team, which in turn improves individual and unit readiness levels. Unfortunately, previous years' baseline range funding was at levels as low as 25 percent of requirements, resulting in a corresponding corrosive effect as range infrastructure deteriorated and aircrews only maintained readiness in skill sets oriented toward current combat operations. This year, we are reversing this trend by raising baseline range funding to 74 percent of requirements to begin a return to full-spectrum readiness. As we continue to realign to the DSG, additional range investment and sustainment funding will be necessary to ensure that our combat forces are prepared for the full range of potential threats and environments.

In FY14, the Air Force is poised to work with the joint community to establish cyber ranges that enable realistic testing and evaluation of new cyber concepts, policies, and technologies. These ranges will provide a venue for evaluating network services, information assurance, and offensive and defensive cyber capabilities in a closed and secure environment. Coupled with the Air Force's program for simulator-based cyber education, training, crew certification, and exercises, these cyber ranges will provide trained and tested cyber operators able to strike targets anywhere on the globe, as well as defend against foreign and domestic attacks.

Facilities, Installations, and Energy

From cyber to long-range strike, installation readiness buttresses the Air Force's core mission. Therefore, the Air Force's FY14 budget request employs a balanced approach to our installation investment strategy. Our installations are power projection platforms comprised of both built and natural infrastructure that: (1) effectively enable Air Force core operational capabilities—we deliver air, space and cyber capabilities from our installations; (2) send a strategic message of commitment to allies and intent to adversaries; (3) foster partnership-building by stationing our Airmen side-by-side with our coalition partners; and (4) enable worldwide accessibility in times of peace or conflict. Therefore, we must maintain sustainable installations to enable Air Force support to the vectors outlined in the DSG.

In the FY14 PB, the Air Force returned military construction (MILCON) investment levels to near historic norms following the deliberate pause of FY13. This year, the $1.2 billion investment focuses on supporting beddown requirements for the F-35 and KC-46, combatant commanders' top priorities in cyber and nuclear deterrence, and the re-balance to the Asia-Pacific theater.

Recognizing the links between MILCON and facilities sustainment, restoration, and modernization (FSRM), we are funding facilities sustainment at 80 percent of the OSD facilities sustainment model requirement, and we added over $400 million for restoration and modernization across the FYDP to enable consolidation efforts and improve the quality of our most mission-enabling facilities.

Foundational to all of our efforts, energy enables the force and sustains our national security posture. Energy, which comprises about eight percent of the Air Force budget, enables Air Force core missions, and fuels our operational capabilities. The Air Force recognizes the vulnerability and volatility created by our dependence on finite, non-renewable energy supplies. Therefore, we are committed to increasing energy security and becoming ever more energy efficient. We have already made great strides in reducing consumption and improving efficiency. Since 2006, the Air Force has reduced its fuel consumption by 12 percent, exceeding a 10 percent reduction goal three years ahead of schedule.

Overall, our focus is to reduce our energy footprint across all operations. Investments we made in FY12 to improve our facility energy efficiency and reduce our energy requirement are expected to start generating savings in FY14. The Air Force is also looking to improve its energy security and diversify its energy supply through increased use of renewable energy. We also plan to improve our energy security by making the most of private sector knowledge, technology, and financing to capitalize on underutilized land on our installations.

The Need for Base Realignment and Closure

As we make efforts to improve and sustain our installations, we also recognize that we are carrying infrastructure that is excess to our needs. A capacity analysis conducted prior to the 2005 BRAC suggested that the Air Force had 24 percent capacity that was excess to our mission needs. However, the 2005 BRAC did not make major reductions to Air Force facilities, and since that time, we have reduced our force structure by more than 500 aircraft and reduced our active duty military end-strength by seven percent. The Air Force currently has significant excess infrastructure that is very expensive to maintain in terms of both financial and human resources. In the current and projected fiscal environment, we simply cannot afford it. The Air Force has limited authority under current public law to effectively consolidate military units or functions and divest excess real property. The money that we are spending on maintaining excess infrastructure is more urgently needed to recapitalize and sustain our weapon systems, improve readiness, and invest in the quality of life needs of Airmen.

Readiness and Modernization

The decline in future budgets does not allow us to improve readiness while also maintaining force structure and continuing all planned investment programs. To prioritize readiness, we have made a conscious choice to take some risk by making sacrifices in modernization programs. Although we have been more effective in our use of operating resources and garnered savings from better business practices,[3] the Air Force has been forced to terminate or restructure several programs. Program restructures and terminations include terminating the Space Based Surveillance Block 10 follow-on, freezing Gorgon Stare at Increment II, terminating Air Force participation in the Joint Precision Approach and Landing System land-based segment, and divesting the UAV (unmanned aerial vehicle) Battlelab in FY14.

The Air Force also terminated acquisition of the underperforming Expeditionary Combat Support System (ECSS). ECSS was initiated in 2005 in an effort to provide end-to-end visibility of the Air Force's supply chain and enable better logistics decision-making. As planned, ECSS would have transformed the logistics enterprise, making all aspects interoperable and synchronized with the financial and accounting systems to enhance business and mission operations and realize efficiencies. Unfortunately, after several years of schedule delays, poor contractor performance, and cost increases, we determined that the program could not meet the FY17 financial improvement and audit readiness statutory requirement and was not likely to achieve other promised capabilities at an affordable cost. Instead of continuing to spend money on an underperforming program, the Air Force determined that the prudent course of action was to pursue other ways to transform our logistics business processes.

The FY13 sequestration cuts took away all program flexibility, deferred some buys, added risk to many programs while at the same time forced us to reallocate investment funds to more critical O&M needs. Budget projections for FY14 and beyond, along with the FY13 cuts, may force us to halt or slow pending development or productions milestones on 11 acquisition category (ACAT) 1 programs. Small scale program terminations began in FY13, and we will have to

[3] There are $1.3 billion in FY14 funding reduction adjustments and $7.9 billion across the future years the Air Force has categorized as being reflective of a more disciplined use of resources. Program terminations and restructures are $2.4 billion of this total. Savings from better business practices and more effective use of operating resources total $3.2 billion across the future years.

consider expanding terminations in FY14. Similarly, several key modernization priorities remain unfunded given the current fiscal environment, including a replacement for the aging T-38 trainer and the JSTARS surveillance aircraft.

America's Air Force remains the most capable in the world, but we cannot allow readiness levels to decline further and modernization cannot wait for the next cycle of increased defense spending. We have important production lines under way and development programs that are, or will soon be, mature enough for production. Cancelling programs in anticipation of a future generation of technology would be wasteful and, in some cases, risk the loss of critical engineering talent and technological advantage. New threats and corresponding investment needs are not theoretical possibilities for the future. They are here, now. The future success of the Nation's military and the joint team depends on modernizing our Air Force and keeping it ready to fight.

AIRMEN DEVELOPMENT

The Air Force's strategic advantage begins with its ability to attract, recruit, develop, and retain innovative warriors with a commitment to high standards and our core values of *Integrity First*, *Service Before Self*, and *Excellence In All We Do*. To accommodate an uncertain and fiscally challenging future, we must continue to invest in our Airmen through education, professional development, and support programs for Airmen and their families, coupled with other programs to maintain a safe, respectful, and positive work environment. We are focusing on the recruitment, development, retention, and overall effectiveness of each individual Airman. Through this investment, we will not only improve the capability of today's force, but also illustrate our commitment to future generations of Airmen to ensure a diverse and inclusive rich pool of the highest quality recruits well into the future.

Sexual Assault Prevention and Response

Providing a safe, respectful, and productive work environment is the responsibility of every Airman at every level, and we are working hard to achieve this. We do not tolerate sexual assault. In the last year, the Air Force redoubled its efforts to eradicate sexual assault within our ranks, and we have invested in several programmatic, educational, and resourcing efforts aimed at reinforcing a zero tolerance environment. When sexual assaults are alleged, we are providing improved support to victims. In coordination with OSD, the Air Force created a special victims capability comprised of specially trained investigators, prosecutors, paralegals, and victim and witness assistance personnel. A cadre of 24 special investigators has received special victim training, along with 16 senior trial counsel, nine of whom specialize in the prosecution of particularly difficult cases, including sexual assault cases. In addition, 60 Air Force attorneys have been identified and trained to serve as "special victims' counsel" to provide comprehensive and compassionate representational legal assistance to victims. Special victims' counselors currently represent over 200 sexual assault victims. The Air Force has also approved all 46 expedited transfer requests for Air Force victims over the past year, to include both permanent change-of-station and local installation reassignments, and we continue to employ over 3,100 volunteer victim advocates. In accordance with the FY12 National Defense Authorization Act (NDAA), each of these volunteer victim advocates will receive full certifications to provide confidential victim support beyond the training they already receive, and the Air Force is on track to place a full-time victim advocate at every installation by October 1, 2013.

Innovative, Global Airmen

Globalization and the pace of technology advances are accelerating. Airmen work with advanced technology every day, and developing innovative and technically-savvy Airmen to continue to operate on the cutting edge is the lifeblood of our Service. The Air Force's ability to leverage and field crucial technologies is dependent on America's aerospace research and development infrastructure—a national asset that must be protected to ensure future U.S. advantages in technology, commercial aviation, and space. Accordingly, we are protecting science and technology funding as a share of our total resources. To ensure that Airmen increase their technical acumen, we are strategically managing our science, technology, engineering, and math (STEM) workforce and conducting outreach activities to recruit and train an adequate and diverse STEM talent pool to develop, operate, and maintain our technical advantage. While Airmen must remain technically proficient, we are most interested in whole person development – creating leaders of character who demonstrate creativity and empathy in addition to technical competency.

Globalization also makes the development of a global community of Airmen a more achievable goal. Efforts to enhance the language and cultural skills of the force continue to lay the groundwork for access and coalition building activities that enable future cooperative efforts with friends and allies. Likewise, outreach through foreign professional military education programs where members of other nations attend Air Force programs, as well as personnel exchange programs, significantly increases the likelihood of current and future cooperative relationships. The combined effects of these personnel programs and relationship-building efforts help ensure that future leaders of friendly foreign air forces will continue to regard the U.S. Air Force as one of the finest air forces in the world.

Airmen and Family Support

The quality of Airmen and family support programs remains a critical element of the Air Force resilience program. Using a strength-based approach to the resilience program builds an improved ability to cope with stress and forms the basis for an approach for suicide prevention. Regardless of the fiscal environment, the Air Force must continue to address the Service's evolving demographics and maintain balanced, healthy, and resilient Airmen and families. We will adjust, consolidate, or eliminate services where required to meet changing demands, capitalize upon community resources, and gain efficiencies where possible.

To better support our Airmen and families, we continue to move forward with our "3 to 1 Total Force Personnel Management" initiative. This effort integrates personnel management policies, processes, and procedures across the Total Force to create a more efficient and effective Air Force. To the greatest extent possible, "3 to 1" will yield uniformity, enhance coordination across components, optimize war fighter support, and improve service levels for our Airmen. This effort will also eliminate cumbersome paper-based personnel workflows, standardize human resource management under common directives, and provide "one-stop shopping" for personnel support from anywhere, at any time. Finally, we expect this effort to ease Airmen transitions on and off active duty and across the three components, all of which are vital to our Air Force mission.

Our Airmen continue to contribute significant capabilities in the joint arena and do so with the integrity and excellence expected of them. They remain committed to the Air Force mission and

our core values. It is imperative for us to apply sufficient resources coupled with well-informed personnel policies to support and maintain our high quality, all-volunteer force, retain their trust and confidence, and empower them to *fly, fight,* and *win.*

ACTIVE/RESERVE COMPONENT BALANCE

Today's Total Force consists of about 329,500 Regular Air Force (or Active) Airmen, 105,700 Air National Guardsmen, and 70,900 Air Force Reserve Airmen actively serving in the Selected Reserve, as authorized by the FY13 NDAA. For FY14, the total number of Airmen will decrease slightly to 327,600 Active Airmen, 105,400 Guardsmen, and 70,400 Reservists. In addition to these numbers, the Air Force Reserve maintains a strategic depth of more than 790,000 stand-by or non-participating Reservists and retirees who can be called up for national emergencies. We are one Air Force—Regular Air Force, Air National Guard, and Air Force Reserve Airmen—working together as a Total Force team every day around the world.

There is great interdependence between Active, Guard, and Reserve forces. We must ensure the right balance between them because too much force structure in the Active component does not capitalize on potential lower operational costs of personnel and installations in the Reserve component. Too little force structure in the Active component requires Guardsmen and Reservists to deploy more often—even in peacetime—which breaks the model of a part-time force, threatens the sustainability of the Total Force, and increases costs significantly.

The analytical foundation used to develop Active and Reserve component force balance starts with the National Defense Strategy. The strategy is based on scenarios and associated concepts of operation and forces developed by the Office of the Under Secretary of Defense for Policy, the Joint Staff, and the Office of the Secretary of Defense, Cost Assessment and Program Evaluation. These scenarios form the common starting point for all DoD force structure assessments and include major contingency demand (i.e., surge) as well as pre- and post-contingency rotational demand (non-surge and post-surge, respectively). Force demands, both surge and post-surge rotational, are compared to projected inventories to determine how much and what type of force structure is required. Capabilities and risk are balanced across the Air Force's core missions to field the most capable and sustainable force within available resources. Analysis of Active and Reserve component force levels provides insights into the balance within this force that can most effectively and efficiently meet demand within DoD deployment goals.

Maintaining the appropriate Active and Reserve component force mix is critical to the ability of the Air Force to meet forward presence requirements, maintain rapid response, and meet high-rate rotational demands within a smaller force. Additionally, appropriate force mix is critical to the sustainment, readiness, and health of the Total Force components. Force mix decisions cannot be made based solely on cost. We must consider the symbiotic relationship of the Active and Reserve components and treat the three components as a complete system, evaluating the effects of change on all components to better understand unintended consequences to the whole. For example, Reserve forces depend on healthy Active component forces from which trained and experienced Airmen transition to part-time status. If the Active component force becomes too small, the flow of personnel into the Reserve component will slow, driving the Reserve components to increase direct-entry recruitment, causing experience levels to fall and costs to rise. Our analysis also will consider how the Reserve component leverages important civilian skills and experience, such as in cyber, for the needs of the Nation. Air Force leaders must have

the flexibility to reorganize force structure within the Active and Reserve components to maintain the health of the Total Force and its ability to ultimately execute the National Military Strategy.

Total Force Initiatives

To get a better understanding of our Total Force mixture, we launched the Total Force Task Force, a team led by three two-star general officers from the Regular Air Force, the Air National Guard, and the Air Force Reserve. The Total Force Task Force is leading a reassessment of the Air Force's efforts to develop the appropriate Active and Reserve component balance through processes that enable the Department of the Air Force to leverage the inherent strengths, unique aspects, and characteristics of each component. The Total Force Task Force is conducting a comprehensive review of Total Force requirements and will develop strategic options to ensure that the Air Force balances the strengths of each component while sustaining necessary capabilities in the years ahead. The team is scheduled to present their findings by October 1, 2013. We expect the task force to serve as a focal point for the National Commission on the Force Structure for the Air Force that was directed by Congress and is scheduled to provide a report to the President by February 1, 2014.

Total Force Integration (TFI) works to shape the most capable force possible under fiscal and operational constraints for our current and future force. TFI associations are a cost-efficient value to the taxpayer as the Active and Reserve components share equipment and facilities. We are increasing the number of units that partner Active, Guard, or Reserve Airmen at a single location. We currently have 121 such unit associations and plan to add additional associations; however, implementation of the FY13 NDAA may affect the number of associations. Already a success story for mobility forces, we are planning for every U.S.-based Reserve fighter unit to become an association with the Regular Air Force within the FYDP, as will the continental United States locations for the KC-46 tanker. We will continue to refine this combination of Active and Reserve forces across all appropriate areas of the Total Force.

Force structure changes require continual dialogue between the Active component, the Air Force Reserve, the Air National Guard, and the respective governors. Over the past year, we have worked with OSD, the National Guard Bureau, and the Council of Governors to formalize a consultative process to exchange views, information, and advice, consistent with the applicable guidelines on programming and budgetary priorities and requirements on matters specified in Executive Order 13528. Recently, DoD and the Council of Governors agreed to the "State-Federal Consultative Process for Programming and Budgetary Proposals Affecting the National Guard." This process will, among other things, increase National Guard involvement in DoD's planning, programming, budgeting, and execution processes and improve the dialogue between the Council of Governors and the DoD before resource decisions affecting the National Guard are made. It is essential that we manage the health of the Total Force holistically, and we are committed, now more than ever, to strengthen our integration of effort.

CONCLUSION

From airpower's earliest days, Airmen have exploited technology to provide essential knowledge and information on when and where to act, to move people and materials when and where needed, to control the ultimate high ground, and to strike when and where directed.

We are confident in our Airmen. They are the best in the world, and we can rely on them to meet any challenge, overcome any obstacle, and defeat any enemy—as long as they are given adequate resources and the freedom to innovate. As they have time and again, our innovative Airmen will find new and better ways to approach future military challenges across the spectrum of conflict, throughout every domain, and against nascent and unpredicted threats.

The Air Force's core missions will continue to serve America's long-term security interests by giving our Nation and its leadership unmatched options against the challenges of an unpredictable future. In the last several decades, Air Force airpower has been an indispensable element of deterrence, controlled escalation, and, when so tasked by the Nation's leadership, been an instrument of destruction against an adversary's military capability—all accomplished with minimal casualties to U.S. servicemen and women and civilians. However, investments in Air Force capabilities and readiness remain essential to ensuring that the Nation will maintain an agile, flexible, and ready force. This force must be deliberately planned and consistently funded, as reconstitution of a highly sophisticated and capable Air Force cannot occur quickly if allowed to atrophy.

Today's Air Force provides America an indispensable hedge against the challenges of a dangerous and uncertain future. Regardless of the future security environment, the Air Force must retain and maintain its unique ability to provide America with *Global Vigilance*, *Global Reach*, and *Global Power*.

We are committed to excellence and we will deliver with your help. We ask that you support the Air Force budget request of $114.1 billion for FY14.

Mr. YOUNG. Mr. Secretary, thank you very much and, General Welsh, we will be happy to take your statement at this time.

SUMMARY STATEMENT OF GENERAL WELSH

General WELSH. Thank you, Chairman Young, Ranking Member Visclosky, members of the committee. It is truly a privilege to be here, it always will be. Mr. Chairman, I will enter most of my comments in the record if that is okay with you, sir.

Mr. YOUNG. It is, sir.

General WELSH. There are two things I would like to address at the front end though if I may, it won't take long but these are important. The first is a decidedly negative note. Both Secretary Donley and I were appalled, I believe is the right word, at the sexual battery allegations against the Chief of our Sexual Assault Prevention Response Branch late last weekend. This officer works in an office responsible for programs, policies, and procedures in this area. The charges, if true, are incomprehensible.

As the Secretary and I have said over and over and over again, sexual assault prevention and response efforts are critically important to the United States Air Force and to our people, and this is another shocking reminder that we have a long way to go and a lot of work to do. And I would be happy to answer any specific questions you have about that during this session.

We remain committed to supporting victims and, consistent with due process, holding those who commit this horrible crime accountable for their actions. We will continue to strive to foster work environments that are safe and respectful, will develop leaders of character, will demonstrate operational effectiveness, innovation and the selfless caring approach required to lead America's sons and daughters. And we will continue to do everything in our power to care for them and their families, while balancing the resources required to do that with the understanding that our primary job is to fight and win the Nation's wars.

Now no part of that primary job is more important than the nuclear enterprise. In March of this year the 91st Missile Wing at Minot Air Force Base underwent an inspection. Chairman, you referred to it in the article from the Washington Post this morning. That inspection was conducted by Air Force Global Strike Command inspectors. It encompassed 22 areas of performance. Of those 22 areas the wing at Minot was rated excellent in 14, it was rated satisfactory in eight or—excuse me—in seven, it was rated marginal in one. That one area rated marginal was missile crew operations. It is unusual for a missile wing to be graded marginal in that area. It does not happen very often. Now to be clear, marginal is passing, it meets the minimum standards for getting the job done, but it is not the level they would expect from their crew performance. The wing commander and the group commander at the Missile Wing in Minot immediately started an investigation into what had caused the lower than expected performance by their crew members. They expanded from those looked at during the inspection to the entire operational crew force of the wing and they conducted a comprehensive, top to bottom assessment of training, performance on routine testing, simulations, et cetera, et cetera. And when they were complete they found 17 members of that wing,

not from one unit but spread across the wing, who they felt were not demonstrating the proper attitude and effort to stay completely up to speed on everything necessary to be perfect in the nuclear operations business. And so they took those 17 crew members and they have reentered them into a training program which will take about 60 days to complete. Those 17 crew members constitute about 10 percent of that missile wing.

So in my view here is what happened, we had an inspection process that is robust. The inspections are very difficult, and an indication from this inspection was that there was something for the wing commander to pay attention to. He paid great attention to it and with great diligence tried to figure out what the problem was and what the right solution would be. In my view he did exactly what I would expect from a commander in this mission area. He did it before there was a mission impact. This wing met all standards of the inspection that was conducted. He did it even though he knew it would draw negative attention to his command. And in doing so he reinforced the pride of the great, great missile crews who came through that microscope for reinspection with flying colors and he set very clear expectations for the 17 who did not and who are now in a retraining program and must re-earn the privilege of serving as an Air Force missile combat crew member. I am confident they will do exactly that. I am proud of the wing commander at Minot. I think he did the right thing.

Mr. Chairman, my job is to help Secretary Donley field the most capable and credible Air Force possible. I believe our budget request before you moves us in that direction, it does improve readiness, it helps to limit force structure costs, and it protects vital modernization.

And finally, I am really privileged to be here sitting next to Secretary Mike Donley, who for five years now has led our Air Force with great dignity and with respect for all airmen. He and I will be happy to answer your questions about this budget submission.

Mr. YOUNG. General, I think we share that last comment you just made. I think we all share that. Thank you very much for the very positive statement that you just presented to the committee. One of the issues that I mentioned in my opening comments I think Mr. Frelinghuysen—I wanted to yield to Mr. Frelinghuysen because I believe he has some pretty serious follow-ups on that issue.

NUCLEAR MISSION AREA

Mr. FRELINGHUYSEN. Well, first of all I join the chairman and all the committee members in thanking you for your service and for the men and women that you represent that are on duty each and every day.

For my part and Mr. Visclosky, and Ms. Kaptur is not here yet, we are interested obviously in the reliability of our nuclear stockpile. That is sort of what we do on the Energy and Water Committee. A lot of people don't know that is a defense responsibility, but you two gentlemen are responsible for the delivery. And so when we hear this article or read this article in the Washington Post, and it has certainly made its rounds and I suspect the fact you address it. This isn't the first time there have been inspection

problems at Minot, isn't that true? I served on this committee with Mr. Young and several members. There were several issues that related to Minot back in 2007. Weren't some of these same issues occurring back then?

Mr. DONLEY. There were, but I would say the inspection process that the Chief described for you has gotten more difficult and much more focused over the last 5 years.

Mr. FRELINGHUYSEN. With all due respect, if this were the nuclear Navy somebody would be cashiered out. So I understand 10 percent—is it 10 percent of the officers assigned to these missile launch sites? What has happened to them?

Mr. DONLEY. They have gone——

Mr. FRELINGHUYSEN. Have they been decertified or how did they get in this position to begin with?

Mr. DONLEY. They went through all the necessary training to become qualified. But in the view of the commander they needed to go back for additional refresher training. So they were decertified, taken offline.

Mr. FRELINGHUYSEN. What does that mean exactly?

Mr. DONLEY. It means that the commander no longer has confidence that they are capable of——

Mr. FRELINGHUYSEN. Wouldn't the commander have known this last year? Isn't there a review on an annual basis at these missile sites?

General WELSH. Sir, they have multiple inspections that occur on repeating cycles. Minot has had multiple inspections over the last—since 2007, many inspections.

Mr. FRELINGHUYSEN. So have all of those inspections been passed with flying colors?

General WELSH. Yes, sir, and this inspection was passed. They did not fail the inspection.

Mr. FRELINGHUYSEN. It passed, but you must have some degree of unhappiness if you stripped 17 people who were responsible for this work of—were they stripped of their authorities or not?

General WELSH. They are not allowed to serve as missile combat crew members. Yes, sir.

Mr. FRELINGHUYSEN. There must be some reason for it.

General WELSH. The commander is concerned that they are not taking the job seriously enough. The missile force at Minot is a very young force, our missile force in general in the Air Force is a very young force. He was concerned mostly about an attitude, or an unwillingness, or a lack of understanding of how hard you need to work to stay up to speed.

Mr. FRELINGHUYSEN. Respectfully, General, that is what we heard in 2007 before this committee. Inherent in the job here is you have got a young workforce, and we obviously love the Air Force, but in reality there are obviously other jobs in the Air Force that are perhaps more attractive than being down underground taking on this responsibility 24 hours a day, isn't that true? Isn't that one of the issues here?

General WELSH. Congressman, I don't know what the issue is for these 17 individuals. All I can tell you is exactly what the wing commander is trying to prevent from being a problem.

Mr. FRELINGHUYSEN. But there is a view, and we discussed it a couple years ago, that these are somewhat—these are critical because you are the critical part of the nuclear deterrent, that some of these jobs in the Air Force are sort of viewed as sort of a dead end job, they are not as attractive of other jobs in the Air Force. Do you argue with that point?

Mr. DONLEY. I do, because I think the pride that goes with this work, the level of national importance that goes with this work, the high standards that are set for this work reflect a real commitment to the best standards of excellence and performance in our Air Force.

Mr. FRELINGHUYSEN. I understand that, I understand that, but this didn't happen overnight. Is there something inherently in this workforce because of its youth that there hasn't been enough direction from above as to how important this mission is?

Mr. DONLEY. Sir, this mission——

Mr. FRELINGHUYSEN. God forbid we should ever have to use ICBMs or use the bombers that might deliver nuclear weapons, but is there something inherent in the workforce there where now we are going to get a substantial wakeup call?

Mr. DONLEY. Sir, as the Chief outlined the unit has gone through a number of inspections in the last five years and has passed at much higher levels of confidence than they generated in this most recent inspection, but they are getting tested and retested on a recurring basis. And not only in this job, in the nuclear enterprise, but across our Air Force our airmen are held to high standards and they are tested and inspected to ensure the quality of their work meets our expectations.

Mr. FRELINGHUYSEN. I am sure the quality of the work is excellent across the Air Force, but in this particular area there have been some inherent problems which haven't apparently been—that have resurfaced from 2007. We had the same conversation back in this committee several years ago.

Mr. DONLEY. I think it was a very different conversation back in that period. And I think there has been some substantial progress mind made in the last five years in tightening up and putting additional focus on this. And as the Chief outlined, this is exactly what we want commanders to be doing.

Mr. FRELINGHUYSEN. Well, it shouldn't perhaps have happened in the first place, but we are glad that somebody noticed it and they didn't match your expectations. I appreciate your responses. Quite honestly, Mr. Chairman, I think this is an area where the IG needs to take a look.

I yield back. Thank you.

MISSILE WING PERSONNEL

Mr. YOUNG. Mr. Frelinghuysen, thank you. If I could follow up on that, the question in my mind right now in view of this conversation, this so-called rot, is it strictly a people issue or does it go to the equipment, to the state of the weapon, the state of the delivery capability, or is that all intact 100 percent or does the rot extend to that? I think it is important that we know exactly. Besides the people problem what about the technology, what about the hardware?

General WELSH. Chairman, the rot that was referred to in the email by the deputy group commander is a term that I think he and everyone else regrets. He was talking about the attitude among a few of the crew members that he had heard about, who he didn't think were committed enough to staying fully aware of all the responsibilities of their job all the time and getting better continuously in the performance of their mission. They could do the job but they didn't have the attitude and the drive that he expected to see from his missile crew members. That is what he was referring to, nothing else.

Congressman, by the way, we share a concern about the crew force feeling that they are important. My first visits in this job were to the missile fields, to the missile wings to talk to them about how important this is, about how valued they should feel. Anything we can do to continue that and to make sure we don't see issues like this arise is something we should be doing every day.

Mr. FRELINGHUYSEN. Will the gentleman yield?

General WELSH. Of course.

Mr. FRELINGHUYSEN. I understand these young crews are down there basically alone. Do they have adult supervision down there or does the supervision come from a commander above or are they literally down there alone or not?

General WELSH. The crew members are alone. I would not say that they are not adults.

Mr. FRELINGHUYSEN. They are adults but I am just saying is there a commander.

General WELSH. We are putting an awful lot of responsibility in their hands.

Mr. FRELINGHUYSEN. You make a point in your statement about command and control. It appears that there is not as much command oversight as there should be.

General WELSH. Sir, the interconnectivity of the nuclear command and control system provides an awful lot of checks and balances.

Mr. FRELINGHUYSEN. But obviously not in those underground locations, some of those underground locations.

Thank you, Mr. Chairman.

Mr. YOUNG. Thank you, Mr. Frelinghuysen. Just one final comment on that, this deterrent capability that we have had basically since the end of World War II has been important to the security of this country. If there are any flaws in that system we have got to ferret them out and make sure that they are fixed.

Anyway, thank you for your responses on that really important subject. I yield now to Mr. Moran.

Mr. MORAN. Thank you, Mr. Chairman. The topic that Mr. Frelinghuysen rightfully raised with regard to the personnel and the one you raised, Mr. Chairman, again rightfully, on sexual assault I know are going to be revisited. Ms. McCollum I think it is fair to say is loaded for bear, rightfully so, on those issues.

So I am going to address another couple issues, and I have to explain that my staff person who is a graduate of USC has respectfully requested since Secretary Donley is also a USC Trojan that I only address my abusive questions at General Welsh.

General WELSH. Thank you.

Mr. MORAN. It is not the way things are supposed to be done, but that is what we will do.

So General Welsh, in fiscal year 2012 this committee provided funds to purchase the three remaining Global Hawk Block 30 aircraft, but the Air Force never obligated those dollars, ignored the intent of the subcommittee, and so in this current fiscal year this subcommittee directed you to purchase the three aircraft, and yet you have decided to shrug your shoulders and not to do so.

We just got a report that we required you to do on this program, and despite repeated claims when you have come before this subcommittee, the report shows that the committee was right and you were wrong frankly. The U–2 piloted aircraft is more expensive to operate than the Global Hawk. Now the flying cost per hour are approximately the same but the Global Hawk is much cheaper to operate overall because you need fewer aircraft, the U–2 as you know has a pilot. I suspect that is the real issue here, the pilotless versus the piloted aircraft, even though the U–2 has been around longer than even some of the members of this subcommittee have been alive. So even when you reduce the range that you required by two-thirds we still find that there is an advantage to the Global Hawk. Now I am going to anticipate what you are going to tell us, that the U–2 has more sensors than the Global Hawk. So I am going to also put on the table here that the fact is that the sensors could be, while you say it would cost half a billion dollars, the contractor has offered to do it for the Air Force for a fixed price of $75 million to put the U–2 sensors and the optical block camera onto the Global Hawk, and yet the Air Force hasn't responded.

Now I have got pages of data here comparing the two programs and they are pretty conclusive that the committee was right and that the Air Force continues to insist on an aircraft that is largely outdated, but I suspect it is because it is piloted and there is an understandable bias, but this committee not only, one, expects you to do what is instructed but, two, to take advantage of the progress of technology so that we have the largest range of ISR possible and we can most effectively present this information to the people in the field.

So I have given you a few minutes to construct your response, General. Do you want to do so?

General WELSH. Thank you, Congressman. Let me try and keep this in order. The cost is based on the concept of operations for the platform. I believe the cost is about the same. The difference is how we use the two, and the U–2 is a great example. We put the U–2 much closer to where the actual refueling—ISR track will be located. If you use that model the U–2 costs less than Global Hawk which typically is more centrally located in a region and has a longer way to travel. Therefore, the longer endurance flights, which is the strength of the Global Hawk, costs more money. But cost is a trade in my mind, cost is not the factor.

The sensors, the company's proposal replaces sensors on six aircraft, we were looking at 18. It takes the sensors off the U–2s which means you can't use the U–2s anymore. Product quality is the real issue for our combatant commanders. The sensor products

and the intelligence arenas, some of the collection arenas are not as good on the Global Hawk as they are on the U–2, and every one of our collection managers and our combatant commanders will tell you that. So we have been talking to Northrop Grumman about this in the past. They understand the concern.

The quality assessment from our combatant commanders says they would prefer a U–2 product in many mission areas over the Global Hawk. The center ranges are longer on the U–2 as well, which is beneficial particularly when you are doing indications and warning and you are doing it near a border that you can't cross the overflight to overfly target areas. Those were the big things that drove our assessment. Pilot being in the airplane had nothing to do with, I couldn't care less. We want the platform that will do the best job accomplishing the mission assigned, man or unmanned, and we said that all along.

Sir, the language in the law, we understand what the law says and we will do what the law tells us to do, we have requested relief from buying the three additional Global Hawks because we think they are excess to the requirement established by the Joint Staff. We don't think we need them to do the job. If we are unable to get that relief our intent is to try to figure out how to obligate the funds in the ways directed by the law. The issue is not that we don't want both. We would love to have both to better meet ISR requirements around the globe. We just don't have the resources to do both.

Mr. MORAN. Well, okay. I hear your response and I don't want to take any issue with the sincerity and the objectivity of your response, but we have data that shows that this Global Hawk has a much larger range, I mean it operates 365 days a year, 24 hours a day, 1,200 nautical mile range to only 400 for the U–2 and that its operational costs are 19 percent lower than the U–2. So, and that the Global Hawk operational costs are declining while the U–2 costs are increasing. So we will repeat that. I am not going to get repetitive in the hearing here, but I do think that it is an issue that needs to continue to be addressed because the committee has a consensus that we need to move forward and it is consistent with the authorizing committee I might also say.

F–35 ALIS SYSTEM

Just one other area, the ALIS system with the F–35, I am told that we need to pay for seven contractors per squadron and that that is not affordable. Can you share with us why you feel that that is absolutely necessary to have the seven contractors with each F–35 squadron for this automatic logistics information system?

Mr. DONLEY. Sir, I don't have the specific data on contractor support for ALIS at each location but I would be happy to get you that for the record. ALIS is a very important part of the F–35 program. It is the logistics management system and support system, if you will, for this aircraft and it is going to be used across the services and with the international partners as well. It is a big program and has lots of management potential and we are working on trying to get the cost down on that program. By itself it would be an ACAT–1 program. It is quite significant. So we are working to get

the cost down in ALIS and to work out smart logistics and support strategies with our DOD and international partners.

[The information follows:]

The F–35 Program Office is examining innovative ways to reduce Lockheed Martin's proposal of seven administrators at each squadron for the Automated Logistics Information System (ALIS). We expect to finalize this analysis before the end of the current calendar year. The current proposed seven administrator work force satisfies a two-shift, five-day-per-week work requirement with surge capability during weekends. The workforce structure breakout is as follows:

One Data Administrator: The Data Administrator is responsible for the management of the F–35 information processed by ALIS, and enables all sustainment and operations functions. The Data Administrator develops and executes policies, practices, and procedures that properly manage the full data lifecycle needs of ALIS. Data Administration tasks include data protection, availability, distribution, migration, warehousing, management, replication, redundancy, and security.

One Network Administrator: The Network Administrators maintains the ALIS network. The Network Administrator performs software and hardware management on the ALIS computer network, which includes controlling, planning, allocating, deploying, coordinating, and monitoring the networks resources. Network administration tasks include network planning, network traffic routing, cryptographic key distribution authorization, configuration management, fault management, security management, and performance management.

Two Off-board Mission System (OMS) Administrators: The OMS Administrators are the ALIS employment/mission experts. OMS administrators provide support in the execution of software operations for mission planning, theater data generation, tactical/intel debriefing, pilot/aircraft authentication and cryptology, and management of ALIS/aircraft secure interface capabilities.

Three System Administrators: System Administrators are responsible for performing backups, updating the operating system, applying security patches, installing and configuring hardware/software, managing user accounts, documenting system configuration, and troubleshooting any reported problems.

Mr. MORAN. Okay. Thank you, Mr. Chairman.

Mr. YOUNG. Thank you. Ms. Granger.

SEXUAL ASSAULT

Ms. GRANGER. Thank you, and I am sorry I was late, you may have covered some of what I am going to ask you about in your opening remarks and if you have, Mr. Chairman, if you just tell me that. Of course it concerns sexual assaults and the report said 26,000 people in the armed services were sexual assaulted in one year. And the head of your department that concerns that was then arrested. What are you going to do? What you are doing isn't working. No doubt about it, it isn't working. So what are you going to do? What is your plan? I don't want another study or another report. Are you just going to let the Congress change your rules, which we are certainly willing to do?

Mr. DONLEY. Ma'am, this is a concern to all of us. All the services, including the Air Force, have been very focused on improving both the climate and the environment in which our airmen live and work.

Ms. GRANGER. May I interrupt you? But it is not working.

Mr. DONLEY. Ma'am, we understand exactly.

Ms. GRANGER. Will it be more of the same?

Mr. DONLEY. Well, we need to find, as the Chief describes it, we need to find the game changers in this work. We are working the climate, we are working the deterrence, we are doing the prevention, we are training investigators, we are training lawyers to be more effective in uncovering this problem in working with victims so that they will come forward, so they will get support through a

prosecutorial process, legal process which can be lengthy and frustrating and even traumatic to the victims. We have established a victim's counsel program to help support the victim.

Ms. GRANGER. That is all after they have been assaulted.

Mr. DONLEY. It is. We are working every part of this and we just have not yet found the game changer.

Ms. GRANGER. Are most of the assaults on women?

Mr. DONLEY. Ma'am?

Ms. GRANGER. Are most of the assaults having to do with the women being assaulted?

Mr. DONLEY. I think most of the victims are women, yes, but not all.

Ms. GRANGER. Do you have women in the Air Force?

Mr. DONLEY. We do.

Ms. GRANGER. I would start out by maybe you want to put a woman in charge of it.

General WELSH. Congressman, right now the officer responsible for sexual assault prevention and response in the Air Force is not the lieutenant colonel who is being characterized that way. He is in charge of a four-person branch in that office. An Air Force one-star female is the officer who I consider the lead for this effort in the Air Force.

Ms. GRANGER. I am just saying the Congress will take actions, and it may or may not work but we are so fed up with this and while we talk about protecting our military and we are not protecting those women that are serving the military, stopping it from happening, and that is all I have to say, what you are doing is doing just more of the same and will get the same results.

Thank you, Mr. Chairman.

Mr. YOUNG. Mr. Crenshaw.

SPACE LAUNCH CAPABILITY

Mr. CRENSHAW. Thank you, Mr. Chairman, and thank you all for being here today. I wanted to ask you a little bit about our space launch capabilities. When you represent a State like Florida that Mr. Young and I do you learn the impact that space has on everyday life and then serve on the subcommittee and you learn about space having an impact on just about every aspect of our national security. And right now most of the space launch capabilities are provided by one particular, Alliant, and they do that in an excellent way in almost a near perfect record, but it is very, very expensive as you know. One of the reasons it is expensive is because you have demanded a zero risk situation, which is I think appropriate. But if you do a cost analysis you always find if you want zero risk then exponentially the cost is going to increase. I think it would be important for the subcommittee to understand about that, about why we have that zero risk demand and therefore the expensive part, and then also it is my understanding that you intend to open up those launch capabilities to other certified entrants and I think that is a good idea as long as they have the proven reliability. So maybe you could talk a little bit about your plans to do that and how you are going to make sure that they are reliable as who is doing it now and then how are you going to decide in the end, if

you have more than one that is capable, how will you go about deciding who will provide what launch capabilities?

Mr. DONLEY. Sir, I am happy to address that. This is, I think, a good news story for our space operators and for the taxpayers and it is really a product of about three years of work. First let me address the EELV, which you described as our primary source for space launch. First, this is a big deal because space launch is about 40 percent of the cost of our space enterprise. We have high standards here because we are putting billion dollar satellites into orbit, hundred million dollar plus satellites into orbit. And this is the most dangerous part of the mission, access and launch to space. So that is why it is so important to us.

On the EELV side we have done extensive should cost work, we have entered into deep discussions with ULA, which is the manufacturer, and we have arrived at a block buy decision that allows us to buy 36 cores over 5 years at a reduced cost to the government.

So we are using a lot buy approach, we are reducing the cost of the EELV. At the same time we, working with the National Reconnaissance Office and NASA, have put together a program for certifying new entrants, new companies that want to get certified for national security space launch and working with NASA we published the new entrant criteria, I think it was in November of 2011, which outlines what companies need to do to demonstrate proficiency and reliability in space launch. And we have also to support that work have isolated I think two payloads, maybe more but I can correct that for the record at some point. We have identified payloads that would be available to those new entrants to help them demonstrate their proficiency and reliability for access to space.

Mr. DONLEY. When they get certified—and we think the first company or companies will likely get certified in the fiscal year 2015 time frame—we have space launch slots for which both ULA and the new entrants will compete. So we believe there is a competitive environment that starts in about fiscal year 2015 that will help drive down costs further.

So I think we have a good strategy both on the EELV side and on the new entrants side. And we have gotten good results already; we anticipate even better results going forward.

Mr. CRENSHAW. Well, this is a critical capability, I think, for the future. And so if there are things that we can help, we would like to be aware of that.

Thank you very much.

Mr. DONLEY. Thank you.

Mr. YOUNG. Mr. Calvert.

Mr. CALVERT. Thank you, Mr. Chairman.

MISSLE CAREER FIELD

Going back to North Dakota for a moment, just for the record, what proportion of the top 10 percent of the Air Force Academy graduates are assigned to that specialty? Do you know that number?

General WELSH. I don't know the—just to clarify the question, sir. Of our top 10 percent of Air Force Academy graduates, how many of those are assigned there?

Mr. CALVERT. Yes.

General WELSH. I don't know the answer.

Mr. CALVERT. Could we get that for the record?

General WELSH. Yes, sir.

Mr. CALVERT. Thank you.

[The information follows:]

There are currently no nuclear and missile operations (13N) officers assigned to Minot Air Force Base, North Dakota, who were top ten percent Air Force Academy graduates. Before fiscal year 2013, Air Force Specialty Code (AFSC) initial matching was weighted toward cadet preference; therefore, cadets at the top of their class were more likely to receive a career field of their choice. However, in September 2012, the Air Force transitioned to a new model for initial AFSC matching that better distributes quality across all AFSCs, giving all AFSCs an equitable share of the highest quality officers.

Mr. CALVERT. What is the military occupational specialty selection process for officers for that purpose?

General WELSH. We have actually changed the process recently. We used to combine the missile career field with the space career field. The intent, in the past, was to try to provide a more diverse set of options for people who come into either career field over time. They are related. They use a lot of the same warning systems, et cetera, and the missions are interconnected in a meaningful way.

What we found recently, though, was that we felt we needed a little more expertise at the mid and senior levels of the missile career field. We were also starting people too late in developing expertise in the space career field. So a typical space officer would go to a missile assignment first, then come into the space career field and then be catching up with their peers.

And so we have split the two career fields so now we will have a missile force that is kind of going back to the past, where they come in as a missile officer, they will have broadening opportunities, but they will grow within the missile career field.

Mr. CALVERT. Now, what percentage throughout the Air Force are officers working that specialty? Do you have an idea of what——

General WELSH. I don't know the exact percentage, sir, but there are about 40,000 people working the nuclear business overall for us. The officer part of that is a pretty small percentage.

Do you know the number, sir?

Mr. DONLEY. I do not know the——

Mr. CALVERT. If we could get that for the record, that would be helpful.

[The information follows:]

The Nuclear and Missile Operations career field is comprised of approximately 1,330 active duty Air Force officers, or two percent of the active duty officer force.

Mr. DONLEY. This is about 5 percent of total Air Force resources in the nuclear enterprise.

Mr. CALVERT. One thing I also want to talk about, unmanned aircraft systems. I think it has been talked about, I think Mr. Moran kind of mentioned it, that the Air Force was slow in cap-

turing that technology as the unmanned vehicles came aboard. And I know that today certainly we are trying to catch up.

Now we have this proliferation of unmanned aircraft systems throughout the DOD that the Air Force doesn't necessarily control, whether it is the Army or other agencies.

MQ–REAPER TRAINING FACILITIES

But just getting to the Reapers for a second, Air Force has requested funds to purchase 12 MQ–9 Reapers in fiscal year 2014, and I am glad to see continued support for their program. But the efficient production rate, as I understand it, is about 24 aircraft per year to maintain the lowest cost per unit. And I know that there are budget considerations, but the per-unit cost, obviously, on those aircraft go up considerably because of the inefficiencies of the system.

Also, I want to talk about the training units, which are obviously critical to the Air Force. And these so-called FTUs are costly due to MILCON requirements and personnel costs. We have existing facilities, and I understand that the Air Force is looking at expanding those facilities throughout the United States.

Doesn't it make more sense to use the existing facilities, the existing capitalization you already have, rather than expand these facilities to other locations?

General WELSH. Yes, sir. I know of no plans to expand Reaper training beyond Holloman Air Force Base and Syracuse Air National Guard Base. Those are our two training bases now, and we intend to continue with those as our training bases.

Mr. CALVERT. We understand that you are looking at expanding that beyond the ones—for instance, on the Air Guard, beyond the California, Arizona, North Dakota, Texas, and Ohio. These existing units are flying MQ–1 aircraft, and I understand the MQ–-9 aircraft isn't going to be provided for those existing units.

General WELSH. Sir, our intent over time is to replace the MQ–1 with the MQ–9 to the maximum extent possible. It is a much more capable platform. But we don't intend to stand up new flying training units in all those places. Those are operational units. They are controlling aircraft that are flying in operational activity around the world. But they will not be additional training units.

Mr. CALVERT. Okay. All right.

Thank you.

Mr. YOUNG. Ms. McCollum.

Ms. MCCOLLUM. Thank you, Mr. Chair.

SEXUAL ASSAULT

Secretary Donley, many have been saying in hearings all week on the other side of the Capitol and in the policy committee that the military branches have to work to end the military assault crisis. And, you know, we have been told over the years that you are. Yet Navy saw a 32 percent increase in this last report that was published. The Marines had a 30 percent increase. Air Force had a 33 percent increase. The Army showed a 16 percent decrease.

So maybe the Army has figured it out, and maybe we shouldn't be paying for all these different programs. Assault is assault. Rape is rape. We are not tolerating it.

So one of the things that—I have been speaking to folks first—and, Congresswoman Granger, I wanted to catch you before here—is working with some of the other of our colleagues who have been working on this and putting together a special committee. This is going to stop.

And to the Air Force, you know, your best just isn't good enough. When I was appointing young women to the military academies 12 years ago, I gave them my personal cell phone number and said, "You don't have to take this. You call me. I have your back. You don't have to call your mother. You don't have to report—you call me."

But all the women in my congressional district and in Minnesota and around this country who enlisted, they didn't have my cell phone number. They didn't have anybody tell them, "You don't have to tolerate this." So we had the Air Force Academy scandals, and then we had Lackland, and now we have what happened this weekend.

So you talk about changing the culture. And I am reading from a New York Times article, March 11th. "Mr. Hagel said he would review the decision by Lieutenant General Craig Franklin, the commander of the Third Air Force, to dismiss the sexual assault conviction of Lieutenant Colonel James Wilkerson."

You couldn't even change it at the top? That a court-martial would come down? That is pretty serious. And it got overturned. What did that say to women who actually did report and go all the way through as victims? And what did that say to the jury who had the tough job of really weighing the evidence and coming down on one of their own? The stroke of a pen, it doesn't count, it doesn't matter.

So I have a question for you. The way I understand things—and I am not an attorney. The Air Force spokesman confirmed that the Air Force can bring its own case regardless of what Arlington County does. And God bless them for taking up the charge. But the Secretary of the Air Force must approve a dual prosecution and cannot do so until after the Virginia case concludes.

So that means that, if Virginia finds Mr. Krusinski guilty, my question to you is, are you going to charge him? Because the buck stops someplace.

Mr. DONLEY. It does. And in cases like this, we will wait for the local jurisdiction to reach its conclusion, and then we will figure out what the Air Force can and should proceed with separately.

Ms. MCCOLLUM. Well, I did say "if he was found guilty."

So let's take it away from him. Let's not talk about this case in particular. If civilian courts have the opportunity to pursue some of these, I am telling them, don't turn it over. Then it is going to be up to the secretaries to say, if a court of law, if a jury found this person guilty, we are going to do the dual track and hold them accountable because they were a uniformed member.

Because this is—and I have said this before. You know, everybody is victimized by this. The woman who has been assaulted or the man who has been assaulted are the primary victims, but everybody who wears the uniform, every veteran in this country is victimized by this.

So, Mr. Chair, you had graciously offered to do a hearing on this. And I know we are wrapping up, and you have spent—you know, I don't want to say you have spent more time; we have spent the time that we needed discussing this. I have many, many other questions about this massive budget to talk about. But if we don't get this right, nothing we do with equipment matters, because we are saying you are not even safe to be enlisted in the United States military.

And I spoke with military leaders that are here on the War College exchange, and they were asking me about this. And they are looking to us for leadership.

And Ms. Granger appear to be interested in working on, and many of us, on this special committee. I have a draft ready to go. I will share it with you and others today.

Mr. Chair, whether we do it joint with the policy committee, whether we do it as a briefing or something like this, I think enough time has been spent on this, and the appropriations that go to these programs that don't work, we have an oversight responsibility. And you have been very, very supportive of this issue, and I look forward to the briefing or hearing in the upcoming months.

Thank you.

Mr. YOUNG. I thank the gentlelady.

Mr. Bonner.

Mr. BONNER. Thank you, Mr. Chairman.

In the essence of time—I understand we may be voting in a few minutes—I will associate my comments with Mr. Moran and others about Global Hawk.

And, General, with all due respect, there are some additional questions that we have that we have not gotten answers to.

I will also associate my comments with Mr. Crenshaw about space launch, and we have some additional questions on that, as well.

I am going to ask a question on tanker, because it is something that is so critically important, especially since we just lost one and lost the fine crew on that KC-135.

But before I go there, I would like to ask: As you are giving us information, I asked the Army yesterday for a record of the sexual assaults since 1992, if we could see, to try to glean some additional information about whether there is a tendency when we are surging or whether we are drawing down or—what some additional information, not just for the last decade that we have been in Afghanistan and Iraq, but really for the last 20 years, to try to get some additional information. So as we are trying to come up with some ideas, some constructive suggestions to you, maybe we can get something from that.

I would like to, though, associate this one comment about sexual assault. Mrs. Granger, Mrs. McCollum, Mrs. Lowey, Mrs. Kaptur, the chairman, and the ranking member—many have spoken about this. But it does become personal because I am going to be nominating one of my daughter's very best friends. She is going to be appointed to the Air Force Academy. And I am having dinner with her and her family on Monday night, and I want to be able to look her parents in the eyes and I want to be able to look her in the eyes, and I want to let them know that, at the highest levels, the

problems that we have been discussing are not going to be ignored. So a lot has been said, and we look forward to working with you on this to ensure that this problem ceases.

KC–46 TANKER DEVELOPMENT

Let me mention briefly about the tanker, because this is an important program, as, certainly, the Secretary and the General know.

Mr. Secretary, the discrepancy between the contractor's estimates and the current government's estimates has grown to about $500 million. Even though the program is operating under a fixed-price development contract and the contractor, we understand, will have to absorb the overrun, does this committee have any reason to be concerned about the growing discrepancy?

And, secondly, have you made any significant engineering changes to the aircraft or any of its subsystems at this time?

Mr. DONLEY. To answer your second question first, the answer is no. I am required to sign a report to Congress on a regular basis on this subject, and it has been consistent over the last couple of years. No engineering changes have been made to the program to which you referred.

It is true that the contractors—the estimate at completion is above the ceiling that we have set for the program, but it is a fixed-price contract. So the taxpayers' exposure is limited at $4.9 billion, and anything above that is on the contractor.

We know of no schedule concerns at this point on the program, and so far it seems to be on track.

Mr. BONNER. And we don't anticipate any additional issues as it relates to sequestration having an impact on getting these badly needed planes serviced?

Mr. DONLEY. The main thing for the Air Force is to make sure that the program stays funded at the levels necessary to support the contract that we have agreed to and the schedule that we have agreed to. And if the Air Force has the support of Congress, we will be able to do that.

Mr. BONNER. Mr. Chairman, I will yield back since we have other Members who would like to take time.

Mr. YOUNG. Thank you, sir.

Mr. Cole.

Mr. COLE. Thank you, Mr. Chairman.

And, gentlemen, thank you for your service. Thank you for being here.

I had not intended to say anything, honestly, about the sexual assault issue because I knew it was going to be ably and fully covered by others and probably more knowledgeably. But I do want to just add one thing.

My dad was a career noncommissioned officer in the United States Air Force. My brother served very honorably in the Vietnam era in the Air Force. And my favorite first cousin in the world just retired after 20-odd years in the United States Air Force as a lieutenant colonel and, you know, served in both Afghanistan and Iraq.

And I know what kind of guys those three people are, and they wouldn't tolerate this. And they would look on this, and they do look on this, as a reflection on them. Because they were very proud

of their service and very proud to be associated with the Air Force. So when you hear what Ms. Granger and Ms. McCollum and my good friend from Alabama and other people have said, they are speaking for those gentlemen, too.

And I think Ms. Granger said, Congress will probably do something and it may not be the right thing. But it will. It will.

So please take this—I know both of you do. Look, I don't have any doubt about either one of you. But you just cannot—we cannot, collectively, this committee cannot and this Congress cannot allow this sort of behavior across the services. It is certainly not unique to the Air Force; we see it time and time again. It has to change.

And I would suggest—and I was impressed by what you said about your missile crew and the commander and the actions that he took. I mean, some people need to either just get kicked out or you need to do something. I mean, I think we almost have too much judicial process here for the perpetrators and not nearly enough for the victims. And if there have to be some, you know, examples made, then they just need to get made. Because it is just not tolerable to be in this situation.

You can respond if you want, but I know—again, I don't doubt your sincerity and where you are coming from on this.

General WELSH. Sir, I would like to just briefly respond.

The young men and women in our Air Force have been entrusted to the Secretary and I. Nobody—nobody cares more about this than we do.

There is no magic that is going to solve this problem. It is going to take a lot of hard work, a lot of new ideas, a lot of partnership with the Congress, with outside agencies and experts who deal in this area. We are trying to do as much of that in all those areas as we can. And I would be more than happy to discuss the details of that with any Member who would like to know more.

But we understand the problem. We agree with everything you have said.

Mr. COLE. Well, again, I appreciate that. And, again, I have a lot of confidence in you. My dad actually joined the old Army Air Corps and lived through the integration of the services, and he said it was the best thing that he ever saw happen in his service. And he was always very proud of the military for having led in that regard when the rest of the country was awful slow in dealing with this.

And this is that kind of situation. It is probably not fair to you, because it is not unique to the military services. I mean, we have this problem across the board. We were just dealing with the Violence Against Women Act up here. And it happens a lot. But, you know, I guess because you guys and ladies are our brightest and our best, we expect you to figure out a way.

And I think you will have incredible support, but you do end up being held to a higher standard than anybody else. You have always come through; I know you will again. But this one really is a big, big deal for the country, I think, and long term for the service, because it is so counter to what the value structure of the men and women you lead—you know, 99 out of 100, who they are, what they stand for.

CIVILIAN WORKFORCE

So, anyway, let me move to something else, if I may, quickly. I want to ask some things about the civilian workforce. And in full disclosure, as you certainly know, I have a very large civilian workforce in my district at Tinker Air Force Base. And, obviously, they are concerned about the furlough situation, and I know you have to deal with the sequester.

I am concerned and want your thoughts—we talked about this a little bit with the Secretary, who I admire tremendously, and he talked about, well, we want to be fair to everybody. And I understand that, too. But I don't think all civilian work is of comparable importance and quality, as you wrestle with this.

And, particularly, my good friend from Alabama who talked about tankers. We maintain the KC–135 fleet. My dad spent 20 years—he spent several years working on them in the late 1950s and early 1960s in the Air Force and then worked on them for another 20 at Tinker, as my brother did. And they are still coming through, as you know. Those are 50-year-old airplanes, in most cases. And they are funded differently. That workforce is funded out of the working capital fund. There are more resources.

So I would just ask, as you wrestle with this tough problem that certainly wasn't of your making, please focus on making sure that those aircraft get the kind of attention that they need. You know, I wish we didn't have a 50-year-old tanker fleet, although we are awfully proud we can keep planes that age going in combat conditions. It tells you something about the quality of the workforce, both uniformed and nonuniformed, out there at that installation. They are remarkable people in terms of what they accomplish.

But what are you doing to—again, if all things aren't equal, you know, you are going to have to make some value judgments here as to what you keep going just to make sure that we don't have accidents and we don't have lost capability.

Mr. DONLEY. Well, Mr. Cole, I will offer that, first of all, the decision on civilian furloughs has not yet been made. This is at the Secretary's level. He is in the process of making that decision.

We have had extensive discussion in the Department about the issues that you have raised. We already know that there is an impact on weapons systems sustainment from sequestration, and there is an impact already, to which I referred, which involves the delay and creation of a backlog, if you will, in repair for probably 60 aircraft and 35 engines is roughly the current estimate.

But this is complex work. So we know that there is an impact on inductions and on weapons systems sustainment from that. There is the issue of the working capital fund and its fiscal health and how to keep it solvent through this period. And then there is the additional issue of the civilian workforce management challenges on top of that, the issue of furloughs and how that will be managed.

So those three things—weapons systems sustainment, working capital fund, and civilian furloughs—are being addressed collectively. And we are doing our best to minimize the impacts and to maximize the readiness that we can get out of our depot workforce with the funds available.

Mr. COLE. Well, again, I know that you are. And I appreciate the fact that those furloughs came down to 7 days. I would just—and I am not telling you anything I didn't tell the Secretary of Defense. I would hope—again, it is admirable to want to be perfectly fair and treat every employee the same way. But I think, where we can, particularly if there is an issue of safety and maintenance of assets here, that some discrimination might be appropriate just in making sure.

So I know you will continue to work to try and minimize those furlough days. I know this committee didn't like sequestration any more than you did. I think most of this committee would hope we can arrive at some larger deal, and I suspect the people on both sides of the aisle around this are the kind of people who tend to vote for things like that to make them happen.

But, again, we have given you a tough task. Please give it a lot of care and attention, because I don't want airplanes that don't fly, let alone airplanes that come down with crews in them. And we want to maintain those assets with the kind of work it takes to do it.

So thank you very much.

Thank you, Mr. Chairman. You have been very generous.

Mr. YOUNG. Thank you, Mr. Cole.

Before I yield to Mr. Owens, I would just say that the vote that is on presently is the Camp amendment. Then, following that vote, there will be 10 minutes of debate on the motion to recommit. Then the next vote will be on that motion to recommit. And then the third vote will be final passage, which will be a 5-minute vote. And then the possibility of a fourth vote, approval of the Journal.

And so, Mr. Owens, I would be happy to yield to you now, sir.

MILITARY JUSTICE PROCESS

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

I wish Ms. McCollum was here. As a former JAG officer, it is my understanding—at least the regs when I was on Active Duty provided that, in the event of a conviction of the lieutenant colonel, that he would be subject to an administrative discharge proceeding.

And I think it was unfortunate when that discussion was going on that that wasn't shared with her, because I think it may have given her some further basis for understanding the process that you are going through relative to the potential for dual prosecution versus allowing the prosecution to proceed in the civil arena followed by an administrative action in the military.

So is my understanding—do those rules still exist?

Mr. DONLEY. I believe they do.

Mr. OWENS. And depending upon degree of the conviction—misdemeanor, felony—then that is a potential, that you could move to eliminate that officer from the military?

Mr. DONLEY. Well, that is a decision that would be initially looked at by the wing commander who supervises him and has UCMJ responsibilities in his chain. That is the 11th Wing at Bolling Air Force Base. And they are getting legal counsel, of course. And we will let that process play out.

SEQUESTRATION

Mr. OWENS. Thank you.

Now to the business actually at hand. I have taken a look at your budget requests. It is fairly clear, when you look at this, that you are looking for a relatively marginal increase, about 2 percent. However, if sequestration continues into the next year, the next fiscal year, in effect, you will have a further reduction.

And my question is, have you established a prioritization of actions that you will take to meet sequestration so that you are starting, if you will, with a list and crossing them off as the dollars are eliminated? Is that a process you have gone through?

Mr. DONLEY. Sir, we are deeply enmeshed in that process in the Department of Defense right now, and it is consuming a lot of time and attention.

There is no set—I would say, we understand the requirements of the Budget Control Act and the potential that sequestration might continue. We still hope that the Congress and the President might reach an agreement to change the Budget Control Act——

Mr. OWENS. So do I.

Mr. DONLEY [continuing]. To relieve us from the burdens of sequestration which are on the books now.

But we are going through multiple budget alternatives internal to the Department to assess the impacts going forward and to prioritize our work, absolutely.

Mr. OWENS. And are you looking, if you will, broad-brush, are you looking at personnel? Are you looking at equipment? Are you looking at O&M?

Mr. DONLEY. We are looking at everything, sir.

Mr. OWENS. You are looking at everything.

Mr. DONLEY. The Secretary, as you know, right after he came in, established a Strategic Choices and Management Review, which is referred to in the Department as the SCMR, which is essentially a 75-day review, top to bottom, on strategic, fiscal, resourcing issues, on all the matters that you asked about. So it is really a complete soup-to-nuts review of our defense priorities and resourcing.

And that will play out further into June. We will get the results of that work, the Secretary's direction on how to proceed for planning purposes through 2014 and 2015.

But I will say that you cannot take $1 trillion out of the defense budget over 10 years without having a devastating impact on our military capability. So it is not a matter of just choices or strategic choices—which, of course, we will make. As I tried to assure every committee I have addressed this year, we will make the best use and get the most out of the resources that you provide. Your military will do that.

But at $1 trillion over the next 10 years, every part of our military will be affected. Nothing will be protected. So it will affect the force structure. It will affect our rate of modernization, as I have described, for the Air Force. All of our military forces will be smaller. We will have less capacity. It is my hope that we would be a ready force even if we are smaller, but that cannot be guaranteed at these levels of reduction.

So I am just saying $1 trillion is going to have a huge impact on our military.

Mr. OWENS. Thank you.

I yield back.

Mr. FRELINGHUYSEN [presiding]. Thank you, Mr. Owens.

Mr. Womack, thank you for your patience.

Mr. WOMACK. Thank you, Mr. Chairman.

And my thanks to Secretary Donley. I wish you well when your tenure as Secretary is over.

And, General Welsh, as always, good to see you.

And as the Secretary said, it has been a long time ago that he said this, and we have covered a lot of material here, but I want to associate myself with his remarks about regular order. And I think that that is one of the true challenges facing this Congress. I know there are a lot of things that are challenging our Defense Department and the services, but we have to get back to regular order. And I couldn't agree more, and I appreciate you so much for saying that in your opening comments.

I also, Mr. Chairman, want to associate myself with remarks that have already been provided regarding the critical issue of sexual assault going on within our services. And I know it has been a difficult issue. I think Mr. Cole said it pretty well when he said that he had the absolute confidence in the leadership of the Air Force to deal with this issue. But it, obviously, is something that has spiraled somewhat out of control.

And, General Welsh, I would just challenge you, as the new Chief of Staff of the Air Force, to call on your days as the Commandant at the Air Force Academy, where you had the future leadership of the Air Force, many of those men and women now moving through the ranks as officers in our Air Force, call on those days when you were dealing with leadership issues there, because this is a true leadership issue for our Department of Defense.

But I have confidence, as Mr. Cole has said, that we will find the answers and the solutions to the challenge.

Mr. Secretary.

Mr. DONLEY. Sir, I would just like to make sure the committee is aware of how much work the chief has put into this matter. It has been of growing concern to our military leadership. It was a subject that came up in the chief's confirmation hearing. It is one that he has focused on absolutely since day one.

And one of his first acts was to bring in all the wing commanders from across the Air Force for a focused day-and-a-half discussion on this issue. Every wing commander in the United States Air Force was there to hear and understand the importance of this issue to the chief and to our Air Force leadership and the expectations from them as commanders for not only good order and discipline but a unit climate that promotes the dignity and respect of every airman and respect for the work that every airman brings to their job.

And so I think we have a chief that understands this and is working it very, very hard.

FORT SMITH, ARKANSAS

Mr. WOMACK. I look forward to the results.

I have a couple of questions. One is somewhat parochial in nature. But, as General Welsh knows, one of the National Guard air bases has been re-missioned in Fort Smith, Arkansas, in my district. And I know there was a line of questioning that came up recently in a Senate hearing.

And, General Welsh, I will just give you an opportunity for the record to help me reassure the people there that the re-missioning into the remote split operational platform for the 188th at Fort Smith, Arkansas, is indeed still the plan and that the appropriate steps are being taken to ensure that the proper budgets and what have you are in place to ensure that it has, I guess what we call, initial operating capacity.

Just a thought or two on that?

General WELSH. Thank you, Congressman.

Plans are still in place. The plan is to start drawing down the A-10 unit at Fort Smith this summer. That will continue at about two aircraft per month through next summer, summer of 2014. In spring to summer of 2014, we will start to move people who are interested from the A-10 unit to the new targeting squadron that will stand up at Fort Smith.

And we will also start to look for training opportunities in the MQ–9, because the intent is to have initial operational capability of the MQ–9 squadron at Fort Smith by the first quarter of fiscal year 2018, which is the plan we have been on from the beginning. And we are working the budgetary issues that go with that.

Mr. WOMACK. Is it your initial opinion that these kinds of missions are the most enduring that we have in the force right now?

General WELSH. Sir, I don't know about most enduring over time. But, clearly, this is at the leading edge of what our combatant commanders expect from our Air Force, is intelligence, surveillance, and reconnaissance support. And that is what these units do. The targeting group can work both in that arena and also in the cyber arena, both of which are clearly growth areas for the future for our Air Force.

TOTAL FORCE TASK FORCE

Mr. WOMACK. My last question is about the Total Force Task Force. In the testimony, it was on or about March 1st that that task force was stood up. And having been involved in military planning throughout my military career, I know that anytime we look into future planning for these kinds of issues, that many times we introduce into the equation certain facts or assumptions that may be in play, initial guidance, if you will, for the people that will be coming out with these kinds of reports.

What kind of facts and assumptions have we made as we start looking at the proper force mix over the next decade or so?

Mr. Secretary, you might—this may be the—or the chief. Either one.

General WELSH. Sir, our Total Force Task Force has been working for the last several months, as you know, in consultation with a couple of the great TAGs from around the country, who are helping oversee the activity and are offering suggestions on approaches.

The next step for the Total Force Task Force is to come together here next week. I believe the first input is tomorrow afternoon, and

then next week we will sit down and they will give me their latest update on what they see as potential models for the force mix. Should it be a percentage by mission area? Should it be a percentage by overall force structure? Is it better to put missions into the Guard versus missions in the Active component?

We are going to look at that model first. We have done a lot of analysis behind it. We know the cost drivers, and we know the operational effectiveness drivers. And we are going to sit down and start talking through the options.

The best part about this discussion so far has been its honesty. All the myths are now on the table; we have been able to kill many of them. And we have been able to come to agreement on what the components see as the problem versus what they don't agree to as a problem. And we will now start to dissect those things.

The Total Force Task Force will also be our principal point of contact in information-generating and advice-offering, if it is requested, body for the Senate's Air Force force structure task force that is standing up about right now, as well.

So lots of activity going on in this area. And the intent is to streamline it with our budget planning process so that in the 2015 budget the Air Force has a proposal for how we move forward together.

Mr. WOMACK. Mr. Secretary.

Mr. DONLEY. Sir, the chief is right on top of it. I would just add, as we go forward and potentially as the services, including the Air Force, potentially get smaller, depending on the budget outcomes, we are destined to work more closely together. And this is already recognized across our force as we have made the bed-downs for the Joint Strike Fighter and as we have made the planned bed-downs for the KC–46 tanker. There are associate units planned for all of these locations.

So tighter integration between the Guard, Reserve, and the Active components at critical locations around the country is going to be more and more important to ensuring that we have a ready force and the most capable force we can generate across the total force, not just Active or not just Guard, but working together as a total force. That is where we are focused. Give us the most efficient but the most effective combination of forces and try to do that as efficiently as possible around key locations.

Mr. WOMACK. I thank the gentlemen. Thank you for your service.

Mr. Chairman.

Mr. YOUNG [presiding]. Ms. Kaptur.

BEHAVIORAL STUDIES

Ms. KAPTUR. Thank you, Mr. Chairman.

Thank you for your service to our country at a most trying time for the Nation and for the Air Force.

I wanted to say something to you that I have said to Navy and to Army, and that is, in terms of the personnel that are now enlisting in our services, based on behavioral studies that we have done, we know that a much higher percentage of those who are prone to violence because they have experienced violence in their own lives, with a volunteer military, are enlisting in the services.

And in addition to the behavioral work that is being done to try to address the sexual assault and other issues that we deal with inside the military during deployment and postdeployment, I would encourage you to look at pre-enlistment screening that gets at this violence question. Because it expresses itself in many forms as individuals attempt to carry forward with the tasks that the Nation asks them to do. That is only in the way of a suggestion.

SEXUAL ASSAULT

Number two, I wanted to ask—and associating my remarks with Congresswomen McCollum and Granger and Mr. Bonner and so forth—what can we, as Members, say to our constituents are immediate actions that you have taken as Air Force if there is any individual out there who had attended the Air Force Academy and left because of sexual assault or believes that this has occurred today within the ranks? Is there a hotline we can tell them to go to? Is there some person they should report this information to?

What can we do? Because we will be asked, we are asked in our districts. What has Air Force done to create a special place where people can now take these concerns?

Mr. DONLEY. There is a sexual assault response coordinator at every Air Force location. So individuals who want to report or need to report either a recent or a past event can do so through that channel. They can do that through their inspector general. And——

Ms. KAPTUR. Well, Mr. Secretary, I——

Mr. DONLEY [continuing]. They can do that through their command chain.

Ms. KAPTUR [continuing]. I hear what you are saying there. I know when we ran into the problem with PTSD way back, when people didn't believe there was anything, or agent orange, we created a special place. We created another platform within the Department of Veterans Affairs, within the DOD.

I would ask you to consider structurally someplace where if Congresswoman McCollum or I or somebody wanted to allow information to come forward to you, that there is a special place. If you could think about that, if you could get back to us, I certainly would—a 1-800 number people can call, that would be—it is at that level of public concern.

I can tell you, I had a young woman I appointed years ago to the Air Force Academy who was beaten up and went through all the processes that existed at that time. And it really changed the way I looked at the academies forever. And I am surely not the only Member that has experienced that.

So I would like to see your personal involvement at some level, at the Secretary's level, because it is that serious. So think about that. If you could get back to me on that.

ENERGY USAGE

My third comment relates to energy independence. Thank you, General, for mentioning it in your testimony.

I would be very interested in more detail from Air Force as to where your focus has been in terms of fuel consumption, base powering, R&D, so that we can exceed the standards that have been adopted. You have already exceeded them on an annual basis.

But Air Force is the largest user of fuel in the military, and any additional detail you could provide, so I could see your policy focus on how you are going to move toward Air Force energy independence and helping the Nation get there too, I would appreciate more detail.

General WELSH. Yes, ma'am.

NUCLEAR MISSION AREA

Ms. KAPTUR. Now I wanted to move and associate myself with the remarks of Congressman Frelinghuysen. And that is, I find what happened at Minot inconceivable.

And I am wondering, there have been statements in the press regarding various individuals in charge calling the situation a crisis. The grade level was "D" in terms of oversight. General, you used the term in one article "turmoil in the ranks."

What can you do to assure us and assure the American people that this situation has been dealt with aggressively and that our missile capability is being properly shepherded and confidence restored?

General WELSH. Congresswoman, that phrase is not one that I have used. So it may have been in the press, but just so you know, that is not a quote from me, to my recollection, at all.

Ms. KAPTUR. Perhaps it is Colonel Folds, but I thought it had been attributed to you. But I will go back and look.

General WELSH. No, ma'am. I think most of the comments that have been in the press came from an email that Colonel Folds wrote. It is a very emotional email. He is very passionate about his job, which I admire. As I mentioned before, there is some terminology that I would probably have used differently. I think if he was here, he would tell you that he would use it differently, as well.

But the bottom line of this was, I think the only thing we can tell the American people, because this is the fact, is that there was an indication of a problem highlighted by an inspection that is there to do exactly that. And the leadership team took aggressive action to ensure that the standard never slipped below the minimum required to get the job done in any area.

Ms. KAPTUR. Is that what "D" is?

General WELSH. "Marginal" is a passing grade on our inspections. These inspections are extremely difficult, Congresswoman. The standard is very high.

But it is unusual that this particular area would be graded that low. That is why the wing commander reacted the way he did. And he reacted that way immediately.

There is nothing good about the fact that this happened. The response was appropriate, in my view. And, in fact, I would be more upset if they hadn't responded this way.

Ms. KAPTUR. Are the people burned out?

General WELSH. I don't know what these 17 people are thinking. I don't get that impression from the commanders there. I have talked to the numbered Air Force commander, the Global Strike commander. Their belief is that this is just a matter of refocusing the workforce on the standard expected every single day in their job. That is the way they characterized it to me.

I can understand that. This is a difficult job. Congressman Frelinghuysen alluded to that. It is a tough job. You have to be focused. There is no room for error. And there is certainly no room for commanders accepting less than expected performance. And I think that is why they took this action.

Ms. KAPTUR. What about the term used, "rot," rot, r-o-t?

General WELSH. The term "rot," again, was used by the same individual in the email. The view of his commanders is that he was trying to get the attention of the workforce in a way that they would not avoid paying attention. He was very passionate about the fact that he wants his team to perform better than they——

Ms. KAPTUR. Have you replaced members of the team?

General WELSH. All members of the team that he was referring to now have been decertified. They are going through a 60-day retraining program, and they will re-earn the right to go back into the mission area, or not. I am confident that they won't go back in if they don't meet the required standard and expectation.

Ms. KAPTUR. How long did you—when the evaluation was done, did you react immediately?

General WELSH. The wing took action immediately. Now, we were told—we hear about the inspection results within 24 hours of the inspection being completed. We get a report, the Secretary and I both, as do the commanders in the chain above the wing.

The Air Force Global Strike commander told me immediately after this occurred that the wing was taking action to look into the grade. They were concerned with that kind of a score on their inspection report. So we knew this was going on.

Ms. KAPTUR. In terms of what occurred at that site, did that alert you to attention you should pay to any other sites?

General WELSH. Yes, ma'am. They share these reports and lessons learned across all three missile——

Ms. MCCOLLUM. Would the gentlewoman yield?

Ms. KAPTUR. I would yield to the gentlelady.

Ms. MCCOLLUM. When did Secretary Hagel find out about this?

My understanding is he found out about it being asked by a reporter about something that had been open-sourced. And because there had been problems here once before, one would assume after a problem was identified and reported, as the commander did it at that base, that something that would be, you know, another black eye on the same unit with a potential for high profile, the Secretary would be informed in person.

When did the Secretary find out about this?

General WELSH. Congresswoman, I can just tell you when I found out and when Secretary Donley found out. I will ask Secretary Donley if he knows when Secretary Hagel heard.

The actual report, the grade on the report we knew about immediately after the inspection had concluded. I don't consider that a black eye. It was a passing grade for the unit. There was corrective action required, in the mind of the commander, and they took it. And we knew that was occurring. The email——

Ms. MCCOLLUM. Sir, I am a former teacher. A "D" is not a good grade.

General WELSH. The email that we received, the one that you are quoting from, we became aware of this past Friday evening. And

then on Monday morning we became aware that they had taken the 17 officers at the end of their review and put them into this grounding status. So we found out on Monday of this week. I don't know when SecDef was informed.

Ms. KAPTUR. May I ask, how often are these inspections done?

General WELSH. This particular inspection is done every two years. But there are three major inspections that are on two-year rotating cycles, and they overlap. They get at least one major inspection every year.

Ms. KAPTUR. I think both Congressman Frelinghuysen and I will have follow-up questions for the record, as well.

[The information follows:]

Consolidated unit inspections consisting of compliance and readiness inspections are conducted every 24 months. Nuclear operational readiness inspections are conducted every 36 months. Nuclear surety inspections (NSI) are also conducted every 24 months. Limited NSI are inspections of smaller scope than a normal NSI and are conducted between NSIs. No-notice and limited-notice inspections can be conducted at anytime between major inspections. Inspections are synchronized and deconflicted through the Air Force inspection scheduling process.

Ms. KAPTUR. But this is really, I have to tell you, it is an astounding development.

GUARD AND RESERVE

I know my time is up. Mr. Chairman, I just wanted to ask if the Secretary or the General could provide for the record, on another topic, how you are looking at sequestration and cost savings over the next 5 years, transferring some of the Active Duty responsibilities to Air Guard and Reserve forces. How is that influencing your thinking in order to meet budget requirements as you look at the future of Air Force?

I am very interested in the enhanced role of the Guard and Reserve in the years ahead as a way of meeting our mission but also saving money.

[The information follows:]

The Air Force is continuing to evaluate its component mix across the Total Force. We have ongoing force composition analyses that evaluate the force using demand signals from current strategy and inputs from all components and stakeholders. These force composition analyses inform decision-making regarding the mix of capabilities in each component. Additionally, we have established the Total Force Task Force to provide strategic options on the appropriate mix of total force capabilities and, if requested, input to the National Commission on the Structure of the Air Force. It is imperative, especially in today's constrained fiscal environment, we continue to evaluate options which provide us balanced, affordable, and cost effective Total Force options.

Ms. KAPTUR. Thank you very much. Thank you for your testimony.

Thanks, Mr. Chairman.

LAJES AIR BASE

Mr. YOUNG. Mr. Secretary, early in your comments, you talked about the issue of basing in Europe. We are also hearing conversations about another round of BRAC. Tell me about, who has ownership of our presence in a place like Lajes?

Mr. DONLEY. I will ask the chief to speak to these issues, as well, since he was our former commander of U.S. Air Forces in Europe.

But, to answer your question directly, Lajes is under USAFE's command.

Mr. YOUNG. So it is not necessarily—while there is an Air Force presence, you are not the owner of the presence there?

Mr. DONLEY. The Air Force is.

Mr. YOUNG. Oh, the Air Force is?

Mr. DONLEY. It is a Portuguese base, as well.

Mr. YOUNG. Yeah, I understand that. But, also, the conversation that I am hearing from a number of our colleagues as well as some of our friends in Portugal, that they are concerned that we might be diminishing our presence there, reducing our footprint, to the effect that it might be not a very good investment for them, and they may be looking around for a different tenant.

And we understand that the Chinese have been present there, without any real knowledge of what they were doing, but we understand there has been a substantial Chinese presence.

Mr. DONLEY. We have——

Mr. YOUNG. Is there a chance that we would be leaving a major presence there?

I understand we would retain some presence, but it looks to me like this is a tremendously valuable facility right out there in the ocean that has a commanding presence in Europe and Africa. And I was just wondering if we are seriously considering just basically moving out except for a small presence.

Mr. DONLEY. Well, I will let the chief amplify, but we do plan on reducing our footprint at Lajes and cutting back on the hours. We are not talking about departing Lajes altogether, but reducing the hours of operation at that location.

Chief.

General WELSH. Chairman, in response to congressional interest in looking at overseas force structure, as well as the Department of Defense response to that interest, U.S. Air Forces in Europe and the other components in Europe, along with U.S. European Command, looked at all basing and installations for options for closure, realignment, consolidation, anything we could do to save money and infrastructure in Europe, because we consider that a precursor to the Congress agreeing to look at anything in the States, where we think we have excess capacity, as well.

And so, as part of that, there was an operational assessment done of the utility of every installation. And of all the U.S. Air Force's installations in Europe, Lajes is one of the ones really that has no immediate operational requirement to support activity in the Middle East or in Africa. The changes and ranges of airplanes and the types of airplanes we move across the ocean means that we do not use that facility at anywhere near the rates we did 10 or 15 or 20 years ago.

And so the intent is to downsize from an airbase wing to an airbase squadron at Lajes to continue to be resident of the facility, to maintain custody of the fuel facility there, which is very large and is a strategic asset for the United States. But other than that, there is no operational requirement that drives continued large-scale investment in Lajes.

And as the Secretary said, if we are talking $1 trillion, it has to come from somewhere, sir. So this is a tough decision.

Mr. YOUNG. But I think what I am wondering about is, if there did become an operational requirement for something like Lajes, what would we replace Lajes with? We don't have enough aircraft carriers.

Mr. DONLEY. I think USAFE is doing an excellent job of sort of planning for the future. And in some of these contingency locations where we have been not utilizing our forces and our presence there as much as we did 10, 15, or 20 years ago, it makes sense to cut back. But we still think we will have access to locations like Lajes and other parts of Europe if we maintain a residual presence there. And we are doing that at Lajes.

This has been a matter of great focus and a lot of work on the part of the Defense Department and including State Department leadership over the last few years. Obviously, it is a matter of concern to the local residents on Terceira, the island, and inside of the Portuguese Government. So we have had a number of conversations. I have talked to the Ambassador a couple of times. I have talked to their Minister of Defense on these issues. It has been an ongoing dialogue. And the Portuguese want to be good and effective partners in NATO, as they are.

Mr. YOUNG. Well, sir, are you pretty convinced that our presence or our influence or our control there will not be replaced by some other foreign interest, in view of our reducing our activity there and our presence?

Mr. DONLEY. Sir, I can't speak to what the Portuguese Government's plans might be for that base going forward. That has not been a matter on my plate.

Mr. YOUNG. It seems like an awfully good asset. Having had a chance to visit there a number of times, it is an impressive location and an impressive capability.

But, anyway, the next series of votes are going to come really quick. There will be three votes, and they will be 5-minute votes. And so we are getting fairly close. And Mr. Visclosky is—all right, well, let me just advise that the bells have just rung for the votes.

Mr. Visclosky, you have the final time.

Mr. VISCLOSKY. Mr. Secretary, General, I guess, relative to the issue of sexual misconduct, I would urge persistence. I can't imagine how many distractions you have at a given moment, given the budgetary concerns you have, given the responsibilities you have. And I would urge persistence for those recruits, for those sergeants, for the lieutenant.

In another century, when I started practicing law, it was against the law to drive a car drunk. But it happened, and it was kind of acceptable. And not much happened to you when you went to court if you had a conviction. But persistence paid off. And people understand, you could hurt yourself, you could hurt somebody else.

And I would urge persistence just every day so people know nothing is going to let up until that culture has changed.

Secondly, I would associate myself with Mr. Frelinghuysen's concerns, also echoed by Ms. Kaptur, that the issue of launching nuclear weapons is probably the most critical moment in our military. And so, again, would urge you to continue your good work on that.

My time is going to be very limited, and I do have a series of questions, but they really relate to NNSA. The Air Force and Navy

are critical partners, and too often in the past—and we have been blessed on our committee with having dual membership by the three of us; we have had that in the past with Mr. Hobson, as well—is the costs involved.

BGI REFURBISHMENT

And one of the specific questions I have—and I have about a minute here—is on the B61 refurbishment. That started out as a $5 billion program. At this point, the cost analysis program evaluation is $10 billion. NNSA is saying $8 billion. It started out as a less robust change; it is different today.

And the question for the record is, are you concerned about those costs?

The second question I have is, the Nuclear Weapons Council recently adopted a long-term strategy to essentially take seven ballistic and five air-delivered systems and reduce them to essentially three ballistic and two air-delivered. And whether you are in concurrence with that and whether or not, again, you might have cost concerns. And specifically relative to the Air Force, do you have strategic concerns with NNSA's push for a common 78 and 88 warhead and the cost issues involved?

And finally, because it is all a human condition, is, if you could, point out any improvements or changes you would like to see relative to your interaction with NNSA. Because I am wanting to make sure, one, we are doing the right thing as far as strategy, weapons, and stockpile, but that there is good communication going on between the service and the agency and we are doing it as cost effectively as possible.

So I would appreciate your serious consideration and your response for the record.

[The information follows:]

The Nuclear Weapons Council (NWC) looked at various options for B61 refurbishment, and cost/affordability was one of the major discriminators that led to the current concept. The $5 billion estimate was a very early, low confidence estimate. As the Phase 6.2/2A study progressed, the National Nuclear Security Administration (NNSA) estimate was refined to the current $8 billion. The initial concept for the B61 Life Extension Program (LEP) was very aggressive, but the NWC was concerned with cost and de-scoped the approach. The B61–12 is the best, cost effective path to retain the B61.

NNSA did not push for the common W78/88–1 warhead. The NWC, in response to the Nuclear Posture Review, took the W78 LEP and tasked the Air Force and Navy, with the support of NNSA, to study the feasibility of a common ICBM warhead. The NWC believes a single nuclear explosive package with improved surety and adaptable external components specific to each service delivery system is achievable. We have yet to fully evaluate the concept of an interoperable warhead, however, the Navy, Air Force and NNSA are together investigating options, assessing risk, and taking the necessary steps during the W78/88–1 LEP to make that determination. The interoperable warhead has the potential for reductions in life-cycle and production costs; however, the Phase 6.2/2A study will investigate the necessary funding profiles for the Navy, Air Force, and NNSA.

Robust coordination between the Air Force and NNSA is a critical element of our ongoing nuclear weapon modernization programs. Program oversight and management structures have been developed to ensure close coordination between Department of Defense and Department of Energy efforts. One good example of this interagency cooperation is the B61–12 Memorandum of Understanding between the Air Force Nuclear Weapons Center and NNSA, which spells out the division of responsibilities for development, integration, production, funding, and schedule. Additionally, an integrated Air Force/NNSA management structure for the program ensures

the agencies remain committed to working together to enable synchronization of the B61–12 to support first production not later than fiscal year 2019.

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

Mr. YOUNG. Thank you, Mr. Visclosky.

These votes are coming so quickly now. Thank you for a good hearing. Thank you for responding to some of the questions that might not have been as comfortable as you might have expected, but we appreciate the direct responses.

And, at this point, we will adjourn this hearing. We have three votes that are under way now. We have about 1 minute left to get up for the first vote.

Thank you.

[CLERKS NOTE.—Questions submitted by Mr. Calvert and the answers thereto follow:]

UNMANNED AIRCRAFT SYSTEMS—PROCUREMENT AND BASING

Question. What is the per-unit cost of MQ–9As at a procurement rate of 12 per year? What is the per-unit cost of MQ–9As at a procurement rate of 24 per year?

Answer. Per-unit cost for 12 aircraft (including government furnished equipment) in fiscal year 2014 is $14.4 million. Per-unit cost for 24 aircraft (including government furnished equipment) in fiscal year 2014 is $13.6 million.

Question. What factors were considered in the selection process for sites of Unmanned Aerial Vehicle training facilities?

Answer. In 2009, the Air Force adopted a centralized strategic basing process that uses a comprehensive set of objective criteria and professional military judgment to determine the best location for emerging missions. The objective criteria include broad factors such as operational considerations, infrastructure capacity, environmental factors, and cost.

Question. What is the schedule for providing Air National Guard MQ–1 training facilities with MQ–9Bs for training?

Answer. Ongoing discussions of MQ–9 formal training unit capacity depend on still undetermined force structure and future deployment requirements for the MQ–9 fleet in the post-Operation Enduring Freedom environment. Force structure changes will determine the requirement for additional MQ–9 formal training units and locations.

Question. If the schoolhouses will be the last units to receive MQ–9s, what is the rationale for that decision?

Answer. The Air Force plans to transition all MQ–1 units to the MQ–9; however, as the MQ–1 will still be in our inventory within the Future Years Defense Program, we will still require MQ–1 training capacity through the transition.

NUCLEAR WORKFORCE

Question. Please describe the officer Military Occupational Specialty selection process.

Answer. In September 2012, the Air Force modified the process for matching United States Air Force Academy (USAFA) and Reserve Officer Training Corps (ROTC) cadets to initial Air Force Specialty Codes (AFSC). Officer Training School cadets are matched to AFSCs during initial processing to meet specific Air Force requirements. The USAFA and ROTC process considers the AFSC requirements for the year, the qualifications of each cadet (degrees required for each AFSC), the cadet preferences (no more than six), and an overall ranking of all cadets. The ranking allows the Air Force to better distribute quality across all AFSCs, giving all AFSCs an equitable share of the highest quality officers. The Air Force goal is to optimize each cadet's preferences within the available requirement; however, Air Force requirements and quality distribution across the AFSCs outweigh the cadet's preferences.

Question. What is the name of the specialty code held by the 17 officers who are undergoing recertification at Minot AFB? What is the proportion of all officers in the Air Force that hold that specialty code? What proportion of all general officers in the Air Force held that specialty code in their careers? What proportion of the top 10% of the U.S. Air Force Academy graduating classes over the last ten years were assigned that specialty code?

Answer. The name of the specialty code held by the 17 officers who are undergoing recertification at Minot AFB is "Nuclear and Missile Operations." Approximately two percent of all active duty Air Force officers (1,330) hold this specialty code. As of May 20, 2013, the proportion of all current general officers in the Air Force who have held this specialty code during their careers is four percent. Over the last ten years, six (2 percent) of the 286 Air Force Academy graduates assigned to the missile specialty came from the top ten percent of academy graduates. Prior to 2013, Air Force Specialty Code (AFSC) initial matching was weighted toward cadet preference; therefore, cadets at the top of their class were more likely to receive a career field of their choice. However, in September 2012, the Air Force transitioned to a new model for our initial AFSC matching that better distributes quality across all AFSCs, giving all AFSCs an equitable share of the highest quality officers.

Question. What is the career progression for officers holding the 13N specialty code?

Answer. The Air Force recently split the combined space and nuclear missile operations (Air Force Specialty Code 13S) career field into two separate ca8reer paths to focus on missile officer career development.

0–4 Years: Upon completion of initial skills training, all officers start as a deputy missile combat crew commander then progress to instructor or evaluator at the deputy level. Officers then upgrade to missile combat crew commander, followed by duty as instructors or evaluators at the crew commander level. These officers also have the opportunity to fill senior crew instructor, senior crew evaluator or flight commander positions.

5–9 Years: After the initial crew tour, a developmental process determines which officers will remain in the missile career field or cross-flow into another career area. A large number of intercontinental ballistic missile (ICBM) officers are needed early in their careers to operate missile launch centers, but that need drops off sharply after the first four years. Officers who remain in the ICBM career field move on to a second operational tour to increase their depth of nuclear expertise. Some officers will fill select leadership positions in wing, operations group, or operations support squadrons. A select group of officers will be assigned to tours at the ICBM test squadron, the United States Air Force (USAF) Weapons School, the ICBM task force, or initial skills training instructor duty.

9–14 Years: Officers increase their nuclear expertise with duty on a headquarters staff or, for select officers, in-residence intermediate developmental education (IDE) followed by staff duty. IDE programs include traditional opportunities, such as Air Command and Staff College, or nuclear-oriented opportunities, such as fellowships with the Department of Energy or the national nuclear laboratories. Staff assignments include assignments at numbered air forces, major commands (MAJCOM) or Headquarters Air Force, Joint Staff, United States Strategic Command, the Defense Threat Reduction Agency, or the Department of Energy.

15–20+ Years: Officers return to the crew force as a commander or director of operations at one of the nine operational ICBM squadrons, three operations support squadrons, training squadron, test squadron, or USAF Weapons School squadron. Officers not selected for leadership opportunities continue to contribute nuclear expertise in staff in positions of increasing responsibility. During this period, officers also compete for senior developmental education programs. Beyond traditional programs such as Air War College, these opportunities include fellowships with institutions, such as the John F. Kennedy School of Government at Harvard, Stanford University, or Los Alamos National Laboratory. Once complete, officers can expect 86 557 805 assignments in leadership positions at the operations group or wing level or assignments to key leadership positions within Joint, MAJCOM, or Headquarters Air Force staffs.

Question. What is the rate at which officers holding that specialty code depart active duty after serving the minimum required service obligation following their commissioning? What is the rate at which all officers in the Air Force depart active duty after serving the minimum required service obligation following their commissioning?

Answer. The nuclear and missile operations specialty is approximately three months old. As such, the Air Force does not have historical retention data for this career field. Members of this specialty previously were part of the combined space and missile operations career field. Since 2000, approximately 30 percent of space and missile operations officers depart active duty within two years after fulfilling their initial active duty service commitment. During the same timeframe, approximately 31 percent of line of the Air Force officers (all officers with the exception of chaplain, judge advocate general, and medical officers) depart active duty within two years after fulfilling their initial active duty service commitment.

SEXUAL ASSAULT

Question. What, if any, screening or vetting programs are in place for commanders regarding their capacity to deal with this issue specifically?

Answer. The Air Force provides sexual assault prevention and response training to all military and civilian Airmen. When considering members for squadron command, each candidate's record is screened for quality and fitness by a team of several colonels, and at least one general officer, or civilian equivalent, from that member's career specialty. Group and wing level command candidates are screened by a board of general officers. While they do not specifically review the records for sexual assault prevention and response capacity, they do remove from consideration anyone with a record of unprofessional conduct. The records of those considered qualified for command duty are then forwarded to senior commanders for selection. Once selected, candidates receive sexual assault prevention and response (SAPR) pre-command training, which was developed by the Air Force SAPR office with input from subject matter experts. This course is conducted by the installation/base Office of Special Investigations, the Judge Advocate, and the major command. Core competencies of the training include: identifying the impacts of sexual assault; prevention, advocacy, and response; investigations and accountability; and SAPR program leadership.

Question: Is the Air Force legally prohibited from considering gender or marital status in assigning officers to billets whose primary function is to handle sexual assault and related issues (i.e., NOT command screening for operational units)?

Answer: DoD Directive 1350.2, Department of Defense Military Equal Opportunity (MEO) Program, states that Service members shall be evaluated only on individual merit, fitness, and capability and prohibits unlawful discrimination against persons or groups based on race, color, religion, sex, or national origin. Air Force Instruction (AFT) 36–2706, Equal Opportunity Program, Military and Civilian, restates DoD policy, and equal opportunity is mandated in Air Force assignment selection, as indicated in AFT 36–2110, Assignments. The Air Force assigns Airmen without regard to color, race, religious preference (except chaplains), national origin, ethnic background, age, marital status (except military couples), spouse's employment, educational or volunteer service activities of a spouse, gender (except as provided for by statute or DoD policy), or sexual orientation.

Background References:

DoDDD 1350.2, Department of Defense Military Equal Opportunity (MEO) Program, para. 4.2, states is it DoD policy to:

> "[p]romote an environment free from personal, social, or institutional barriers that prevent Service members from rising to the highest level of responsibility possible. Service members shall be evaluated only on individual merit, fitness, and capability. Unlawful discrimination against persons or groups based on race, color, religion, sex, or national origin is contrary to good order and discipline and is counterproductive to combat readiness and mission accomplishment. Unlawful discrimination shall not be condoned."

AFI 36–2706, Equal Opportunity Program, Military and Civilian, para. 1.1.1:

> "It is against Air Force policy for any Airman, military or civilian, to unlawfully discriminate against, harass, intimidate or threaten another Airman on the basis of race, color, . . . , sex, national origin, . . . , [or religion]."

AFI 36–2110, Assignments, para. 2.3:

> "Equal Opportunity. The AF assigns Airmen without regard to color, race, religious preference (except chaplains), national origin, ethnic background, age, marital status (except military couples), spouse's employment, educational or volunteer service activities of a spouse, gender (except as provided for by statute or DoD policy), or sexual orientation. This applies to PCS and TDY assignments."

[CLERK'S NOTE.—End of questions submitted by Mr. Calvert. Questions submitted by Mr. Bonner and the answers thereto follow:]

EVOLVED EXPENDABLE LAUNCH VEHICLES (EELV)

Question. Mr. Secretary, as you know, an effective and affordable space launch program is an essential capability for the military and, as you understand, launch, while expensive, is still a relatively small portion of the annual cost of National Se-

curity Space (NSS). In a representative year, such as 2011, the $2 billion cost of EELV launched over $20 billion NSS assets—a 10:1 cost ratio.

a) Given the reality of this relative cost metric, will the Air Force allow new entrants to ignore any portion of the new entrant certification, and will they be required to meet the full spectrum of the EELV manifest?

b) If the new entrants are allowed to ignore some elements, does that create an uneven playing field, in your judgment, for the incumbent provider who must maintain capabilities across the full EELV spectrum and those added costs associated with those added stringent requirements?

Answer. New entrants will be required to certify their launch vehicles in accordance with the New Entrant Certification Guide. In order to encourage competition, as directed by the Under Secretary of Defense for Acquisition, Technology, and Logistics, the Air Force plans to compete up to 14 missions as soon as possible after a new entrant is certified for the EELV program. Our current plan provides for this competition to begin in fiscal year 2015. The Air Force judges that this approach does not create an uneven playing field since all launch providers, including new entrants, will have to satisfy all key performance parameters in order to compete for the next phase starting in fiscal year 2018.

Question. I think that the current contracts are FAR–15 contracts. Will you require the new entrants to follow the same level of accountability, as opposed to something more lax such as contracts known as "Other Transaction Agreements"?

Answer. The Air Force intends to issue Federal Acquisition Regulations Part 15 contracts.

Question I understand the current EELV provider is required to have certified cost and pricing data and is fully audited by the Department's auditing systems and has in place a certified accounting system required by the Department.

a) Will all new entrants into the EELV market be required to have similar certified accounting systems before being able to compete for missions?

b) If not, doesn't that create an unfair advantage in favor of new entrants vs. the incumbent provider who needs to maintain those costly systems?

Answer. New entrants will be required to comply with applicable accounting standards related to Federal Acquisition Regulations Part 15 contracts and progress payment provisions.

Question. Mr. Secretary, I understand new entrants were awarded a set-aside mission in an effort to prove their reliability. Specifically, could you please outline the cost of the STP–2 mission?

Answer. This mission was awarded as a firm-fixed-price contract for $174.5 million.

Question. I understand one new entrant received a contract from the Air Force in the amount of $174.5 million which is considerably higher than what has been advertised by new entrants working to compete for EELV missions.

Can you explain why the Air Force would be involved in what is a 37 percent subsidy of perhaps the debut mission of this new rocket?

Answer. The SpaceX advertised commercial price for the Falcon Heavy launch vehicle is $128 million. The STP–2 mission will be launched on a Falcon Heavy launch vehicle and requires dual orbital injections to launch two primary missions consisting of seven individual spacecraft, six auxiliary payloads, and twenty-four cubesats. This task order was awarded for $174.5 million. Due to the complexity of the mission, this cost includes additional scope required by the government not included in the SpaceX commercial pricing model. Specifically, the government required SpaceX to design an integrated payload stack solution to accommodate all satellites included in the mission and support the government process for mission assurance.

GLOBAL HAWK BLOCK 30

Question. Last year the Air Force said the U–2 was more cost-effective than the Global Hawk Block 30. According to the divestiture report, requested by this Subcommittee and submitted by you in April, Global Hawk is cheaper for any mission at any distance.

How should the Committee interpret this change?

Answer. There is no change in the Department of Defense position. The U–2 remains the selected platform for high altitude intelligence, surveillance, and reconnaissance operations based on technical maturity, sensor performance, and mission reliability.

The various scenarios compare operating costs between the Global Hawk and the U–2 at a range of distances from the support base to an operating location. The report does show Global Hawk operating costs to be less than those of the U–2 due

to its longer endurance. Because the Global Hawk can stay over the target area for a longer period of time, it costs less to operate due to a reduced requirement to transit aircraft back and forth from the support base.

The Department's decision to divest the Global Hawk was not solely based on operational costs. Other costs which factored into the cost comparison of the two platforms included required investment funding for attaining sensor parity with the U–2, accomplishing a ground and communications segment re-architecture due to diminishing manufacturing sources, and recurring modernization efforts.

Additionally, the divestiture decision was not based only on affordability. The Department retained the U–2 based on the additional factors of technical maturity, sensor performance, and mission reliability.

Question. Your divestiture report says that it would cost $487 million to modify Global Hawk aircraft to carry U–2 sensors and that the modified aircraft would be available in Fiscal Year 2020. It is my understanding that the Air Force has been offered a firm fixed price proposal with a guaranteed price of less than $100 million to modify these aircraft to carry the U–2 sensors, starting immediately.

If this is in fact true, why does your divestiture report not reflect this offer?

Answer. The Northrop Grumman unsolicited proposal did not meet Federal Acquisition Regulation (FAR) requirements for a qualified proposal. The Department returned the proposal to Northrop Grumman for possible resubmission when Northrop Grumman met all FAR requirements. Northrop Grumman has not resubmitted the proposal. The Department did not reflect this offer in the Block 30 Divestiture Report and could not take action on it because it was an unqualified proposal.

The Block 30 Divestiture Report cost estimate for the effort of $487 million comprises all cost elements, to include full integration of U–2 sensors onto the full fleet of Global Hawk aircraft and modifications for interoperability with the Distributed Common Ground System. This estimate addresses contractor development, production and retrofit costs, production support costs for technical order development, initial spares, training, and government costs for flight and ground testing and airworthiness certification. It also includes all contractor systems engineering and program management activities necessary for the duration of the modification to enable Global Hawk aircraft to carry U–2 sensors.

Question. In your most recent report about the proposed divestiture of Global Hawk Block 30, nowhere was it mentioned that the Air Force could save over $1 billion over the next five years by operating the Block 30 instead of U–2.

Can you explain why these savings were not included in your report?

Answer. The report compared costs between the U–2 program and the fully funded Global Hawk Block 30 program before the divestiture decision, not the reduced minimally funded Global Hawk Block 30 program established by the Fiscal Year 2013 National Defense Authorization Act.

On October 19, 2012, the Department provided to the staff of the House Appropriations Subcommittee on Defense a $1.345 billion cost estimate to restore a 21 aircraft Global Hawk Block 30 program to operate for the lifetime of the platform. This figure did not include additional funding required to prepare the Global Hawk Block 30 to operate beyond that timeframe. These additional costs include $855 million in investment funds to attain sensor parity with the U–2, $100 million for an anti-icing capability to operate in and through harsh weather, and a cost yet-to-be defined for weather avoidance modernization efforts.

[CLERK'S NOTE.—End of questions submitted by Mr. Bonner. Questions submitted by Mr. Visclosky and the answers thereto follow:]

3+2 STRATEGY

Question. The Nuclear Weapons Council recently adopted a long-term strategy for the stockpile identified as the "3+2 Strategy" to transition the composition of the stockpile to a total of five unique systems:

- Three ballistic missile-type warheads, each deployable on both Air Force and Navy delivery systems, employing three interoperable nuclear explosive packages with adaptable non-nuclear components.
- Two types of air-delivered nuclear weapons, both deployable in a cruise missile and a bomb weapons system, employing interoperable nuclear explosive packages with adaptable non-nuclear components.

Secretary Donley and General Welsh, the current discussion about making the W78/88–1 an "interoperable" warhead raises questions that are likely to be controversial at least in some quarters as the life extension program moves further away from the original design of the W78.

Does the Air Force have any strategic concerns with NNSA's push to develop an "interoperable" W78/W88?

Answer. The National Nuclear Security Administration (NNSA) did not push for the common W78/88–1 warhead. The Nuclear Weapons Council (NWC), in response to the Nuclear Posture Review, took the W78 life extension program (LEP) and tasked the Air Force and Navy, with the support of NNSA, to study the feasibility of a common ICBM warhead. The NWC believes a single nuclear explosive package with improved surety and adaptable external components specific to each service delivery system is achievable. We have yet to fully evaluate the concept of an interoperable warhead; however, the Navy, Air Force, and NNSA are together investigating options, assessing risk, and taking the necessary steps during the W78/88–1 LEP to make that determination. The interoperable warhead has the potential for reductions in life-cycle and production costs; however, the Phase 6.2/2A study will investigate the necessary funding profiles for the Navy, Air Force, and NNSA.

Question. Is creating a common warhead more costly than a more standard limited W78 LEP?

Answer. It is too early to determine if a common warhead will be more costly than a stand-alone W78 life extension program. The Air Force, Navy, and National Nuclear Security Administration are currently conducting feasibility and cost studies which are planned to be completed in December 2014. We are investigating if a common warhead will be less costly than two stand-alone programs as part of the current W78/88–1 study. The different operating environments and delivery systems employed by the Air Force and Navy could drive additional costs and this is also being analyzed in the joint study.

B61

Question. Secretary Donley and General Welsh, the current plan for the B–61 life extension program (LEP) is estimated by the CAPE to cost as much as $10 billion, though NNSA's cost is lower.

Given the current budget environment, does the Air Force have a strategy or plan for a LEP that is of lesser scope?

Answer. The Nuclear Weapons Council looked at various options for B61 refurbishment, and cost/affordability was one of the major discriminators that led to the current concept. Several alternatives were considered, but the B61–12 life extension program, with Air Force provided tail kit assembly, is the least complex and lowest cost alternative that meets military requirements and sustains system viability. Ensuring a safe, secure, and effective nuclear deterrent is a top Air Force priority. In support of this priority, the Air Force remains committed to modernizing deterrent forces to ensure the security of our Nation, maintaining strategic stability, strengthening regional deterrence and providing assurance to our allies and partners.

Question. Are there logical off-ramps where we should consider another alternative?

Answer. Lesser scope life extension program alternatives have been considered, but the current B61 life extension program scope, as approved by the Nuclear Weapons Council, is the most cost effective path to retain the B61 and the capabilities it provides. B61 non-strategic bombs, deployed with U.S. and NATO dual-capable aircraft, provide the cornerstone of our extended deterrence commitment to our allies. The B61 strategic bomb, carried by the B–2 bomber, is an essential component of our air-delivered strategic deterrent. The B61 is the oldest warhead design in the U.S. nuclear stockpile with components dating back to the 1960s. These components, as well as other materials and devices, are reaching the end of their safe service life and must be modernized.

Nuclear Deterrence/Surety

Question. Please describe the primary nuclear deterrence activities included in the Fiscal Year 2014 budget request.

Answer. The Air Force remains committed to modernizing and sustaining its strategic deterrent weapon system platforms. The fiscal year 2014 (FY14) President's Budget request fully funds the full fleet of 450 intercontinental ballistic missiles (ICBMs), the most responsive and stabilizing leg of our Nation's triad. It also includes funding for ICBM modernization and sustainment programs, such as fuze modernization ($1.42 billion, FY14–18), ground equipment replacement/modernization ($770 million, FY14–18), guidance and propulsion technology maturation ($380 million, FY14–18) and Ground Based Strategic Deterrent Pre-Milestone A activities. The activities include an analysis of alternatives ($21.1 million, FY13–14). In addition, the FY14 request funds B61 tail kit assembly development, design, test, integration qualification, and nuclear certification activities ($849,805, FY14–18). The

budget also provides funding for the air leg of the triad, the most flexible leg of the triad that also plays a major role in extending the U.S. nuclear deterrent and in assuring our allies, as recently demonstrated in South Korea. The FY14 President's Budget request funds sustainment and replacement efforts for the AGM–86B air launched cruise missile nuclear cruise missile, multiple upgrades to the B–2 and B–52 fleets, and includes funding for the development of a new Long-Range Strike Bomber.

Question. Please describe the relationship between your nuclear deterrence activities and the activities and programs funded by the National Nuclear Security Administration.

Answer. Air Force and National Nuclear Security Administration (NNSA) deterrence activities are complementary. Air Force strategic deterrence platform development drives requirements for NNSA support and efforts are coordinated with NNSA through the Nuclear Weapons Council (NWC). Generally, the Department of Defense develops delivery platforms, including aircraft, missiles, and associated guidance and other avionics, while the Department of Energy provides the nuclear explosive package. The NWC structure guides coordination and synchronization of delivery systems and warheads through project officers groups, subject matter experts, and programming specialists from both departments.

Question. What measures are included for nuclear surety in the Fiscal Year 2014 budget?

Answer: The Air Force will continue fulfilling its responsibility of providing safe, secure, and effective nuclear capabilities within its nuclear deterrence operations service core function. The air launched cruise missile will continue to be sustained until 2030, including replacement and refurbishment of critical warhead arming components. The B61–12 life extension update components will extend the service life of the weapon in order to maintain nuclear capability on existing legacy aircraft and dual-capable aircraft. The refurbishment and remanufactured components used in this modification provide improved nuclear surety by way of safer and more reliable components. Additional investments will be made to sustain the intercontinental ballistic missile (ICBM) force through 2030, including improvements and replacements to the guidance system, propulsion system, and ballistic missile fuze components. The ICBM Cryptography Upgrade Increment II provides increased nuclear surety through improved irreversible transformation capabilities and remote code change software modifications. The Payload Transporter Replacement program increases safety and security capabilities needed to mitigate emerging threat technologies and methods during transport activities. The ground based strategic deterrence analysis of alternatives will be complete in late fiscal year 2014 and will evaluate options on extending the ICBM mission beyond 2030. Additionally, the Air Force will remain focused on human capital and carefully balance requirements for the Airmen of the nuclear enterprise. This core function accounts for approximately $5.4 billion of the Air Force's portion of the fiscal year 2014 President's Budget request.

JOINT STRIKE FIGHTER

Question. In April 2013, GAO concluded that JSF software integration and testing present a significant challenge because many complex tasks remain to enable the aircraft to perform full war fighting capability.

Please describe the software integration and test activities that must be completed for the aircraft to become fully operational.

Answer. The buildup to full operational capability is a phased approach. Many of the capabilities have been in Block 0.5, Blocks 1AJB, or are being integrated and tested in Blocks 2A/B and Block 31. The full set of capabilities will be delivered in Block 3F. These updates will also include two technical refresh integration events. The F–35 program office incorporates the system engineering technical review processes to ensure disciplined system engineering processes are in place to perform the established software integration and test activities required to develop and deliver the capabilities effectively and efficiently. The software development activities for all blocks include requirements development for system, software and interface, use case development for software design and implementation, software product evaluation (i.e., peer reviews), test readiness reviews, and preliminary and critical design reviews. These processes have matured through the years as the Block 0.1, 0.5, 1 and 2 products have progressed through the development, integration, and test cycles.

Blocks 1A/B and 2A are largely behind us. We have completed test and have delivered Block 1A/B capability to the operational fleet. Block 2A will be completed June 2013 to support an update to the fleet this fall. Block 2B and 31 are in the

early stages of capability integration and test. The second of seven builds for Block 2B is in flight test and the first of eight builds for Block 31 will go to flight test in August. Block 3F is in the software development phase. Capability integration and test will start in mid-2014. As of the beginning of this year, 96 percent of the total 8.6 million software lines of code (SLOC) has been coded, 88 percent has been lab tested, and 33 percent has been through Flight Test. Block 3F comprises about 11 percent of the total SLOC and 66 percent of this has been coded.

There are approximately 1,400 remaining flights necessary for completion of the developmental flight test program that supports fielding of Block 2A/B F–35 capabilities. The decision to declare initial operational capability with Block 2B will be informed by an additional period of operational test and evaluation. Following Block 2, there are 3,400 developmental test flights planned to bring the F–35 air system to full operational requirements document capability. An additional initial operational test and evaluation (IOT&E) period will include approximately 1,300 additional flights. The IOT&E period will generate the data needed for the beyond low rate initial production report and inform the Milestone C decision.

Question. The Committee understands the Automated Logistics Information System (ALIS) is a fundamental system that ties mission planning, flight operations, training and technical manuals together, yet, deficiencies remain in this system.

Please describe the importance of ALIS, the current deficiencies, and your remediation process.

Answer. The Autonomic Logistics Information System (ALIS) is essential to the F–35 weapon system and a key component of global sustainment. ALIS provides an integrated capability for data collection, analysis, and action tracking that enables efficient operations and sustainment. The system allows for the interface between the air vehicle, warfighters, maintainers, and logisticians that provides support for flight operations, training services, supply chain and maintenance management, and other support activities. Residing mostly at the flying squadron operational sites, ALIS will extend capability directly to the flightline with the use of ruggedized portable electronic devices.

The F–35 program adheres to the deficiency reporting process required by Title 41, Code of Federal Regulations, Subpart 101–26.8; Defense Logistics Agency Regulation 4155.24; DoD Instruction 5000.2; and Air Force Instruction 21–115. The deficiency reporting process is fully integrated with contractors and partner nations and supports the entire life cycle of the F–35 program. Deficiencies identified during testing undergo an analysis and boarding process that determines impact and severity of the deficiency and recommends a resolution for the Joint configuration management board to approve. In addition, the ALIS development strategy is characterized by a spiral development concept approach. This development approach allows for the introduction of capabilities to the fielded system as the baseline software continues to undergo development. By fielding software in capability blocks, the spiral development process mitigates the risk to fielding of the end-state solution and allows for a certain degree of development flexibility.

The F–35 Program Office is managing all key risk items to include the implementation of mitigation to the identified deficiencies. The current deficiencies and remediation include:

- Data Recording Gap: During scheduled functional testing late last year, the F–35 Program Office discovered that the jet does not record all the expected aircraft health and life information. Aircraft health information is utilized to help maintenance personnel diagnose and correct issues with the aircraft, while life information is used to help determine how much operational life is left on a given part. Earlier this year, the contractor implemented the first update to correct this deficiency, and we expect a second update before the end of the calendar year. In the meantime, the contractor successfully implemented an interim operational procedure, in ALIS, to mitigate the gaps.
- Data Quality: ALIS functionality is dependent upon accurate, properly structured and populated logistics data (e.g., serial number, codes). This logistics information is utilized to order and to ensure configuration control of the parts to the aircraft. Currently, not all the sustainment and logistics information expected by ALIS is present for every electronic parts record. The contractor has implemented an external verification procedure and expects a permanent resolution of these issues by the end of calendar year 2014.
- Security Concerns: Due to security concerns, the program delayed implementation of the integrated mission planning capability. Working closely with government and product support integrator security experts, the Program Office implemented a mitigation that allows fielding of an isolated mission planning capability. The program is working with the contractor to functionally test the integrated mission planning capability in calendar year 2015.

• Propulsion and Exceedance Integration: The F–35 program office is working with the propulsion contractor to replace current stand-alone products for the management of the aircraft engine and exceedances. At present, the propulsion contractor assists the government in the management of the engine by utilizing a stand-alone engine management software suite. A stand-alone solution is also being employed by aircraft maintenance personnel to manage the information generated when the aircraft exceeds an identified parameter. Both of these current stand-alone capabilities are scheduled for integration into ALIS and functional test before the end of calendar year 2014.

SPACE PROGRAMS

Question. What is your biggest hole in the Fiscal Year 2014 Air Force space budget?

Answer. Space programs are funded in a deliberate fashion to maintain and develop capabilities across all space mission areas commensurate with budget constraints. Our balanced fiscal year 2014 budget request maintains and modernizes our key air and space inventories in line with the Defense Strategic Guidance. However, major reductions to the fiscal year 2014 budget request (e.g., sequestration) would endanger this balance and force very difficult choices on the Air Force, which may impact space programs. The Department is currently analyzing the potential impacts of further reductions based on a number of projected scenarios. We should have an initial assessment of these impacts later this summer.

Question: In your entrant certification, are you holding new entrants to the same level of rigor as the current provider (ULA) is subject to in terms of requirements, financial auditability and production? If not, why not?

Answer: The Joint Requirements Oversight Council revalidated the Evolved Expendable Launch Vehicle (EELV) key performance parameters in May 2012. We do not anticipate any change to the core key performance parameters for the EELV program. New entrants will be expected to comply with applicable Federal Acquisition Regulations (FAR) accounting standards related to FAR Part 15 contracts and progress payment provisions.

Question. The Air Force has stressed mission assurance as a measure of success for launches. How will mission assurance be measured for new entrants? Will the new entrants be held to the same standards for success?

Answer. In order to launch a National Security Space mission, each launch vehicle must undergo flight worthiness certification prior to every launch as required by Air Force operating instructions. These instructions assign responsibility for spaceflight worthiness to the Space and Missile Systems Center Commander. Flight worthiness certification is implemented through launch vehicle mission assurance, consisting of both non-recurring evaluation of the vehicle design and contractor's processes, as well as verification of the as-built configuration. New entrants will be held to these standards.

Question: Do you think the new entrants will be ready to launch with DoD payloads within the next seven years?

Answer: The probability for launch capability within the next seven years is good. The Air Force Program Executive Officer for Space Launch chartered the New Entrant Assessment Team (NEAT) to conduct an independent analytical assessment of Space Exploration Technologies Corporation, known as SpaceX. SpaceX is currently the only new entrant to initiate the development of a certification implementation plan under the terms of the New Entrant Certification Guide. The NEAT concluded the mean certification date for the SpaceX Falcon 9 version 1.1 launch vehicle is October 2014, with a most likely certification date of January 2015.

Question. Is it realistic to assume that new entrants will be able to provide heavy lift boosters within the next seven years? Why or why not?

Answer. Based on the complexity of the Falcon Heavy and SpaceX's progress, the Air Force expects the first launch of the Falcon Heavy to be in the summer of 2014. The New Entrant Assessment Team predicted a mean certification date for the Falcon Heavy of April 2017, with the most likely date of December 2017.

[CLERK'S NOTE.—End of questions submitted by Mr. Visclosky. Questions submitted by Mr. Owens and the answers thereto follow:]

C–130S

Question. The 109th Airlift Wing flying out of Stratton Air National Guard Base in Scotia, New York, supports Presidential Decision Directive 6646, flying a polar

mission. The skills and capabilities of the 109th are truly unique in the Air Force, as is their equipment, a mix of traditional C–130H "wheel birds" and ski-equipped LC–130 "ski birds". Four of these ski birds are paid for by the National Science Foundation, including operating costs. However, it is the aircraft funded by the military that concerns me, as these are the aircraft that contribute to the Wing's military value from DoD's perspective.

Currently, the 109th Airlift Wing is assigned 6 LC–130s designated as primary assigned aircraft (PAA). The Wing's 2 C–130 Wheel birds are currently designated "basic aircraft inventory" (BAI)—or backup aircraft, for which the Wing will not receive operations or maintenance personnel funding. In short, to maintain these aircraft, the Wing will receive funding for the parts, but not the people to do the work. This has an immediate impact for the 109th, as the wheel birds have systems that are different from those found on the ski birds. This arrangement also drops the 109th below the Air Force's own standard of 8 primary aircraft for a Wing.

The Fiscal Year 2013 National Defense Authorization Act did not include any statutory guidance directing the Air Force to designate C–130 restorals as BAI. That decision was a policy choice by the Air Force. While I understand the difficult choices we all must make in reducing costs, I have a few questions for you on this matter.

On January 1, 2013, how many C–130 Wings in the USAF had a unit configuration of less than 8 PAA, since the Department established that as the minimum PAA configuration prior to BRAC 2005? Why did the Air Force in its Intra-theater Airlift Working Group's findings, approved on January 7, 2013, deviate from that standard by reducing the USAF PAA inventory of C–130s for the 109th Airlift Wing?

Answer. As of January 1, 2013, there were five C–130 wings with fewer than eight PAA, including two with non-standard C–130s (e.g., LC–130H). It is important to note the eight PAA unit structure remains a goal of the Air Force, but it is not a minimum standard. The Fiscal Year 2013 National Defense Authorization Act (NDAA) authorized the Air Force to divest the four C–130H aircraft assigned to the 109th Airlift Wing, leaving six PAA of Air Force-funded LC–130H aircraft jointly operating with four PAA of National Science Foundation-funded LC–130H aircraft. In complying with Fiscal Year 2013 NDAA direction to retain additional intra-theater airlift aircraft, the Air Force added or restored back-up aircraft at locations across the intra-theater airlift enterprise in Fiscal Years 2013 and 2014, including two for the 109th Airlift Wing.

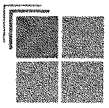
Question. Why did the USAF in its briefing to Congress include the 4 LC–130s owned by the National Science Foundation in the PAA count for the 109th when these aircraft are not available for military missions and therefore do not contribute to the military value of the Wing base on DoD's own standard?

Answer. In accordance with Appendix C of the Memorandum of Agreement between the Department of Defense (DoD) and National Science Foundation (NSF) for the National Science Foundation's Polar Programs, NSF and DoD LC–130s will be consolidated in a fleet of aircraft operated and maintained by the DoD. The aircraft will be managed as a fleet to maximize aircraft life and provide optimum availability for all DoD operational missions, unit training requirements, and the NSF polar support program. Appendix C also states NSF aircraft assigned to the 109th Airlift Wing are available for military missions in time of war. In concert with the intent of Appendix C, the Air Force manages the ten aircraft as a single fleet to jointly accomplish both Air Force and NSF missions.

Question. Will the USAF revisit the status of its inventory of C–130s at the Base to return the 109th to its proper status with 8 PAA C–130s from the USAF? Given the existence of PDD 6646, for which the 109th is uniquely qualified to complete, I would urge the USAF to change the status of the two BAI planes in to the higher readiness level of PAA.

Answer. Any changes to aircraft assignments within the C–130 enterprise will be reviewed during the Fiscal Year 2015 budget development cycle and will be informed by the additional reductions imposed by the sequestration portion of the 2011 Budget Control Act.

[CLERK'S NOTE.—End of questions submitted by Mr. Owens.]



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Mesothelioma Applied Research Foundation
Subcommittee on Defense
Committee on Appropriations
United States House of Representatives
In Support of FY 2014 Funding for a Mesothelioma Research Program in the Congressionally Directed Medical Research Program (CDMRP)
Mary Hesdorffer, ARNP, MSN
On behalf of the Mesothelioma Applied Research Foundation and the Mesothelioma Community
Submitted for the Record,
May 10, 2013

The objective of this testimony is to convey the importance of establishing a Mesothelioma Research Program within the Congressionally Directed Medical Research Programs, herein called the CDMRP, which plays a critical role in finding and delivering treatments for mesothelioma.

Mesothelioma is an aggressive cancer known to be caused by exposure to asbestos. Asbestos is a mineral identified as a carcinogen by Department of Health and Human Services (DHHS), the World Health Organization (WHO), and the Environmental Protection Agency (EPA). Doctors say it is among the most painful and fatal of cancers, as it invades the chest, abdomen and heart, and crushes the lungs and vital organs. ***Mesothelioma disproportionally affects our service men and women, as one third of mesothelioma cases have been shown to involve exposures in the Navy or working in our nation's shipyards.***[1]

Asbestos exposure among Navy personnel was widespread from the 1930s through the 1980s, and exposure to asbestos still occurred after the 1980s during ship repair, overhaul, and decommissioning. We have not yet seen the end of exposures to asbestos. Asbestos exposures have been reported among the troops in Iraq and Afghanistan. Soldiers in wars that extend into third world countries, where asbestos use is increasing without stringent regulations, may also be at risk for exposure during tours of duty. Even low-dose, incidental exposures can cause mesothelioma. Mesothelioma has a latency period of up to 50 years, so we can expect to see diagnoses in our veterans throughout the twenty first century. For all those who will develop mesothelioma as a result of these past or ongoing exposures, the only hope is that we will develop effective treatment.

For decades the need for research to develop effective treatment strategies as well as prevent the development of mesothelioma has been mostly ignored. There is no cure for mesothelioma; in fact **there is only one FDA approved treatment that extends median survival from nine months following diagnosis to twelve months.**

There are brilliant researchers dedicated to mesothelioma. Biomarkers are being identified. Two of the most exciting areas in cancer research – gene therapy and biomarker discovery for early detection and treatment– look particularly promising in mesothelioma. The Mesothelioma Applied Research Foundation has made a significant investment, funding over $8.2 million to support research in hopes of giving researchers the first seed grant they need to get started. We need the continued partnership with the federal government to develop the promising findings into effective treatments.

CDMRP funding has helped the promising research initiatives that are giving hope to mesothelioma patients. A vaccine is being developed that would induce an immune response against WT1, a tumor suppressor gene highly expressed in mesothelioma patients. A pilot trial was conducted in patients with mesothelioma to show that it is safe and immunogenic. The researcher was then funded by a 2009 CDMRP award. Today, a multi-site clinical trial is being conducted on patients following definitive surgery.

Mesothelioma has been included on the list of diseases eligible to receive funding through the Department of Defense's Congressionally Directed Medical Research Program (CDMRP) since Fiscal Year 2008. The CDMRP has funded a total of $8.9 million in mesothelioma research to date. In Fiscal Years 2008, 2009, and 2010 it was included in the Peer Reviewed Medical Research Program (PRMRP) to compete for $50 million dollars. In 2011, it was included in the Peer Reviewed Cancer Research Program (PRCRP), to compete for $16 million. In 2012, this sparse amount of funding was decreased to $12.8 million. It returned to $16 million in 2013.

Each year that mesothelioma has been included as a disease eligible for funding in either the PRMRP or the PRCRP, a grant has been awarded to mesothelioma research, proving that there is mesothelioma research worthy of being funded.

Mesothelioma research is clearly progressing but needs to be funded at a higher level to improve the prevention, diagnosis and treatment and to offer hope of a prolonged life-expectancy to those servicemen and women affected by this fatal service-related disease. **To address this, the Mesothelioma Applied Research Foundation and the mesothelioma community recommend that Congress appropriates $5 million to create a Mesothelioma Research Program within the CDMRP in Fiscal Year 2014.**

Public Witness Testimony
Submitted to the House Appropriations Subcommittee on Defense
By Kim Bischoff, Executive Director
The Neurofibromatosis Network

Thank you for the opportunity to submit testimony to the Subcommittee on the importance of continued funding for research on Neurofibromatosis (NF), a terrible genetic disorder closely linked too many common diseases widespread among the American population.

On behalf of the Neurofibromatosis (NF) Network, a national coalition of NF advocacy groups, we speak on behalf of the 100,000 Americans who suffer from NF, as well as approximately 175 million Americans who suffer from diseases and conditions linked to NF such as cancer, brain tumors, heart disease, memory loss, and learning disabilities. Thanks in large measure to this subcommittee's strong support, scientists have made enormous progress since the discovery of the NF1 gene in 1990 resulting in clinical trials now being undertaken with broad implications for the general population.

While not all NF patients suffer from the most severe symptoms, all NF patients and their families live with the uncertainty of not knowing whether they will be seriously affected because NF is a highly variable and progressive disease.

In Fiscal Year 2014, we are requesting level funding of **$15 million to continue the Army's highly successful Neurofibromatosis Research Program (NFRP).** The Peer-Reviewed Neurofibromatosis Research Program, one of the Department of Defense's Congressionally Directed Medical Research Programs (CDMRP), is now conducting clinical trials at nation-wide clinical trials centers created by NFRP funding. These clinical trials involve drugs that have already succeeded in eliminating tumors in humans and rescuing learning deficits in mice. Administrators of the Army program have stated that the number of high-quality scientific applications justify a much larger program.

What is Neurofibromatosis (NF)?
NF is a genetic disorder involving the uncontrolled growth of tumors along the nervous system which depending on the size, location, and the growth pattern of these tumors can cause a variety of symptoms ranging from severe pain, disfigurement, deformity, brain tumors, blindness, deafness, learning disabilities, memory loss, heart disease, orthopedic problems and in some cases death.

There are three forms of NF: NF1, the most common form occurs in 1 out of every 3,000 to 4,000 individuals; NF2 which primarily involves tumors causing deafness and balance problems occurs in 1 out of every 30,000 people; and Schwannomatosis, the hallmark of which is severe pain, occurs in 1 out of every 40,000 births.

NF is not rare. It is the most common neurological disorder caused by a single gene and three times more common than Muscular Dystrophy and Cystic Fibrosis combined, but is not widely known because it has been poorly diagnosed for many years. It strikes worldwide, without

regard to gender, race or ethnicity. Approximately 50 percent of new NF cases result from a spontaneous mutation in an individual's genes and 50 percent are inherited.

NF's Connection to the Military
Neurofibromatosis Research addresses areas of great clinical need directly affecting the health of soldiers, including unmanageable pain, orthopedic abnormalities, deafness, cancer, blindness, memory loss, amputation and inflammation similar to that involved in wound healing.

Pain Management - Severe and unmanageable pain is seen in all forms of NF, particularly in one form of NF called Schwannomatosis. Over the past 3 years, Schwannomatosis research has made significant advances and new research suggests that the molecular or root cause of Schwannomatosis pain may be the same as phantom limb pain. Research is currently moving forward to identify drugs that might be able to treat this pain, and these exciting findings could have broad applications for the military.

Wound Healing, Inflammation and Blood Vessel Growth - Wound healing requires new blood vessel growth and tissue inflammation. Mast cells are critical mediators of inflammation in wound healing, and they must be quelled and regulated in order to facilitate this healing. Mast cells are also important players in NF1 tumor growth. In the past few years, researchers have gained deep knowledge on how mast cells promote tumor growth, and this research has led to ongoing clinical trials to block this signaling. The result is that tumors grow more slowly. As researchers learn more about blocking mast cell signals in NF, this research could be translated to the management of mast cells in wounds and wound healing.

Orthopedic Abnormalities and Amputation - One third of children with NF1 are at risk of developing orthopedic abnormalities that as a result break easily. In the leg particularly, repeated injuries lead to amputation below the knee, often in very young children. Recent research has identified the molecular basis of this, and drug trials in humans will begin in the next year. This research will lead to a deeper understanding of how to heal challenging bone breaks and directly benefit war fighters with major bone breakages or recurring bone breaks that heal poorly.

Three-Dimensional Clinical Imaging Technologies - Because NF tumors are often large and abnormally shaped, they lend themselves well to the emerging technology of volumetric MRI. This is used to monitor tumor volume and growth as well as to monitor the effectiveness of a drug treatment to induce tumor shrinkage or cessation of tumor growth. It is anticipated that MRI volumetric imaging could have broad applications in military use.

Link to Other Illnesses
Research has resulted in the determination that the NF gene controls other pathways which are directly related to most forms of human cancer, cognitive disorders and heart disease affecting over 175 million Americans. Research on NF therefore stands to benefit millions of Americans.

Cancer – NF is closely linked to many of the most common forms of human cancer, affecting approximately 65 million Americans. In fact, NF shares these pathways with 70% of human cancers. Research has demonstrated that NF's tumor suppressor protein, neurofibromin, inhibits RAS, one of the major malignancy causing growth proteins involved in 30 percent of all cancer. Accordingly, advances in NF research may well lead to treatments and cures not only for NF

patients, but for all those who suffer from cancer and tumor-related disorders. Similar studies have also linked epidermal growth factor receptor (EGF-R) to malignant peripheral nerve sheath tumors (MPNSTs), a form of cancer which disproportionately strikes NF patients.

Heart disease – Researchers have demonstrated that mice completely lacking in NF1 have congenital heart disease that involves the endocardial cushions which form in the valves of the heart. This is because the same *ras* involved in cancer also causes heart valves to close. Neurofibromin, the protein produced by a normal NF1 gene, suppresses *ras*, thus opening up the heart valve. Promising new research has also connected NF1 to cells lining the blood vessels of the heart, with implications for other vascular disorders including hypertension, which affects approximately 50 million Americans. Researchers believe that further understanding of how an NF1 deficiency leads to heart disease may help to unravel molecular pathways involved in genetic and environmental causes of heart disease.

Learning disabilities – Learning disabilities are the most common neurological complication in children with NF1. Research aimed at rescuing learning deficits in children with NF could open the door to treatments affecting 35 million Americans and 5 percent of the world's population who also suffer from learning disabilities. In NF1 the neurocognitive disabilities range includes behavior, memory and planning. Recent research has shown there are clear molecular links between autism spectrum disorder and NF1; as well as with many other cognitive disabilities. Tremendous research advances have recently led to the first clinical trials of drugs in children with NF1 learning disabilities. These trials are showing promise. In addition because of the connection with other types of cognitive disorders such as autism, researchers and clinicians are actively collaborating on research and clinical studies, pooling knowledge and resources. It is anticipated that what we learn from these studies could have an enormous impact on the significant American population living with learning difficulties and could potentially save federal, state, and local governments, as well as school districts, billions of dollars annually in special education costs resulting from a treatment for learning disabilities.

Memory loss – Researchers have also determined that NF is closely linked to memory loss and are now investigating conducting clinical trials with drugs that may not only cure NF's cognitive disorders but also result in treating memory loss as well with enormous implications for patients who suffer from Alzheimer's disease and other dementias.

Deafness – NF2 accounts for approximately 5 percent of genetic forms of deafness. It is also related to other types of tumors, including schwannomas and meningiomas, as well as being a major cause of balance problems.

The Army's Contribution to NF Research

While other federal agencies support medical research, the Department of Defense (DOD) fills a special role by providing peer-reviewed funding for innovative and rewarding medical research through the CDMRP. CDMRP research grants are awarded to researchers in every state in the country through a competitive two-tier review process. These well-executed and efficient programs, including the NFRP, demonstrate the government's responsible stewardship of taxpayer dollars.

Recognizing NF's importance to both the military and to the general population, Congress has given the Army's NF Research Program strong bipartisan support. From FY96 through FY12

funding for the NFRP has amounted to $244 million, in addition to the original $8 million appropriation in FY92. In addition, between FY96 and FY11, 282 awards have been granted to researchers across the country.

The Army program funds innovative, groundbreaking research which would not otherwise have been pursued, and has produced major advances in NF research, including conducting clinical trials in a nation-wide clinical trials infrastructure created by NFRP funding, development of advanced animal models, and preclinical therapeutic experimentation. Because of the enormous advances that have been made as a result of the Army's NF Research Program, research in NF has truly become one of the great success stories in the current revolution in molecular genetics. In addition, the program has brought new researchers into the field of NF. However, despite this progress, Army officials administering the program have indicated that they could easily fund more applications if funding were available because of the high quality of the research applications received.

In order to ensure maximum efficiency, the Army collaborates closely with other federal agencies that are involved in NF research, such as the National Institutes of Health (NIH). Senior program staff from the National Institute of Neurological Disorders and Stroke (NINDS), for example, sits on the Army's NF Research Program Integration Panel which sets the long-term vision and funding strategies for the program. This assures the highest scientific standard for research funding, efficiency and coordination while avoiding duplication or overlapping of research efforts.

Thanks in large measure to this Subcommittee's support; scientists have made enormous progress since the discovery of the NF1 gene. Major advances in just the past few years have ushered in an exciting era of clinical and translational research in NF with broad implications for the general population. These recent advances have included:

- Phase II and Phase III clinical trials involving new drug therapies for both cancer and cognitive disorders;
- Creation of a National Clinical and Pre-Clinical Trials Infrastructure and NF Centers;
- Successfully eliminating tumors in NF1 and NF2 mice with the same drug;
- Developing advanced mouse models showing human symptoms;
- Rescuing learning deficits and eliminating tumors in mice with the same drug;
- Determining the biochemical, molecular function of the NF genes and gene products;
- Connecting NF to numerous diseases because of NF's impact on many body functions.

Fiscal Year 2014 Request
The Army's highly successful NF Research Program has shown tangible results and direct military application with broad implications for the general population. The program has now advanced to the translational and clinical research stages, which are the most promising, yet the most expensive direction that NF research has taken. Therefore, continued funding is needed to continue to build on the successes of this program, and to fund this promising research thereby continuing the enormous return on the taxpayers' investment.

We respectfully request that you include $15 million in the Fiscal Year 2014 Department of

Defense Appropriations bill for the Army's Neurofibromatosis Research Program. With this subcommittee's continued support, we will prevail. Thank you for your support.

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