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HEARING

ON

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2015

AND

OVERSIGHT OF PREVIOUSLY AUTHORIZED PROGRAMS

BEFORE THE

COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRTEENTH CONGRESS

SECOND SESSION

FULL COMMITTEE HEARING

ON

FISCAL YEAR 2015 NATIONAL DEFENSE AUTHORIZATION BUDGET REQUEST FROM THE DEPARTMENT OF DEFENSE

HEARING HELD
MARCH 6, 2014

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FISCAL YEAR 2015 NATIONAL DEFENSE AUTHORIZATION BUDGET REQUEST FROM THE DEPARTMENT OF DEFENSE

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, DC, Thursday, March 6, 2014.

The committee met, pursuant to call, at 9:35 a.m., in room 2118, Rayburn House Office Building, Hon. Howard P. "Buck" McKeon (chairman of the committee) presiding.

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

The CHAIRMAN. The committee will come to order.

Good morning, ladies and gentlemen.

I would like to welcome Secretary Hagel, General Dempsey, and Mr. Hale here this morning, our comptroller. They will be testifying before the committee on the President's fiscal year 2015 budget request for the Department of Defense.

This will be kind of a truncated session because we have votes probably about 10 o'clock. So we are going to try to be as—expeditious, which means I am going to try to keep my remarks a little short.

Thank you, each of you, for your willingness to do the same.

The White House fact sheet on the key budget issues makes it clear that defense is not a priority in this budget. And while no one would argue that hard choices will have to be made in light of the budget caps, the President seems to want it both ways with this budget request and defense strategy.

Instead of making the really hard choices, it delivers false promises. Instead of delivering a sustainable strategy, it simply adds risk to the existing one. This is not sustainable. And this mixed message is not one we want to send to our All-Volunteer Force, to our allies and partners, and to our adversaries who would seek to test our resolve.

I recognize the tough position you are in and you didn't get to this budget on your own. Congress passed some laws that very much helped us get to this point. But we have to be working together. Congress has to be a partner in mitigating the damage and risks of the current budget trajectory. I hope today's testimony will bring clarity to these issues and enable Congress to do just that.

On a final note, Mr. Hale's great work that he has done on this committee for years—this will be his last appearance before us, he hopes. He has been a man of great integrity, depth of knowledge, and has always been a straight shooter.

And we appreciate your work, Bob. America appreciates it. You have the admiration of this committee.

[The prepared statement of Mr. McKeon can be found in the Appendix on page 63.]

The CHAIRMAN. Ms. Sanchez.

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

Ms. SANCHEZ. Thank you, Mr. Chairman.

And thank you, gentlemen, again for being before us today.

I want to thank the chairman for acknowledging that this budget that we have in front of us, or the top numbers that we are seeing, came from this deal that was struck just recently and that the President has tried to—has put forward the numbers that this Congress basically gave to him. He signed that into law just a few months ago, and here we are.

So it just comes back to some very difficult decisions. There has been criticism from Members on both sides of the aisle, also from this committee, about how there is not enough money in defense. Well, we are the one that gave him that law.

He is sticking to it. To his credit, he has given us a wish list, a shortfall piece there where he has talked about additional funding the Congress could put forward in order to make better decisions with respect to this defense budget.

So I guess I just would like to say it is up to us to work with the President, both sides, to figure out are we going to raise taxes, what type of cutting are we going to do, is there going to be a BRAC [Base Closure and Realignment] process. And I know people don't like that—that word here—that acronym here, but it is dependent on us to ensure that we don't hollow out the force.

You know, I was with the—I went to visit the 82nd maybe about 6 months ago and they were talking about what the budgets were doing. And they basically said, you know, "We are on a timeline where we are the first defense to go out if we are called up, and our first line, our first group of soldiers, are ready to go and they are trained up."

But what is happening to the next round or the next phase of people coming forward is that they are getting less training. They are getting less preparedness. They are doing "mano a mano," if you will, individual things, training which is easier to do, but the comprehensive working with other units, working in other ways, going out into the made-up battlefield is not happening.

And so we could end up, if this Congress doesn't take this seriously, with a budget that really makes our military weak in what we need it to do.

So I look forward to hearing your comments today. And, again, I think these are hard decisions for us to make, but we need to make them, because we are the ones, Article I, Section 8, that do this.

Thank you, Mr. Chairman.

And I will submit Mr. Smith's remarks for the record.

The CHAIRMAN. Those remarks will be included in the record without objection. Thank you.

[The prepared statement of Mr. Smith can be found in the Appendix on page 64.]

The CHAIRMAN. Mr. Secretary.

STATEMENT OF HON. CHUCK HAGEL, SECRETARY OF DEFENSE, U.S. DEPARTMENT OF DEFENSE; ACCOMPANIED BY ROBERT HALE, UNDER SECRETARY OF DEFENSE (COMPTROLLER)

Secretary HAGEL. Mr. Chairman, thank you to you and to Ranking Member Smith, Ms. Sanchez, for your comments, and to all the members of this committee.

We very much appreciate an opportunity to appear before you and present the fiscal year 2015 budget and be prepared to try to explain not just the numbers, but also the reasons and the rationale behind the decisions that we have put forward to plan for our future and to associate that plan with the realities, yes, of the resources that we have, but, also, in coordination with the QDR [Quadrennial Defense Review], what was the strategy behind all of this. And we are prepared to do that.

I also want to acknowledge Chairman Dempsey, Chairman of the Joint Chiefs of Staff, who has been a tremendous partner in this effort. I know this committee values his leadership and his service to his country, as we all do, and I just want to acknowledge his service and the vice chairman as well as all the chiefs and all of our military leaders.

And with us today also is the senior enlisted member of our Armed Forces, and we very much appreciate our enlisted men and women who make it work, who make the system go.

You have acknowledged Bob Hale's contributions, Mr. Chairman. I would just add that everything you said is accurate. I know this body deals in accuracy. And I wanted to, for the record, note that he has been as close to an indispensable element of our efforts, not just this year in putting together—it was a very difficult year, which we all went through 16 days of government shutdown and furloughs, uncertainty, no budget, continuing resolutions.

But it was Bob Hale and his team that were really the anchor that kept all this together. And we will miss him greatly, but he deserves to escape, and we will keep his phone number handy for any future reference.

Mr. Chairman, you asked if I would make a couple of brief comments about the current situation in Ukraine that obviously is dominating everybody's thinking and concerns today. And let me do that and then I will address my points in the opening statement regarding the budget and then ask Chairman Dempsey for his comments.

Mr. Chairman, this administration's efforts have been focused on first de-escalating—continuing to de-escalate the crisis in Ukraine, supporting the Ukrainian Government with economic assistance, with a particular interest and focus on the diplomatic tracks, economic tracks, which we are doing.

Secretary Kerry is currently in a meeting with Foreign Minister Lavrov. I think you all are aware of the news that NATO [North Atlantic Treaty Organization] met again, European Union met again today. OSCE [Organization for Security and Cooperation in

Europe] has observers starting to get into Ukraine. Different decisions have been made by some of our European partners, one being the announcement yesterday of the European Union's $15 billion package of economic assistance to Ukraine.

As you all know, Secretary Kerry noted we would commit a billion dollars. And I appreciate—and I know the President does—the Congress's early review of that $1 billion economic assistance package to Ukraine. And we are also focused on reaffirming our commitments to allies in Central and Eastern Europe.

I strongly support these efforts, the way it is being handled, the steps the President has taken to apply both the diplomatic and economic pressure on Russia, and the continued collaboration, coordination with our European partners. This includes the new visa restrictions and an Executive order authorizing sanctions that the White House announced this morning.

Earlier this week, as you know, I directed Department of Defense [DOD] to suspend all military-to-military engagements and exercises with Russia, and yesterday I announced a series of steps that we will take to reinforce allies in Central and Eastern Europe during this crisis.

These include stepping up our joint training through our aviation detachment in Poland, and I was advised this morning that that continues to move forward. I visited Poland a few weeks ago, and we are going to augment our participation in NATO's ballistic air policing mission, and was advised this morning that we have six F–16s that have arrived in Latvia as of the last 24 hours.

The events of the past week, I think to all of us, underscore the need for America's continued global engagement and leadership. The President's defense budget reflects that reality and it helps sustain our commitments and our leadership at a defining moment.

Mr. Chairman, I believe this budget is far more than a set of numbers or just a list of decisions. It is both of those. But it is a statement of values and priorities. It is a realistic budget that prepares the United States military to defend our national security in a world that is becoming less predictable, more volatile and, in some ways, more threatening to our country and our interests.

It is a plan that allows our military to meet America's future challenges and threats. It matches our resources to our strategy. And it is a product of collaboration. All of DOD's military/civilian leaders were involved in this process. As I noted, the chairman, the vice chairman, our service secretaries, our service chiefs, combatant commanders, senior enlisted, all at every level of our military leadership had input into this process.

As we all know, America has been at war for the last 13 years. And as we end our second war of the last decade, our longest ever, this budget adapts and adjusts to new strategic realities and fiscal constraints while preparing for the future.

This budget is not—is not business as usual. We are all living at a very unusual time. It may well be, when history records this time, a very defining time. I don't think any of us, no matter how many years you have been in Congress, has ever worked through something like we are working through and have worked through the last 24 months of uncertainty, unpredictability, not just with resources and budgets, but how that ripples out and the con-

sequences of that to every decision you make, I make, the leadership of this government makes.

It begins to make the hard choices, the hard choices that will have to be made. The longer we defer these difficult decisions, the more risk we will have down the road, forcing our successors to face far more complicated and difficult choices in the future.

Last year, DOD's budget was cut $37 billion because of sequestration on top of the $487 billion 10-year reduction under the Budget Control Act that DOD was already implementing.

December's bipartisan budget agreement gave DOD some temporary relief, but it still imposes more than $75 billion in cuts over the next 2 years. And unless Congress changes the law, sequestration will cut another $50 billion each year starting again in fiscal year 2016.

The President's 5-year plan provides a realistic alternative to sequestration-level cuts, projecting $115 billion more than current law allows. DOD requires that additional funding to implement our updated defense strategy as outlined in the Quadrennial Defense Review.

As you know, the QDR takes a strategy-driven look at the security landscape over the coming decades. This QDR is not budget-driven nor is it budget-blind. It builds on the President's Defense Strategic Guidance and is informed by our resource limitations. It defines the risk assumed both under the President's budget and under sequestration. Accounting for budget uncertainty and fiscal reality was the only realistic way to ensure a useful and relevant strategy.

These are not ordinary times. The strategic priorities articulated in QDR represent America's highest security interests: defending the homeland, building security globally, deterring aggression, and being ready and capable to win decisively against any adversary.

The funding levels in the President's budget let us execute this strategy with some increased risks, and we have been very clear about those risks in certain areas. These risks would be reduced if Congress approves the President's Opportunity, Growth and Security Initiative, a proposal that would provide DOD with an additional $26 billion in fiscal year 2015 to improve readiness and modernization. My submitted statement, Mr. Chairman, contains details of this initiative, which I strongly support.

Although our 5-year budget plan exceeds sequestration levels, over the past year, DOD has prepared detailed planning for continued sequestration-level cuts. This showed that a return to sequestration would impose some force structure reductions that simply can't be implemented with the push of a button. It takes time to plan and implement. They require detailed planning and they require and need longer time horizons.

Our 5-year defense plan, therefore, hedges and includes the sequestration-level force structure reductions that take longest to plan and to implement. The decommissioning of the aircraft carrier USS *George Washington* and the Army and Marine Corps end strength cuts below, below, our preferred levels. This was the responsible thing to do, given the uncertainty and the irregularity that has marked this budget process and the fact that sequestration remains the law of the land for fiscal year 2016 and beyond.

Our preferred force levels are fully funded in fiscal year 2015, and DOD leaders all agree that they can be sustained at the President's budget levels. Accordingly, I have issued formal guidance to service leadership that we will fund our preferred force levels, 440- to 450,000 Active Army, 182,000 Marines, and 11 aircraft carriers, and not make these sequestration-level reductions if, if, we judge that Congress will fund DOD at the President's budget levels over the next 5 years. DOD has a responsibility to prepare for all eventualities, just as Congress has a responsibility to provide DOD with some budget predictability.

My submitted statement explains our budget details, Mr. Chairman, and the rationale behind all of our key decisions. But I want to before I close briefly address a couple of very critical issues.

First, the balance between readiness, capability, and capacity. After more than a decade of long, large stability operations, we traded some capacity to protect readiness and to protect modernization. We did this as we shift the focus on future requirements, shaped by enduring and emerging threats.

We have to be able to defeat terrorist threats and deter our adversaries with increasingly modern weapons and technological capabilities. We must also assure that America's economic interests are protected through open sea lanes, freedom of the skies and space, and deal with one of the most urgent and real threats facing all nations, and that is cyber attacks. That is why we protected funding for cyber and special operations forces.

For the Active Duty Army, we proposed drawing down about 440- to 450,000 soldiers. That is less than 10 percent below its size pre-9/11. I believe this is adequate. Our leaders believe it is adequate for future demand.

We will continue investing in high-end ground capabilities to keep our soldiers the most advanced on earth. Army National Guard and Reserve units will remain a vibrant part of our national defense and will draw down by 5 percent.

We will also streamline Army helicopter force structure by reducing Guards fleet by 8 percent. The Active Army fleet will be cut by 25 percent. But we will still maintain and keep these helicopters modernized as we move from a fleet of seven models to four.

The Navy, for its part, will take 11 ships out of its operational inventory, but they will be modernized and returned to service with greater capability and longer life span.

The Marine Corps will continue its planned drawdown to 182,000, but will devote 900 more marines to increased embassy security.

And the Air Force will retire the aging A–10, replacing it with more advanced multi-mission aircraft like the Joint Strike Fighter. The specific numbers and reasons for all my recommendations are included in the statement—my full statement.

Regarding compensation reform, taking care of our people, Mr. Chairman, as everyone on this committee knows, means providing them with both fair compensation as well as the training and the tools they need to succeed in battle and always return home safely.

To meet those obligations under constrained budgets, we need some modest adjustments to the growth in pay and benefits. All these savings will be reinvested in training and equipping our

troops. And there are no proposals to change retirement in this budget.

Let me clarify what these compensation adjustments are and are not.

First, we will continue to recommend pay raises. They won't be substantial as in the past years—as substantial—but they will continue.

Second, we will continue subsidizing off-base housing. The 100 percent benefit of today will be reduced, but only to 95 percent, and it will be phased in over the next several years.

Third, we are not shutting down any commissaries. We recommend gradually phasing out some subsidies, but only for domestic commissaries that are not in remote locations.

Fourth, we recommend simplifying and modernizing our three TRICARE programs by merging them into one TRICARE system with modest increases in co-pays and deductibles for retirees and family members, and encourage using the most affordable means of care. Active Duty personnel will still receive healthcare that is entirely free.

The President's defense budget supports our defense strategy, defends this country and keeps our commitments to our people. However, these commitments would be seriously jeopardized by a return to sequestration-level spending. My submitted testimony details how sequestration would compromise our national security.

The result would be a military that could not fulfill its defense strategy, putting at risk America's traditional role as a guarantor of global security and, ultimately, our own security.

This is not the military the President nor I want. It isn't the military that this committee or this Congress wants for America's future. But it is the path we are on unless Congress does something to change the law.

Mr. Chairman, members of this committee, DOD leaders and I look forward to working with you as we make the difficult choices, and there will be difficult choices to be made to ensure that America's security is there, will be there, and to ensure that we protect America's national interests.

Thank you.

[The prepared statement of Secretary Hagel can be found in the Appendix on page 66.]

The CHAIRMAN. Chairman, do you have an opening statement?

General DEMPSEY. I can submit my opening statement for the record if you need the time to allow the Members to ask questions.

The CHAIRMAN. Votes have already been called. We are about 5 minutes into the first vote, and it looks like we are going to be, like, 45 minutes. Could you just briefly summarize your statement. And then we will recess.

General DEMPSEY. Okay.

The CHAIRMAN. And then we will come back and get into the questions.

STATEMENT OF GEN MARTIN E. DEMPSEY, USA, CHAIRMAN, JOINT CHIEFS OF STAFF, U.S. DEPARTMENT OF DEFENSE

General DEMPSEY. Okay. Thanks, Chairman, Ranking Member Smith, Members. I appreciate your teamwork in trying to help us

work our way through not only our national security needs, but the resources available to meet them.

Just want you all to know I am deeply engaged in our efforts to support the diplomatic approach to the resolution of Ukraine's crisis. I am engaged with our NATO allies. I have spoken both yesterday and today with my Russian counterpart, General Valery Gerasimov, and will continue to maintain that line of communication.

Secondly, I just returned from Afghanistan, and I would be remiss, we would all be remiss, if we don't recall that we have got roughly 34,000 young men and women in uniform and many more than that civilians serving—continuing to serve in Afghanistan to ensure our continued security and, by the way, elsewhere around the globe, hundreds of thousands in more than 90 countries. What I left Afghanistan reminding those who serve there is 2015 appears to be uncertain, but we have got a lot of work left to do in 2014, and you can be sure that we will.

And that brings me to the budget. The balance between our security demands and our available resources has rarely been more delicate. The Secretary walked you through the measures we are taking in this budget to try to balance as best we can national security and fiscal responsibilities.

And, Mr. Chairman, I will end there.

[The prepared statement of General Dempsey can be found in the Appendix on page 83.]

The CHAIRMAN. Thank you very much.

We will recess until the last vote, and then I would ask all the Members to return as quickly as you can. We will get right into the questioning. Thank you very much.

The committee stands in recess.

[Recess.]

The CHAIRMAN. Committee will come to order. I apologize. That 45 minutes grew to a lot more than that. I wish the budget would go up like that.

I am going to go ahead and get started because your time is valuable and Members will be coming in. But I would like to have some clarification.

You know, when we met—I think it was last week when you first rolled out the budget—you went through the numbers and we talked about the Army going down to 440,000.

But as I have looked at the numbers, it appears to me that it really goes down to 420. The 440 is if sequestration goes away. I don't see any way that it is going away right now.

I think we need to clarify the confusion.

The budget—we have the base budget that we agreed to—that the Budget Committee agreed to in December where they worked out the numbers between the House and the Senate, signed by the President. We came to a top line. And that is what I think the base budget is.

But then we also here talk of 115 billion on top of that that goes out, you know, for the next 4 years. But that is above the sequestration number. And then there is the 26 billion that—or the 56 billion that would be 28 for defense and 28 for social spending, if

some way something magical happened and we came up with some more money.

But my understanding is the Senate isn't even going to pass a budget this year, that we are basically going to have the number that was agreed to earlier and signed into law.

So I am really not paying much attention to the 115, and I am not paying much attention to that 58, because I think that in the realm of it would be wonderful, but it is not going to happen.

So I think we really have to live within right now something that I hate, and I am sure you do, and I think most of the members of the committee do. But it is the law and we are stuck with it right now.

So am I clear on that? Is that the way it is? And is the Army, based on that, going down to an end strength of 420 and the Marines going down to 175,000?

Secretary HAGEL. Let me respond, Mr. Chairman, and then I will ask the comptroller for his thoughts as well.

Yes. What you have said as to what is in our budget request for 2015 I think is pretty clear. Based on the bipartisan budget agreement cap, the 26 billion that you refer to is an additional request to try to buy back some of the readiness and modernization that we have lost over the last 2 years because of the huge abrupt cuts. So that is one part of it.

The next piece, the FYDP [Future Years Defense Plan]—take the next 5 years—the $115 billion additional request, which is the President's budget request, the plan that we have submitted along with that budget request does do what you said, factors in the reality of what the current law is now and reverts back to as far as reimposing sequestration in fiscal year 2016.

Let me make one comment on why it was done that way, and then I will ask the comptroller for his thoughts.

We didn't get any adjustment in our numbers, as you know, until December, until the Congress came up with a bipartisan budget agreement, which then subsequently the President signed.

So all year long we had been preparing a budget based on the law, just as you said, the reality of that, which actually began—and we never ever stop putting budgets together, as you know.

But when I first directed the Strategic Choices and Management Review back in May, that very much informed us, that process, as well as the QDR and so on, as to what kind of budget we were going to report and present, which the Congress wants it—you have always wanted it on time. So we were under that deadline. So December comes along. We get new numbers and so on and so on.

Rather than going back and starting all over and replanning for a whole new set of FYDP plans based on some of these new numbers, what we decided to do was take those post-2016 plans, planning, just as you say, for the reality of we may go back to the law, sequestration.

But we deferred the tougher decisions on the time it takes, Army end strength being one of it, carrier being another. I noted this in my opening statement and I go into considerable detail, Mr. Chairman, in the written statement.

We can make those adjustments as we go along. The chiefs were part of this decision. I issued a formal memo on this this week. The chief supported it. They are in agreement with that.

But let me stop there and see if the comptroller wants to add anything.

Secretary HALE. Well, let me just briefly address fiscal year 2015, the only year you are going to focus on.

Is this better? Okay.

Let me just briefly address 2015, the year for which you will authorize and appropriate funds. In that year, we have fully—the Army will go down, if my memory serves me right, to 490,000 by the end of 2015 and that we fully fund our ability in 2015 to maintain 11 carriers once the *Ford* comes in.

So this is not an issue until the out-years. And then, as the Secretary said, because of the uncertainty because of the time to plan, yes, in a few cases, Army end strength, carriers, the out-years—far out-years of our 5-year plan do show decline to sequester levels.

If we get an indication that Congress will appropriate at the higher levels, we will reverse that and go to our preferred force levels in later plans. But for 2015, it is not an issue.

Does that help?

The CHAIRMAN. Yeah. I think I understand it.

I want to make sure the American people understand it. I want them to know what it is really right now so that they understand how bad it is and if we are going to be able to change sequestration—I think the American people are going to have to—I saw stories that seemed to get people's attention, taking the Army down to 440,000.

I want them to know it is going down to 420,000 and then—if they got upset with 440, they ought to really get upset with 420. Then we ought to start looking for more resources to get that up to a better number.

Secretary HAGEL. Mr. Chairman, if I might, that is exactly why the President has asked for $115 billion more, to fulfill the strategies, the strategic interests, that need—that we need, the country needs, to protect this country, how we do that.

And we say clearly this is about as transparent a process as I think has ever been run at the Pentagon. Everybody knows the risk and, if we get sequestration back, we risk a number of things, and the Army will go to 420,000.

Now, tough, tough choices are coming here. You are going to have to help us make them. There isn't any way around it. You have so much of a budget, so many resources, as you and I know, and I think that is your point.

The CHAIRMAN. I have heard that a genius is somebody that understands something after they have heard it six times. And I am no genius, and I just want to make sure that people really get it.

Sometimes we chew on these numbers so much that we think that everybody gets it. And they may think that we have that $115 billion, or they may think that we have that $58 billion. And I want to make sure they understand, unless some law changes, we don't.

Chairman, do you have a comment?

General DEMPSEY. I just want to add briefly, Chairman, that I know you have had some concerns about the QDR and the thought that it was too resource-constrained.

The CHAIRMAN. Some real concern.

General DEMPSEY. No. I know.

But I will say what the JCS [Joint Chiefs of Staff] have found useful—and that is probably the right word about the QDR—is that it is unconstrained in the sense that the budget and the $115 billion that is over the BCA [Budget Control Act] levels is a reflection that it is not resource-constrained. It is certainly resource-informed.

And, beyond that, as you point out, Marine Corps and Army end strength is not accounted for anyplace right now. And so the QDR force that we have described is literally unconstrained by resources in the sense that we have given our best advice on what we think we need to meet the security needs of the Nation.

The CHAIRMAN. The second part of my question is—I think I get where the money is right now and how the force is going down. There is talk of what our strategy is, and I really don't know what our strategy is.

I think since World War II up until a couple of years ago it was fight two major conflicts at the same time. Then I think we went to fight one and hold one.

Has there been any change from that, or is that our strategy?

Secretary HAGEL. That is part of the strategy. I had noted this in my opening comments, Mr. Chairman.

But, first, we built the QDR off of the President's Defense Strategic Guidance that he issued, as you know, in January of 2012.

First priority is to protect the homeland. Another priority is to deter and defeat aggression globally. Another priority is global stability around the world and global security development globally. And the fourth is being able to defeat and, also, deal with a second front anywhere in the world, defeat an adversary and win a war globally and, also, deal with a second front, a second war.

So when I say there are two pieces to that, I don't think you can measure a strategy just on that alone. We have added, for example, new capabilities, increased funding in cyber, in special operations, intelligence security, and reconnaissance. The world is more complicated. In many ways, it is more dangerous. But it is more decentralized. There are different kinds of threats.

We plan for every contingency, large wars, every possible threat to this country. So we have tried to balance that with the force structure, the modernization, the readiness, the capability, that we thought we would need. And I think in the QDR we reflect that pretty clearly.

The CHAIRMAN. And then, with this complication of how much more difficult the world has become, one of the things that I think you have spoken about is that we are taking more risk, and all I have heard is more risk.

Can we explain that a little bit more, how that comes down. To me, more risk means, like we have done after every war going into the next war, we lose a lot more lives because we have taken ourselves down too far. And that—losing lives is what the risk is to me.

Secretary HAGEL. Well, we do lay out the specifics of that risk. And I will mention a couple and then this might be a good question for the chairman to respond to as well.

We lay these things out pretty clearly, I think, not only in my longer statement and in the QDR, but, also, in just conversations we have had.

The combatant commanders who will be up here—we have two of them over on the Senate side today. You have hearings scheduled for the next few weeks.

The CHAIRMAN. We had three yesterday.

Secretary HAGEL. Three yesterday.

They will lay these things out clearly, too.

But, here, let me just take one general perspective on this and give it to you on what does this actually mean when you talk about risks. And then I will ask the chairman, if that is okay, to respond.

Risks are more than just reducing numbers. It isn't just capacity. Part of it, it is the readiness of the force you have. Are they capable, ready, agile? Are they modern? Are they equipped? Do they need what they require? Can they be moved on time? Can we respond quickly all over the world to any contingency?

Those are also part of the arc of the risk that—clearly that we would subject our military to, but our country to, the further down you take this budget because we won't have the resources to provide that modernization, to provide that readiness.

We already know that from the last 2 years, especially the last year, when our Navy, Air Force, and Army, Marines, we are all cutting back on their readiness, training, and everything that goes with it, the support systems that go with it.

So if that is a good jumping-off point generally, let me ask the chairman to respond to that as well.

General DEMPSEY. Let me give you a brief answer in this setting and then commit to following up with you, because the issue of risk is a very complex subject.

We generally measure risk in capability, capacity, and readiness. The capability of the joint force, how it works together, which is to say what can it do; capacity, how often can it do it based on the size of the force; and then the third one is readiness.

And so the way I would describe the risk we face today is we have a significant near-term readiness risk that has been accruing—and we have testified to this before—that we are digging ourselves a readiness hole out of which it will take us several years to climb. So near-term readiness is the real risk we run.

Eventually we can bring the force into balance where the money we are committing and investing—enough of it goes into manpower, enough into training, enough into readiness, enough into modernization, enough into infrastructure, we can bring it into balance.

If we go to full sequestration, the risk we run there is it is too small, frankly. The capacity becomes the limiting factor. And I think we have articulated that as well as we can, but we will keep at it.

The CHAIRMAN. I think one of the main reasons why we want the military to be so strong is it keeps us out of war. The deterrent is only a deterrent until it stops becoming a deterrent, and then we

all pay a big price, especially those in uniform that are out there that have to do it. So thank you very much.

Mr. Smith.

Mr. SMITH. Thank you, Mr. Chairman.

And I want to particularly thank Under Secretary Hale for his service. It is probably the last time you will appear before us. And admit it. You will miss us. Okay. Probably not. But there are other aspects of the job I am sure you will miss.

You know, in all seriousness, you have done a fabulous job and great to work with. And, gosh, I can't imagine more difficult times for the person who is supposed to look after the budget and try to figure out what is going on.

And just following up on the chairman's remarks, actually, it is fairly clear. About 3 years ago this administration said, you know, looking out at the next 10 years, what should our defense strategy be.

Now, we get into this interesting argument about whether or not that strategy should be at all informed by the amount of resources that you anticipate having.

You know, I have long felt that it is just common sense that, of course, any strategy you are going to put together is going to be informed, at least in part, by the amount of resources that you anticipate having.

You can put together a beautiful strategy, but if you don't have the money, you know, then that is not going to be a very effective strategy. But I will leave that debate aside for the moment.

Just say whatever it was. Put together a strategy. And, you know, we had anticipated cutting—a decrease in the increase, really—roughly $500 billion over the course of 10 years and then built that strategy.

Well, that was all well and good until the Budget Control Act came along and took another $487 billion whack out of the budget.

And then, of course, sequestration hit for 2 years, a couple CRs [continuing resolutions], and you wound up with substantially less money than you thought you were going to have when you built that strategy.

And I think what is reflective of this budget that the President has submitted is the fact that this budget in fiscal year 2015, but especially going forward with 8 more years of sequestration still on the books—that amount of money is not enough to adequately fund the strategy that the President and DOD would like to do, and that is why they put in $115 billion for the 4 out-years. That is why they said, "Here is $28 billion more we would like to have."

And, by the way, it wasn't just magical thinking. They did actually put in offsets for the 56, counting the other discretionary spending. They put offsets in and said, "Look, if we could do it, if the law could be changed, we would like to not spend money here and spend $28 more billion on defense."

Sequestration and where we are at is going to be devastating to defense. But I will say that one of the things that harmed the ability of the American people to understand this is the fact that the message that has come out ever since a week ago, when the budget was first not quite released, but at least explained, when, Mr. Sec-

retary, you sort of gave the outline of it, is the message from the Republican party has been Obama's cutting defense, you know.

So the American people get the impression that: Look, there is not really a problem here. If the administration would simply choose not to cut defense, everything would be fine. And that is simply false.

The administration has budgeted to the number that we all gave him. The chairman sort of acknowledged that just a moment ago. I wrote down the quote here. "It is the law, and we are stuck with it right now."

So why, if that is the case, we continually hear Republicans saying the Obama administration is bound and determined to cut defense and that is all this is about—as long as you deliver that message, we got no hope in getting out of this because the American people will just say, "Well, he can change his mind and we are fine."

No. Sequestration, the law of the land that we passed and, yes, the President signed—we are all in this together, but the top line is the top line. That is the number we have got. This budget does not choose to cut defense. It merely follows the law that has been passed.

Now, I and, I think, a lot of people on this committee want to see that law change. I would turn off sequestration tomorrow without an offset. I think sequestration has been devastating to this economy and, more than anything, devastating to our national security.

Now, I would prefer that we come up with some grand bargain and get tax increases and, you know, reductions in—find some way to have a better balance. But if I have to choose between where we are at now and simply turning off sequestration so we stop kicking the hell out of our defense budget and not, incidentally, our infrastructure and all manner of other important aspects of the discretionary budget, I would turn it off. But that is not going to happen, and I think the chairman acknowledges that. So we got the number we got.

Now, the important thing about this hearing is going to be how this body chooses to approach what you guys have already approached. You have had to make the decision. You have had to put together a budget based on that top-line law of the land that is not going to change.

You haven't had the luxury of the fantasy that we all have to imagine that somehow we can oppose every cut, offer no alternative cuts, and complain about the size of the budget.

So, you know, you have made the decision on the A–10. You have made the decision on force structure, on mothballing 11 cruisers, on a lot of compensation issues, including the housing allowance, some minor savings in the commissaries, a whole bunch of issues which are politically unpopular.

And I hope, though I doubt this will be the case, that over the course of the next couple hours we don't just beat you up over every isolated one of those decisions. I hope that, if we say we don't like this decision, we will say, "Well, here is what I would have done differently. Here is a cut that I would have made that would put the force in a better place."

Because I do not expect this body to simply rubber-stamp what you offered us. Not our job. We are supposed to exercise oversight, and if we disagree, we will make some changes. We had the whole Block 30 U–2 thing, and we disagreed. Now we are moving—and that is fine.

But to simply say the administration is fecklessly cutting the budget and not offer an alternative is really going to spin us into the ground in all the ways that you just described. So I hope we have a more productive discussion on that.

I will ask, of that series of things that—you know, you all are out there—of the cuts that have been made, did you consider alternatives?

If we were to come along, for instance, and say—you know, I think it is 3.5 billion if we don't get rid of the A–10. I forget. It is like 4 billion, 5 billion for the cruisers.

You know, let's take $10 billion of those cuts. And I will give you the thought experiment which we ought to be doing, but haven't to this point, and say, if you were going to get $10 billion from some place other than those things that we just talked about, what else did you consider, and what might be an option?

Secretary HAGEL. Mr. Smith, thank you.

We did. And we have presented some of those. I will just give you an example.

On the $26 billion that we have asked for for increase in this budget—this top-line budget for fiscal year 2015, we would roughly take that money, if that is what you are talking about, and then the out-year money, too, if we could——

Mr. SMITH. No. That is not what I am talking about. Sorry. Maybe I wasn't clear there.

What I am saying is: Accept the top line as it is. Okay? You have made the cuts that you have made. I am not talking about what would you add.

I am talking about, if you get political pushback, for instance, to the tune of $10 billion, we won't retire the A–10 and we won't mothball the cruisers, you know, we won't reduce the housing allowance, whatever—let's say that we—and I think the number is going to be a little bit higher than $10 billion that we want to whack out of it, unfortunately.

But let's be modest for the moment and say we whack out $10 billion of your cuts. What would you have to do? How would you make up that $10 billion?

Secretary HAGEL. Well—and I know the chairman wanted to respond as well—if it is a matter of whacking out, if that is your question, those decisions as to which programs, which platforms, where would you continue to take those $10 billion cuts or whatever, we have thought through that, and that is part of the risk that we talk about that we lay out.

And I will ask the chairman to go into more specifics, but let me just generally make this comment, as I already have.

We will have to continue to put our security and our ability to protect this country at risk because you are going to continue to take down the entire infrastructure which supports readiness, continues to give us a modernization edge——

Mr. SMITH. It is always helpful to see what readiness is. Basically, you know, you won't—General, why don't you take a crack at it.

General DEMPSEY. Ranking Member Smith, we have tried to keep the joint force in balance. You know, you will hear some think tanks suggest, well, you know, get rid of a service or completely, you know, change the structure of our aviation capabilities.

I would be happy to enter into the record a document here that is titled, "What does $1 billion buy?" It is just a menu of—so if you were to whack out $10 billion, you could get a sense, I think, for where we would have to go to find that.

[The information referred to can be found in the Appendix on page 99.]

General DEMPSEY. So here is just some examples. On the modernization side, $1 billion buys 10 Joint Strike Fighters—that is an example—or 2 Littoral Combat Ships or 5 P–8s [Poseidon], 980 precision-guided munitions.

And on the readiness side, a billion dollars pays for 12 F–16 squadrons to maintain readiness for a year or 3 Army brigade combat teams readiness for a year.

So we can tell you with some clarity—not some clarity—with great clarity what we would have to do if you don't accept our recommendations. And then, you know, you will have to decide whether that is an even greater cost than the ones that we are proposing.

Mr. SMITH. That is exactly what I was looking for. Thank you very much.

I yield back.

The CHAIRMAN. Thank you.

Mr. Thornberry.

Mr. THORNBERRY. Thank you, Mr. Chairman.

Mr. Secretary, it seems to me, regardless of how the overall budget issues are decided, it is a matter of some urgency for both of us to try to get more value out of the money we spend on defense.

And I know there is lots of folks here who want to work with you to assist in reducing the overhead and bureaucracy costs of the Department, but the chairman and Mr. Smith also are interested in acquisition reform, taking the next steps to try to be smarter about the goods and services that we buy. We have had very positive discussions with Mr. Kendall, for example, in working together.

But what I want to ask you is this. It looks to me like, to really get to the heart of some of the acquisition issues, it is more than Mr. Kendall's shop. It gets into personnel issues and a whole variety of things that, really, only at the top with some attention can these issues be solved. So lots of demands for your time and attention, I realize.

But my question is: Is improving our acquisition system one of those things that you think is important enough for you to devote personal attention to trying to make it happen, working with both the House and the Senate to get more value out of the money we spend?

Secretary HAGEL. Congressman, it is. I have made that a priority. The Under Secretary of Defense for Acquisitions, Mr. Kendall, who, as you appropriately note, has been working very closely

with this committee, as well as in the Senate, on this issue, meets with me once a week on this particular issue.

I get a briefing from him. He goes over where we are, what have we done, what have we accomplished, Better Buying Power, all the different programs that are now in place.

We can do better. We must do better. We have put a particular focus on efficiency. I didn't just start that. As you know, Secretary Gates was focused on it. Panetta was focused on it. I am focused on it. We have to do that.

I think Secretary Kendall is doing an extremely effective job at this. We have structured that Department. He has restructured it. It is across the board. It is everything we are doing. And part of that is driven, of course, by the realities of resource restraints.

Mr. THORNBERRY. Sure.

Secretary HAGEL. But you have to do it, and we are doing it.

Mr. THORNBERRY. Well, I appreciate that. As I say, I think it is going to require your attention to overcome some of these obstacles because there is just going to be a reluctance to change.

General Dempsey, let me change the subject completely.

There are some people, as you know, who express admiration for what Mr. Snowden has done and his illegal disclosures. Most people don't realize that a lot of what he has disclosed has nothing to do with NSA [National Security Agency], but it has to do with our military.

So in this setting, can you describe, as best you can, what damage his disclosures have done to our military and how much it is going to cost to fix them.

General DEMPSEY. The candid answer is we don't know yet. But let me tell you what we do know.

The vast majority of the documents that Mr. Snowden exfiltrated from our highest levels of security—the vast majority had nothing to do with exposing government oversight of domestic activities. The vast majority of those were related to our military capabilities, operations, tactics, techniques, and procedures.

We have got a mitigation oversight task force that the Secretary of Defense has chartered where, with other agencies of government, we are working our way through that which we believe he has exfiltrated—and we have, I think, a fairly significant amount of knowledge in that regard—and looking at the—red-teaming it, if you will, looking at what it could be used for and trying to mitigate the effects.

The mitigation task force will need to function for about 2 years. That is the magnitude of this challenge. And I suspect it could cost billions of dollars to overcome the loss of security that has been imposed on us.

The CHAIRMAN. Thank you.

Ms. Sanchez.

Ms. SANCHEZ. Mr. Chairman.

And thank you again, Secretary Hagel and General Dempsey, for being before us.

I understand that the Department had to work with the budget that the Congress set for you, and I understand also that, under such budgetary constraints, you have to make tradeoffs.

However, while the President proposes cutting the National Guard and Reserves, reducing commissary services, retiring aircraft and reducing the U.S. military's end strength, some cuts of which I agree with and some I don't—especially when we see the real details, we will be able to tell better—the Department of Defense continues to make an exception for nuclear weapons spending.

According to the CBO [Congressional Budget Office], between 2014 and 2023, the cost of the administration's plans for nuclear forces will total over $355 billion. And, as we know, the United States has the largest arsenal of nuclear weapons.

And I find it extremely disturbing that we are continuing to spend such significant amounts on nuclear weapons when we have more than enough to meet our national security needs.

I don't know about my colleagues, but I would rather keep my National Guard and Reserves than have another round of nuclear weapons built.

And so if you can both comment on that and provide this committee with an answer on whether you believe nuclear non-proliferation activities are important.

Because this 2015 budget continues at least to demonstrate to me that the Department doesn't give it a high priority. You have cut again GTRI [Global Threat Reduction Initiative], and I am concerned about the non-proliferation programs.

If you could answer that, I would like that.

Secretary HAGEL. Thank you, Congresswoman.

First, let me just make a general comment about the prioritization of the budget and where we cut and the priorities we have made.

As General Dempsey just noted, as I noted in my opening statement, we came at this from a balanced perspective, how do we balance our forces, our modernization, our research, our technology, our people, the obligations we have to the people, our commitments around the world. So that is first.

Specific to your nuclear question, first, nuclear weapons have been—I think most everybody agrees our ability to possess nuclear weapons and the capability that it has brought us has probably done as much to deter aggression, nuclear deterrence, and the start of a World War III as any one thing, other things, too.

The safe, reliable, secure, and ready maintenance and posture of those nuclear weapons that we do have and which have been coming down, as you know, through a series of treaties, the most recent being the new START [Strategic Arms Reduction] Treaty, which the Senate, as you know, ratified just a couple of years ago, continues to reduce our nuclear warheads and delivery mechanisms. We are complying with that new START Treaty now.

We are doing the things that we believe we must do to maintain that safe, secure, ready nuclear force, at the same time balancing all our other interests as well, but it is an important part of our arsenal, the triad system that has been a significant deterrent in the world since World War II.

But that doesn't negate the efforts on non-proliferation. I think the President's position has been very clear on this. That said, we

live in the real world that we live in; so, I think we have balanced this about right.

I don't know if you want to add anything to that.

General DEMPSEY. Yeah. I think you wanted my insights as well. And I speak in this regard on behalf of the joint chiefs because, of course, we have discussed and debated this among ourselves. And I think we have allocated an appropriate and adequate amount of money into non-proliferation in our budget.

And in terms of the nuclear arsenal, we are firmly committed—our recommendation is to remain firmly committed to the triad, the three legs of the nuclear capability, and that any further reduction should be done only through negotiations, not unilaterally, and that we should commit to modernizing the stockpile while we have it.

Ms. SANCHEZ. I look forward to delving deeper into this subject. Thank you.

The CHAIRMAN. I just, based on your question, told the staff that we need to have a classified briefing. And that will be open to all members of the committee. I think it is time that we have that again.

Mr. Forbes.

Ms. SANCHEZ. And, Mr. Chairman, I ask that I get an opportunity to sit on that strategic force because I think it would be very interesting for everybody to really figure out what is going on. Thank you.

The CHAIRMAN. Thank you.

Mr. Forbes.

Mr. FORBES. Gentlemen, thank you all for coming here. We just wish we had more time to listen to you.

And, Mr. Secretary, I know you had limited time to talk about the funding and, if you had more time—because I know you pointed out the $37 billion of sequestration and the impacts on there.

I note, if you had had more time, you would have probably talked about the $778 billion of cuts the administration took before sequestration, $291 billion in what they called self-imposed efficiencies, and then $487 billion.

We are going to give you this chart that the House staff prepared and ask if you would reply back in writing if any of those numbers are incorrect.

[The chart referred to can be found in the Appendix on page 100.]

Mr. FORBES. Second thing is: I have heard kind of this movement of the President's just complying with the law. But in point of fact, this budget is $115 billion above the law.

And then I hear that the President is trying to get his defense strategy, but this budget is actually $345 billion less than the budget submitted for the defense strategy in 2012, which the chairman testified then, on April 19, if we cut one more dollar, we couldn't do the defense strategy.

So at some time if you would just respond back to us in writing as to whether my numbers are incorrect.

[No answer was available at the time of printing.]

Mr. FORBES. Second thing: If you would let us know anytime—because I just must have missed the hearing—I wasn't there—that

the administration on any of the $778 billion of cuts ever expressed concern and said, "This is too many cuts. We shouldn't be doing those." If you would get back to us on those.

Chairman Dempsey, I would like to ask you—I am concerned because, when this administration came into office, the Russians asked us to take our missile defense systems out of Europe. We did it. We can turn on the TV [television]. Didn't work too well for us.

Second thing I am concerned about now is we have had three administrations, including the Obama administration, when looking at the anti-personnel mine ban convention, which is the Ottawa Treaty, has said that would be bad for us from a strategic point of view, including this administration in 2009.

Clinton administration actually said that those mines were an integral component of U.S. capability to deter and defend South Korea from North Korea.

My question to you is: In your best professional military judgment, what advice could you give this committee about the military impact if we were to sign that treaty?

General DEMPSEY. Summit Ottawa, the convention on land mines, I have rendered my military advice that I consider land mines, especially the ones that we have, anti-personnel land mines, and the way we have designed them, that is to say, self-destruct—they can be set for 4 hours, 48 hours or 15 days and then they self-destruct—that I consider them to be an important tool in the arsenal of the Armed Forces of the United States.

Mr. FORBES. And, Mr. Chairman, can you tell us whether or not there has been a military assessment that has been done at the Pentagon, any white papers that have been written, on the importance of those land mines or the impact this treaty would have, if we were to sign it.

General DEMPSEY. Yes, there have. And, importantly, you point out the currency of the threat on the Korean Peninsula, and that has been factored in as well.

Mr. FORBES. And could you share either on a classified or unclassified basis with this committee that paper so we can at least look at that assessment and what it would be?

General DEMPSEY. I will take your request as an official request and respond accordingly.

[The information referred to is classified and retained in the committee files.]

Mr. FORBES. Thank you.

And one last question: Mr. Chairman, has anything changed between 2009 and today that would render our use of those mines any less important than it was in 2009?

General DEMPSEY. My military judgment is actually that the tensions on the peninsula have increased.

Mr. FORBES. Good.

With that, Mr. Chairman, I yield back. Thank you.

The CHAIRMAN. Thank you.

Mrs. Davis.

Mrs. DAVIS. Thank you, Mr. Chairman.

And thank you all for your leadership.

Mr. Hale, best wishes to you.

Yesterday in a hearing we had basically an oversight roundtable discussion with Secretary Flournoy, with General Mattis, and Dr. Dale, and they all expressed concern over the absence of a kind of whole-of-government national strategy.

Now, we know that we have—I think we have a better whole-of-government approach amongst the agencies today. But when we talk about strategy, is there collaboration between the QDR and the QDDR [Quadrennial Diplomacy and Development Review], the State Department's Quadrennial Defense Review?

And how can we work better with you all to really define a national strategy better that would inform the discussion that we are having right now?

Secretary HAGEL. Congresswoman, the QDR, as you know, prescribed by Congress, which is law, is a Department of Defense-oriented assessment, strategic review, analysis, focused on our Department of Defense strategies.

That does not disconnect from the rest of the so-called whole-of-government environment that we deal with, too, but it is a prescribed DOD document.

Now, the QDR aside, we meet all the time in deputies meetings and the National Security Staff agency at the White House, the principals National Security Council, our people—State Department, intelligence agencies, Department of Energy, Department of Homeland Security, Department of Treasury.

We have connecting areas of responsibility that overlap in the whole of government all the time. So that is something that is actually becoming more and more a reality if for no other reason than the kind of world that we live in.

Mrs. DAVIS. I think there is a recognition of a better working relationship surely, but I guess, when we talk about national security and how that is reflected in what we are—you know, as we move forward and with our budget, they are suggesting that they don't think it is there, and I think others have as well.

So to the extent that we can improve upon that, it might be helpful and it might help us better define, you know, whether it is resources and budget.

I mean, what is the goal? I think there seems to be a concern that perhaps at least this QDR doesn't reflect it as well as it should.

Thank you.

I also wanted to ask you about prioritizing the cuts to the military personnel that were proposed in the President's budget.

I am wondering, of those cuts, what would be simply non-negotiable and—in an effort to protect our readiness? And, in fact, how do we set assist those non-negotiable discussions with keeping faith with our force, which we all, of course, feel very strongly about doing?

Secretary HAGEL. First, of course, we need a force structure that is capable of protecting this country, of fulfilling the missions that we have asked our Department of Defense, specifically our services, to fulfill. So we are close, I think, to your question, to your point about non-negotiable, kind of bottom line here.

And we have talked about this in the risks that we lay out on the continued budget restraints—resource restraints. We are talk-

ing about the Army, 420,000. The reality of that may be the recommendation we make. That is getting us perilously dangerously close to a line here that none of us want.

There are lines, as I think you are implying here, in every service, all the platforms, that really, really violate the ability to protect this country. And we lay those risks out in the QDR and in my statement and in connecting documents with the budget.

Mrs. DAVIS. Thank you.

And I certainly hope you would continue to do that. I think it was very clear, and I would encourage the kind of discussion that we had earlier about, you know, what does it take.

We know that the committee for a number of reasons has ignored recommendations——

The CHAIRMAN. Gentlelady's time has expired.

I am going to have to watch this real close because we are going to be at a hard stop at 1:30, the next vote.

General DEMPSEY. Can I take 20 seconds, Mr. Chairman?

I will tell you what I think would be unacceptable, if we continue to kick this can down the road, believing somehow that it will somehow be solved by our successors when, in fact, because we are kicking it down the road, not making the kind of tough decisions we need to make collaboratively, we are eating away at the Nation's readiness for conflict, which does reduce our deterrent capability.

The CHAIRMAN. Thank you.

Mr. Bishop.

Mr. BISHOP. Thank you, Mr. Chairman.

Mr. Secretary, General, everyone has been thanking you for being here. I would like to say the same thing, except, to be honest, I can't find anything in this budget for which I am thankful.

But, General Dempsey, if I could ask you first.

Based on the nuclear posture review, the QDR, and even the new nuclear employment guidance, I am under the assumption that perhaps the debate is over, that the administration, the chiefs and you all agree now that maintaining the nuclear triad because of its advantages for our defense as well as deterrence is the approach—is definitely the approach.

Am I correct in that assumption, for the record?

General DEMPSEY. For the record, I can speak for myself and the joint chiefs. And you are correct.

Mr. BISHOP. Thank you. That is important.

Can I ask, Mr. Secretary, in this budget, our land-based ICBMs [intercontinental ballistic missiles] will start aging out in 2020. And I find nothing in this budget for the Air Force that will actually give a follow-on effort to sustain them.

What does the administration plan to do, if anything, with what appears to be a widening gap between the U.S. and other nuclear nations in modernizing our nuclear capabilities, especially post-2020?

Secretary HAGEL. Well, it is not because we don't believe that it is necessary. It is an area that we have given considerable attention to. We will continue to do that.

We focused this budget on where we thought our most significant priorities were as we, to your point, age out. And I just recently

visited some of those sites when I was in Sandia a couple of months ago.

So I am very much aware——

Mr. BISHOP. So you are telling me there is not a specific plan right now post-2020?

General DEMPSEY. We have not laid it out.

Mr. BISHOP. All right. Is it the assumption or the presentation of the Department of Defense that retiring the A–10s is a budget-saver?

Secretary HAGEL. Yes.

Mr. BISHOP. Then, isn't it true that, if you are doing close air support missions, that the fighter platform is more expensive per hour than the A–10?

Secretary HAGEL. I am going to let you hear also from the chairman, but let me respond to that.

There are many considerations that we had to give. And, by the way, this was a recommendation by the Air Force and by a former A–10 pilot, the chief of staff of the Air Force. I know he will be up here and you will have an opportunity to ask him specifically that question.

But the entire realm of consideration when you talk about vertical cutoff of a 40-year-old platform versus a more modern and versatile platform for our future were all considerations, and it does factor in every dynamic of the question.

But building to the future, I will let the chairman add to that, too.

General DEMPSEY. Congressman, the A–10—the Chief of Staff of the Air Force is trying to reduce the number of platforms in his inventory.

And every time you reduce a platform, you reduce the logistics tail and the infrastructure associated with it, which is a significant cost savings.

There are many other platforms that can deliver close air support, and that has been the judgment of the Air Force, and I support it.

Mr. BISHOP. Thank you. You have answered the question in a roundabout way.

Let me come up with another couple of things. I will make these quick questions if you give me quick answers.

Is it the position of the Department that moving the Apache combat aircraft from National Guard to the Active Force is a money-saver? And have you done a cost-benefit analysis of it?

Secretary HAGEL. Yes.

Mr. BISHOP. You have done the cost-benefit analysis?

Secretary HAGEL. We have done that. But what is the whole point behind having an attack helicopter, that analysis, as to the readiness and the use and where they are most effective, that was also a significant part of the decisions that we made.

Mr. BISHOP. All right. I am on my yellow sign here; so, I am going to try to do these last two very quickly.

Sometimes there is talk about a BRAC. In absence of congressional reauthorization for the BRAC process, does the administration intend to effectuate any kind of BRAC action independent of congressional action?

Secretary HAGEL. Well, first, we will follow the law. As you probably know, in Title 10—I think it is section 2687—the Secretary does have some authorities in reorganizing different bases. We need a BRAC. We can't continue to carry overhead we don't need. We——

Mr. BISHOP. So the answer was you may do something without congressional reauthorization?

Secretary HAGEL. As I said, I will follow the law, but I have authority now, Congressman.

Mr. BISHOP. I have 10 seconds. I will throw this out and ask for a written response some other time.

Number one, I would like to find out, in BRACs in the past, how much of those lands that have been BRACed have actually gone into private sector versus simply being given on to a taxpayer in another unit, as in the Park Service, et cetera?

And I will ask you about sequestration later because I am out of time. Sorry.

The CHAIRMAN. Thank you.

Mr. Langevin.

Mr. LANGEVIN. Thank you, Mr. Chairman, Secretary Hagel, Chairman.

And, Mr. Hale, thank you for your service, and I wish you all the best as well.

Mr. Secretary, if I could start with you, I want to focus first on cyber and Cyber Command.

In January, four military officers from the four services, all fellows with the Center for a New American Security, drafted a report noting that, "In the cyber domain"—and I quote—"the services risk building similar capabilities in different ways to conduct the same mission with significant duplication and overlap," end quote.

Do you believe that the DOD is appropriately structured to avoid this concern? And what effect would the potential elevation of CYBERCOM [Cyber Command] to the status of a functional combatant command might have on those concerns?

Secretary HAGEL. I do believe that we have a cyber oversight structure at the Pentagon that is appropriate with the right people, competent people. It is something that I pay a lot of attention to.

Cyber Command is an integral part of our system, of our structure. Whether it should be a combatant command, I will ask for a recommendation, if that should come, from the Chairman of Joint Chiefs. But right now I have confidence in the system and the structure we have

General DEMPSEY. Congressman, I am not concerned that we are building redundancy. Our task at building out our cyber forces is so significant that we have had—we, of necessity, have had to do it through the services.

At some point in the future, we might adapt. But, for now, I am quite confident we are doing it the right way, to include what we need here for a national mission force and, also, to support combatant commanders.

Secondly, on your question about whether it should be a unified command or a functional command, the greater good, in my view—our view, the joint chiefs, was to keep CYBERCOM dual-hatted with the National Security Agency [NSA]—and, therefore, we con-

sidered that to be more important—and leave CYBERCOM subordinates to STRATCOM [U.S. Strategic Command]. I think we are in a pretty good place right now.

Mr. LANGEVIN. Thank you, Mr. Chairman.

Thank you, Mr. Secretary, on those.

And I will follow those closely. So thank you for your work on that.

Mr. Secretary, the Quadrennial Defense Review released this week states that we will seek to sustain priority investments in science and technology, research and development both within the defense sector and beyond.

So, with that, I am certainly pleased to hear this emphasis, and I believe that we share the same commitments to future capabilities, such as directed energy weapons, electromagnetic rail guns, and advanced cyber and space capabilities that, obviously, would be so critical to our ability to project power in the future.

However, I am very concerned about the pressure that budget cuts right now are placing on our R&D [research and development] priorities. And what I wanted to know is—and how, of course, that might affect the agility of our development system, the balance between service, lab, and industry-funded research and whether it might cause the Department to become increasingly risk averse when it comes to new technologies.

Could you speak to the health of our defense R&D ecosystem and what areas cause you concern?

Secretary HAGEL. First, the area of research and development, technology, science, the focus that the Pentagon has always put into that budget, it is a high priority, will continue to be a high priority, must be a high priority, because it is there that, really, the laboratory of all these ideas has to begin. It is the incubator. It is how everything in life starts in technology.

If we don't prioritize that, long term we run a big risk. And I don't think any of the leaders at the Pentagon, certainly not this Secretary of Defense, would jeopardize our security. So it is that way. So it is a priority. It will continue to be a priority. It is funded with, we think, an adequate budget.

On other areas that bother me in liabilities and risks, it is the uncertainty part as much as anything else that we have been dealing with in our planning——

Mr. LANGEVIN. We are not sacrificing future R&D right now because of a tight budget?

Secretary HAGEL. No, we are not. I mean, we can go through the specific programs, but I think I list those pretty well, where the risks are, what my concerns are.

Secretary HALE. It grows slightly in this budget, and anything that grows at all in this budget stands out.

Mr. LANGEVIN. Thank you all. I yield back.

The CHAIRMAN. Thank you.

Mr. Kline.

Mr. KLINE. Thank you, Mr. Chairman.

Thank you to the witnesses, being here today.

To any of you—any of the three of you down there, did you in the course of the Strategic Choices Management Review or budget

preparation or any other analysis—did you ask for or generate plans to consolidate COCOM [combatant command] headquarters?

General DEMPSEY. We have taken a look at the Unified Command Plan, the geographic combatant commands and the functionals, and our judgment at this point was that we needed to retain the current structure. However, they are subject to the 20 percent manpower reductions that the Secretary imposed last year.

Mr. KLINE. Well, I appreciate the manpower reduction piece, but that doesn't really get at the heart of the issue, from my perspective.

We have built a lot of commands over time, and we were just talking about Cyber Command and co-locating it—or dual-hatting it, I think is the correct phrase, with NSA. We created AFRICOM [U.S. Africa Command] at a time of adequate financial resources. We are having a little difficulty finding a home for it.

But it does seem to me that, in times like these when we are looking at sequestration and really tight budgets, that it would make sense to look at consolidating some of those four-star commands, those COCOMs. And so you have answered my question.

And what I would like to be able to get from you at some time is a look at what that planning is. I really, really think it is time because we are not in a time of adequate financial resources. In fact, that is the whole gist of all of this discussion here today. Times are really, really tight and, yet, we have quite a significant number of them.

So I would ask for that information, if you can get that to me. That is an official request. Please get that to us.

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

[The information referred to can be found in the Appendix on page 145.]

The CHAIRMAN. The gentleman yields back.

Mr. Cooper.

Mr. COOPER. Thank you, Mr. Chairman, to the Secretary, to the General, and Mr. Hale, we will miss you.

I hope this committee will not blame the Pentagon for obeying the law, because Congress made up the budget, and all of us would like it to be larger, more flexible, but this committee so far hasn't shown it is willing to do more than to blame the administration for budget cuts that Congress has passed.

At last year's markup, we didn't even use the real budget numbers. We used the sequestration-free numbers, the imaginary numbers, the fantasy numbers.

It is almost like magical thinking. So I hope that this year, we will be more realistic and join with the Pentagon in trying to make the hard decisions that need to be made so that we can have a maximum warfighting capability on whatever budget Congress comes up with, because let me remind my colleagues, we could have a larger budget if we had the courage to vote for it. We could find the savings in other places. We could have additional revenues, but that is what is lacking is congressional courage. So let's not blame the witnesses. They are doing the best they can under very difficult circumstances.

One of my colleagues asked questions about the BRAC earlier, the extent to which the Pentagon had flexibility to make base clos-

ing decisions on its own. BRAC is one of the most visible areas in which we in Congress have tied the Pentagon's hands, because there is surplus capacity in our defense establishment. Some of it the Pentagon officials have been urging there would be reductions for for years, and yet, in some cases, we even prevent the study of such savings. That is truly amazing.

So not only can we have whatever budgets Congress is willing, brave enough to pass, we can offer more flexibility to the Pentagon so that you can make maximum effective use of the dollars that you do have. And so often, for parochial interests, this committee refuses to allow you that freedom. That is wrong.

So would the witnesses be kind enough to give me an estimate, a rough estimate of the overall surplus capability that the Pentagon now has that could possibly be downsized, reduced appropriately, taken off our hands by a BRAC-type process?

Secretary HAGEL. We can provide that, Congressman, and I appreciate your comments, and we will provide it.

And Mr. Chairman, we would be very happy to provide it——

Secretary HALE. I can give them to you.

Secretary HAGEL. We have got a bottom line number.

Mr. COOPER. A bottom line number would be great from Mr. Hale, his valedictory comment.

Secretary HAGEL. I think you are going to want probably some sense of how we arrived at that, too, which we will provide.

Secretary HALE. So we can't put it in for BRAC, but if we go back to the studies that were done just before the last round, we knew we had about 25 percent infrastructure that didn't get eliminated in the last round of BRAC. It is probably higher now. But I agree with the Secretary; we will give you a better number.

Mr. COOPER. I have heard the 25 percent number for years. That is a lot of surplus capacity. And just because it is located in someone's State or congressional district doesn't mean that should be immune from a sensible process of strengthening America's defenses. I have heard from defense contractors, as most of my colleagues have, that it is not so much the cuts they are worried about, it is the lack of flexibility in implementing the budget.

So why don't we untie the hands of our own Pentagon, so that you can be all that you can be, so that you can be as effective as possible? That is really the responsibility of this committee and of the Armed Services Committee in the Senate. And we all can do better if we claim to be proponents of strong national defense, of allowing you the tools and the flexibility to have a strong national defense. We should not be the obstacle on this committee to having the Pentagon be capable of maximum effectiveness.

So there are a number of issues that we could get into. I am on the subcommittee that does strategic forces. Let me remind my colleagues that just to maintain our nuclear establishment, the triad, for example, that is so beloved, that is a $355 billion obligation in the coming years according to CBO; $355 billion, just for what is considered an actually relatively small element of our Pentagon's finances.

So we in Congress need to be preparing for those obligations to be met and fulfilled and possibly even exceeded. But this Congress so far does not have the ambition to do the job that I think most

folks in our Nation want to see this Congress do. So if you want to blame anybody, all this committee needs to do is look in the mirror.

Thank you, Mr. Chairman.

The CHAIRMAN. Just to clarify the record a little bit, the President submitted a budget last year. We passed a budget in the House. The Armed Services Committee passed our National Defense Authorization Act in conformity with those numbers. You are right, they were Monopoly numbers, but it was what the budget passed. We conformed with that, and at least this year, we do have a budget that has been accepted by the House and Senate, and signed into law by the President, and that is what we are—that is what we will be working to on our budget for this year.

Mr. Turner.

Mr. TURNER. Thank you, Mr. Chairman.

Mr. Secretary, Chairman Dempsey, good to see you. I greatly appreciate you guys being here, and under this really difficult environment, your questions are really important today.

And the difficult environment that we have, obviously, is the budgetary environment and also then the threat environment, especially under the—in the light of what we have seen in Russia. As there has been some discussion about our nuclear deterrent, I just wanted to put some graphs up to frame some of my questions. The first is, there was previously a discussion.

And Mr. Secretary, I think you did an excellent job of talking about the issue of proliferation versus our own nuclear deterrent. You affirmed a strong commitment to a nuclear deterrent. I always want to make the point that non-proliferation is about the other guy, but there was a statement that the United States has the largest arsenal of nuclear weapons, and we all know that that is not the case. And I want to show this chart, because it really illustrates it greatly. The chart is actually a reverse one, meaning the point in the middle is present as you are moving inward, where everybody was and where they are going to. This is the United States, and this is Russia. So we are not sitting on the largest nuclear weapons arsenal.

[The chart referred to can be found in the Appendix on page 101.]

Mr. TURNER. Now, with respect to cuts and the issue of—questions that you guys were all being asked and what we know that we need to do with our nuclear weapons, because I was looking at your QDR, and after you do the assessments of the top six things that we need to do militarily, it says that, based on these six interests, the joint chiefs prioritized these missions. And the number one that was prioritized in the QDR was maintain a secure and effective nuclear deterrent, number one. And I think it is important because of what it has done to make certain that we have peace and stability.

This chart is the one that shows the cliff that we are on with our current nuclear weapons. Because everybody knows, you buy one of these things, it is not like you are done. They decay. They decline. We have to maintain and modernize them. Every one of them have this cliff that is coming up, and so our need to invest is important.

[The chart referred to can be found in the Appendix on page 102.]

Mr. TURNER. Here is the chart that shows the investment that DOD is currently on. You can see there has been a decline, decline, decline, and there is this uptick. Even with this uptick, it is only going to be about 4 percent of overall DOD spending.

[The chart referred to can be found in the Appendix on page 103.]

Mr. TURNER. So my question to you, Mr. Secretary is, recognizing your vast experience within the Senate and also with the Atlantic Council, your relationship with Europe as being a strong proponent of the Transatlantic Alliance is one that is incredibly important, as we see that now Russia has not felt deterred and has moved into Ukraine. We have the New York Times reporting that Russia, perhaps, has a new ground launch cruise missile that perhaps violates INF [Intermediate-Range Nuclear Forces Treaty]. Clearly, everyone is looking for the United States to take action.

Mr. Secretary, what do we need to do in this year's budgetary document and in our authorization document with respect to the QDR and your work to ensure that we respond to strengthen our relationship with Europe and deter Russia in the future?

Secretary HAGEL. Congressman, thank you. First, one of the points that I have continually made, and I think it has been reflected in our priorities at DOD, what the President has said, what Secretary of State Kerry is presently doing in Europe and trying to work through this Ukrainian crisis with our European partners, with our NATO partners—NATO has been meeting. I was in NATO last week for 2 days. The focus that we continue to put on missile defense in Europe, I was in Poland a few weeks ago where, as you know, we will be doing more with them, missile defense, Romania. The commitment that we have expressed clearly, completely, and again, reflected in our budget, reflected, I think, in everything we are doing with our force posturing, with our relationships using European forums, our economic, diplomatic efforts; that commitment remains steadfast. I said it in Munich. I said it at NATO, and I think it has been—the message has been clearly given by the President on down in this administration.

Mr. TURNER. Well, I appreciate your answer.

And Chairman McKeon, I think one of the most important things that we need to do is to make certain that the administration's policy with respect to Russia reflect a change in this upcoming NDAA [National Defense Authorization Act]. The Washington Post just recently said that the foreign policy of this administration is based on fantasy; that fantasy being with respect to Russia. I think that we need to begin to signal that change and that change needs to be in this NDAA and we certainly look forward to a dialogue as to the way both of you believe we need to send that signal to Russia. Thank you.

The CHAIRMAN. Thank you.

Ms. Bordallo.

Ms. BORDALLO. Thank you very much, Mr. Chairman, Secretary Hagel, General Dempsey, Mr. Hale, thank you for your extraordinary service, and your testimony this morning.

I greatly appreciate the commitment to the rebalance in the fiscal year 2015 budget. I think there is more that our government can do to support it, but I am very grateful for what they have done so far. Last year's defense authorization bill made important progress on the realignment of Marines from Okinawa to Guam. And I am grateful for that. The Governor of Okinawa signing the landfill permit was a critical milestone and showed good faith from Japan to move forward.

However, there are still restrictions in law on the obligation and expenditures of these funds. How important is it to remove these restrictions so that we can spend their funds, and do you hear from Japan about this matter?

Mr. Secretary.

Secretary HAGEL. Obviously, Japan is a very key, important partner. We count on Japan, that relationship. We have a mutual defense treaty with Japan, working closely with the government of Japan, and what they are doing, the "Tippy Two" radar site, which they agreed on last year, as you note, the Futenma move and the landfill permit. So we will continue to stay closely aligned with Japan as we see an Asia-Pacific expand become more and more important to the world, world affairs, our economy, our relationships. With our rebalance, that partnership will remain strong.

Ms. BORDALLO. Would there be any way that we could lift these restrictions on the spending of these funds?

Secretary HAGEL. On Okinawa? Well, as you know, and as you have noted in your comments, we will be moving and rotating Marines, rotating now in Australia, moving them to Guam, doing the things that you are well aware of. Again, I would say in answer to your question about restriction of funds or any area touching those funds, we have tried to balance the requirements that we think we need for our future and especially as we stay committed to the Asia-Pacific.

Ms. BORDALLO. Thank you. I have another question for you, Mr. Secretary. Can you comment on the importance of the National Guard State Partnership Program [SPP]? I noted that the QDR talks about the importance of building a capacity partnership. And the SPP program does just that, and I know our combatant commanders are very supportive of this. Are we looking to expand this program further in the Pacific and Africa Commands AOR [area of responsibility]?

Secretary HAGEL. Well, those relationships continue to be very strong. I am going to ask the chairman if he would like to respond to this. It will continue to be strong. It has been very effective, and we look forward to find ways to broaden and expand it.

Mr. Chairman.

General DEMPSEY. And we reflected the support of the program in the budget, and in fact, just this last week, there were two more nations entered into the State Partnership Program. Yeah, it is a very effective program.

Ms. BORDALLO. Since I am the ranking member on the Readiness Subcommittee, I wonder if you could just briefly, if not here because of the time situation, discuss the readiness consequences if the anticipated savings needed to fund improved readiness are not

achieved in the coming year. What is the most serious risk if this should occur?

General DEMPSEY. Well, as you know, Congresswoman, we submit a readiness report monthly, and it has reflected the fact that, given not only the depth, but the mechanism of sequestration, we have had no choice, literally, no choice but to go and raid our readiness accounts in order to find the money to achieve the depth of the reductions. And so we have about a 2- or 3-year significant readiness hole that we need to begin to fill back in. And it is one of the reasons I am very supportive of the $26 billion add because in general terms, about 40 percent of that would go to readiness; about 40 percent to modernization; about 20 percent to sustainment, repair, and maintenance of facilities that are underinvested in right now in the current budget.

Ms. BORDALLO. Thank you, General.

And I yield back, Mr. Chair.

The CHAIRMAN. Thank you.

Mr. Rogers.

Mr. ROGERS. Thank you, Mr. Chairman.

Secretary, thanks for being here. As you know, I chair the Strategic Forces Subcommittee, and I am very concerned about Russia's activities in violation of the INF Treaty. I know you have had seven engagements with your Russian counterparts in the last year since you became the Defense Secretary. Could you share with the committee the message you conveyed to him about our concerns over this INF Treaty?

Secretary HAGEL. Congressman, as you know, in these conversations and you are correct, I have a very open line of communication with the Russian Minister of Defense, and I just spoke to him a few days ago. We talk about everything, of course. This specific subject is one that we have generally talked about, mainly when I talk with him and we have a regular conference call, then we talk when we are not just scheduled to talk, but when issues come up, like Ukraine, and so on.

But because the State Department has the main, as you know, certification issue on this determination responsibility, we work with them. But this is a general area that I do discuss with him.

Mr. ROGERS. How about NATO? I know you met three times with NATO. Tell me about the concerns they have expressed and what we have done to reassure them that we are taking this seriously.

Secretary HAGEL. Well, I know, and I noted in my opening comments about some of the actions that NATO is taking now, we are taking. As I noted also, I was just at a 2-day NATO meeting in Brussels last week. We conveyed a NATO Ukraine commission meeting. At that meeting was then the Acting Minister of Defense for the Ukraine. As you know, NATO had a meeting yesterday with the NATO Russian commission. The NATO piece of this continues to be very important.

We continue to stay closely aligned with and connected to NATO. I noted some actions that I have taken and directed yesterday regarding our partners in that area. So NATO remains a committed partner. We are committed to that relationship. We will fully stay committed to that partnership because——

Mr. ROGERS. Did NATO express to you concern that maybe we weren't as committed to it? And did they express any aggravation that we have known about these activities since 2008 and they just learned about them in January of this year?

Secretary HAGEL. No, they did not to me, and they have never in all of my official NATO forum meetings, and my many, many bilateral NATO Defense Minister meetings have ever expressed that kind of doubt to me about any of this. I know the chairman will want to say something, too, but go ahead, please.

Mr. ROGERS. Do you share my view that they are in violation of the treaty, the INF Treaty?

Secretary HAGEL. Well, again, I haven't seen all of the documentation on it, and I—we are asking for that now. I am asking for that, but that is the way I would answer it. We would be very happy to come up here and give you a clear——

Mr. ROGERS. Before we get——

Secretary HAGEL [continuing]. Closed briefing on this.

Mr. ROGERS. Go ahead, General.

General DEMPSEY. That report is not due until April, Congressman, on the potential violation, and it will have to be done in a very classified setting as you well know. My NATO partners are concerned about that, but they are also concerned about Russia's intervention into Ukraine on the basis of ethnic discrimination because, as you know, those borders in Eastern Europe, I mean, there are 400,000 ethnic Romanians living in Western Ukraine. So, you know, this is a—would be a terrible precedent if this became a commonplace occurrence. That is what they are worried about.

Mr. ROGERS. And I don't blame them.

General DEMPSEY. Yeah.

Mr. ROGERS. You know, this is their backyard.

But Mr. Secretary, I have got three questions that I would like for you to have responded to in writing. They are—and they deal with the manner in which we would deal with Russia about these deployed forces that are in violation of the treaty.

First, when it comes to Aegis Weapon System, which is at the heart of Aegis Ashore technology, it was designed in part to defeat cruise missiles. Would the sites in Poland and Romania add value to the defense of our allies and deployed forces? That is the first question.

Second, we will have a third Aegis Ashore battery in Hawaii at the conclusion of testing. What value would it have if it moved to the Pacific or the Baltic States to help defend our allies against Russia's INF violations.

And finally, how much would it cost to rotate U.S. dual-capable aircraft to NATO-allied states to help defend Europe from Russia's INF violations. If you would have those in writing, I would appreciate it.

Secretary HAGEL. We will respond.

[The information referred to can be found in the Appendix on page 145.]

The CHAIRMAN. Thank you.

Ms. Tsongas.

Ms. TSONGAS. Thank you, Mr. Chair.

And thank you all for being here. You are making very difficult choices, very challenging choices, and I don't envy you that. And I think we here in Congress have to be a part of that process as you move forward and try to find the best way to best protect our country.

One of the things, and we have had some reference to it, is that, you know, in the course of this, I think the military have to be well positioned to take advantage of technological advancements while being mindful of the economic realities that we face today. We all confront this in our daily lives. All of our lives are changing as a result of those extraordinary advancements, and the military certainly is part of it. I happen to be from Massachusetts, a State whose ecosystem is focused on addressing these challenges. And we continue to invest in some of the best technological minds and resources that our country has to offer. And we serve as a willing and able partner to the military.

We have heard Mr. Thornberry reference the acquisition process. And I think that the type of rapid technological innovation that the military is trying to take advantage of places great pressure on DOD's acquisition system, specifically, in the realm of information technology [IT] and cyber. And it is in these realms where the ability to rapidly assess needs and field new technologies is critical. And DOD will increasingly need an acquisition system that works for IT and cyber. So just a comment that I hope, as you are looking at all of this, you are paying particular attention to creating vehicles that enable you to be very responsive in real time to take advantage of emerging technologies and to better protect our country.

And Secretary Hagel, I am encouraged by your statement regarding the importance of research and development. The QDR strongly emphasizes the important role that QDR and innovation will play in our ability to meet future threats as well.

But based on budget requests over the last 5 years, we as a country have been less inclined to put our money where our mouth is. In fact, partly due to congressional action, defense-related R&D has taken the deepest percentage cut during the downturn since World War II. So this is a big concern for me despite your comments. I appreciate your comments. But we do know that these kinds of advances and this kind of investment does take money. So it is just a comment that, do we want to make this real, not just in words only?

I do want to turn, though, to the issue of sexual assault. There are important votes taking place today in the Senate reflective of this body and the Senate, deep concern about the prevalence of sexual assault. You both have worked very hard with Congress to create more tools to fight sexual assault. We appreciate that. One of those tools is creation of the Special Victim's Counsel Program giving military victims of sexual assault an access to an attorney. We have mandated that the Air Force's Special Victim's Counsel Program be implemented by every service. We hear very encouraging stories about how many survivors are taking advantage of this and to real effect. But we do know that these tools only work if commanders and every service member under their command are aware that these tools exist, and we still do hear stories that there is not as broad an understanding of this as there should be.

So, General Dempsey, could you tell me more about how you are making sure that service members are aware of the resources available to them to fight sexual assault? How are we making sure that every officer and enlisted member knows about these tools?

General DEMPSEY. Three things, briefly. One is, we are currently under a mandated 1-year review that was directed by the President of the United States. So this has the interest of the Commander in Chief. We are also working with the guidance of the Secretary of Defense, 21 initiatives. And then internally, as a JCS, we are meeting to establish our own initiatives and to make sure we have got the metrics right, make sure we have got the media, meaning social media, which is where these kids normally dwell these days. We have got the right information mechanisms to do that. And I just to assure you of that, I was in Ramstein Air Base on the way back from Afghanistan and asked to meet with one of the Air Force's special victim's counselors so she could tell me what her scope is, how she feels about her ability to reach out to folks. She was actually quite content, I suppose, that the information is available and that she had access and she had the authority she needed to perform her duties. But look, we just got to keep at it.

The CHAIRMAN. The gentlelady's time is expired.

Mr. Franks.

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

And thank you all for being here.

General Dempsey, thank you for your magnificent service to the country and to the cause of human freedom.

And Mr. Hale, thank you for your service to this committee, and I wish you the best in the future.

And Mr. Secretary, thank you for your service to the country and this administration.

I will start with you, if I could, and let me first ask you for diplomatic immunity here. I constantly find myself shaking my head at the decisions and actions of this President, but it seems the greatest consistency that he has had is in the perpetration of one foreign policy and national security debacle after another. The administration has now ensconced Iran in a protocol that is really protected, allowing them to enrich uranium all the while they are modernizing their missile defense or their missile capability faster than ever before.

And I don't know of any credible voice, Mr. Secretary, anywhere who would deny where we now live in a world where the modernization and proliferation of ballistic missiles is not at an all-time high or is at an all-time high. I don't know that anyone would deny that. So yet, today, the President of the United States and the Secretary of Defense presents this committee with the lowest budget for the Missile Defense Agency ever presented by this President in the 5 years of his Presidency. And I guess my question very simply is: Is the lowest budget for missile defense in the last 5 years the best way that you, sir, know how to show a strong and continued commitment to homeland and NATO and missile defenses, and is this the best way to protect the American people and our allies?

Secretary HAGEL. Congressman, ballistic missile defense is a priority. I announced last year that we were increasing our missile interceptors by 14, building 44, we would have total.

Mr. FRANKS. Forgive me, sir, that is after this administration canceled them previously, but please proceed.

Secretary HAGEL. Well, all I can answer for——

Mr. FRANKS. Yes, sir.

Secretary HAGEL [continuing]. Is since I have been here and what I have done, and you asked, I think, partly the question directed at me, and so I can only account for my actions as Secretary of Defense, and that is first.

Second, I think I have been very clear, and I think Secretary of Defense before me, Secretary Panetta, and before him, the importance of missile defense. I think other ways we have shown the importance of that is continuing our missile defense system in Europe with our European partners. As I noted, I was just in Poland. I just noted to the Congresswoman, that in relationship to our partnership with the Japanese "Tippy Two" radar sites, as this is a global issue in defense of our country, we, as you know, we need those sites, the Aegis missile defense capacity as we station it, posture it, position it working with allies, continues to be a priority.

Mr. FRANKS. Well, let me shift gears on you here.

Secretary HAGEL. So I think we are pretty clear on this.

Mr. FRANKS. Well, I don't think the budget represents that. I don't think that it indicates that. But in any case, I will move on to a different question.

As you know, we are on a path to reducing our strategic nuclear deterrence in accordance with the New START Treaty, which really reduced American capability far more than it did Russia's. And now according to the QDR that you just released, the United States would be, quote, "The United States would be prepared to reduce ceilings on deployed strategic warheads by as much as an additional one-third below New START levels."

Now, Mr. Secretary, I have got to tell you, this is a trajectory that frightens me because it seems a strategy designed by those who live in a world of grand vision rather than one of the—the world of the one that we live in. And I guess I first ask you, do you put your full faith in Russia actually complying with another round of reductions, and do you feel that this will make the United States safer 20 years from now?

Secretary HAGEL. My first answer would be, as I have given more than once, on more than one occasion, President Reagan commented about "trust but verify." That is why we have verification built into all of our treaties. And that is the only thing that works in any way. As to the New START Treaty, we are complying with the requirements of the New START Treaty. That is law, as you know. The United States Senate, after the President submitted it, ratified that treaty. As has been noted, there would be no unilateral actions taken by this administration on going below the current levels. Those would have to all be, as we have done in every administration, negotiated through treaties.

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

Thank you, Mr. Secretary.

Secretary HAGEL. Thank you.

The CHAIRMAN. Thank you.

Ms. Speier.

Ms. SPEIER. Mr. Chairman, thank you to Chairman Dempsey, Secretary Hagel, and Mr. Hale. I thank you all for your extraordinary leadership.

Let me say to Secretary Hagel and Chairman Dempsey that in my conversations with you privately, you have both shown to have a great deal of commitment to address the issue of sexual assault and rape in the military, and I believe you. But I must tell you, I have grave reservations about those in positions of authority right under you that are not necessarily taking your direction seriously.

Over a year ago, Vice Chair Winnefeld convened a meeting at the Pentagon, in which Members of the House and Senate were invited, and many generals sat around a very large table to discuss this issue. It was a good meeting. And the vice chair had indicated at that time that there would be more. That was over a year ago. There has never been another meeting.

There was an email in March of 2011 by a brigadier general after meeting with a Congresswoman, in which he apologized for emailing it late because he had masturbated three times over the past 2 hours after meeting with a Congresswoman. That was in an email, an official email to one of his superiors or many more, and nothing happened. And it was only until that email was exposed in another sexual abuse case that there was any punishment levelled. And I question what the punishment is when, in fact, this general is now working for you, General Dempsey, in the Joint Staff.

I met yesterday with General Snow, the newest SAPRO [Sexual Assault Prevention and Response Office] director. And what he said to me was when he was given the post, his superior said to him, "You know, I know this isn't on your bucket list." This is not some, you know, take-one-for-the-team position. And yet, we have had four SAPRO directors in the last 4 or 5 years, and they are only 18-month stints. So if they are only 18-month stints and you bring someone in who has no expertise, no background, what is our expectation about how seriously we are really taking these cases? Now, let me start with you Secretary Hagel. You ordered a directive——

General DEMPSEY. Could I respond? Would it be appropriate?

Ms. SPEIER. Yes, certainly you can.

General DEMPSEY. First of all, just because you haven't been invited to a meeting, Congresswoman, please don't assume that there haven't been other meetings. I mean, I mentioned earlier I had many sessions with the Joint Chiefs.

Ms. SPEIER. No, I meant with Members of Congress. It was one that was going to reconvene.

General DEMPSEY. Sure, no, I understand, and I will go back and research why we haven't invited you back. But there has been plenty of meetings.

Secondly, on that young man who as—who you say—that is part of an ongoing investigation and action that I simply can't—that I can't talk about because of the ongoing investigation.

And, you know, to your third point about the bucket list comment, I am the one that made that. Now, let me tell you why I made it. I wanted to get his reaction. I wanted to see if he was

going to take this job with the fervor and commitment that I wanted. And if he had said, "Yeah, you are right, General, this is not on my bucket list," he wouldn't have been hired. I am the one that said that.

Ms. SPEIER. All right. Secretary Hagel, you asked that all of the services rescreen all soldiers who were in, quote, "positions of trust," including sexual assault counselors, recruiters, and drill sergeants. The Army disqualified 585 soldiers as counselors, recruiters, or drill sergeants because they discovered infractions of sexual assault, child abuse, or drunk driving. The Navy only dropped three recruiters and two counselors. The Air Force dropped zero, and the Marine Corps dropped zero.

Now, my question is, first of all, this was not going to be made public, except for the fact that it was leaked to a reporter, and that is how it became public to Members of Congress. The disparity of having 588 in the Army who are disqualified, zero in the Air Force, zero in the Marine Corps, and only 5 in the Navy suggests that they are using different means by which to do the screening.

As I understand it, in some cases, all they did was determine whether or not they were on a civilian sexual predator registry. So I guess my question to you is, are you going to reissue another directive? Are you going to ask the Air Force and the Marine Corps to go back and scrub like the Army did, and will you make it public?

The CHAIRMAN. Would you please respond for the record?

The gentlelady's time is expired.

Secretary HAGEL. I will.

[The information referred to can be found in the Appendix on page 145.]

The CHAIRMAN. Mr. Lamborn.

Mr. LAMBORN. Thank you, Mr. Chairman.

Secretary Hagel, General Dempsey, and Mr. Hale, thank you for your service. I have communicated with officials from Israeli missile defense forces. They say that Israel would much better be able to meet its security needs if that part of the Obama budget were increased by $350 million.

Mr. Chairman, I ask unanimous consent to put into the record documents received from the Israeli Missile Defense Organization asking for additional funding in this budget.

The CHAIRMAN. Without objection, so ordered.

[The information referred to can be found in the Appendix beginning on page 104.]

Mr. LAMBORN. Thank you.

Secretary Hagel and General Dempsey, the outcome of the Obama administration's attempts to negotiate verifiable—a verifiable end to Iran's program to produce a nuclear weapon is still up in the air. However, apart from that, Iran continues to support terrorism and instability around the world. It is proven that they supplied the explosives and weapons to kill hundreds of our soldiers and Marines in Iraq. And they are continuing programs to develop ballistic missiles and other weapons of mass destruction. Should companies that do business with the Department of Defense also be doing business with Iran?

Secretary HAGEL. Congressman, we have sanctions in place, as you know, to address that. And companies would violate those sanctions if they were doing that kind of business with Iran. I might also add, if I might, Congressman, on the missile defense with Israel, I probably speak as much with the defense minister of Israel, General Ya'alon, as any one defense minister. And the commitments that we have made to the missile defense systems in Israel remain very clear. They are in the budget, Iron Dome, David's Sling. So I would like to have more money, too, in my budget. But I don't think there is any equivocation or question about our commitment to those systems.

Mr. LAMBORN. Well, I appreciate what has been done. I am just thinking this is something we should give more attention to, and we will continue those discussions in committee here.

And on the sanctions issue, one news report has indicated that companies doing business with the Department of Defense to the tune of the $100 billion are looking at doing more business with Tehran now that the sort of floodgates have been open, and some people would disagree with that term "floodgates" since this recent deal with Iran, but that is how some people out there in the business world are looking at it.

Secretary HAGEL. Well, as you have noted, regarding floodgates, no floodgates have been open. We still keep our strong sanctions on Iran. No deal has been made with Iran. What is in place is—and is clicking down, that 60, or 6-month process to build, if we can, a framework of engagement with the Iranians and our National Security Council countries and ours to get to what we want to get to, and that is to assure that Iran does not have—doesn't get nuclear weapons. The other issues that you mentioned, which we are quite mindful of—and as I have said many times, others have said in this administration, including the President, they are a state sponsor of terrorism. So we have to deal with that as well. But there is no opening of floodgates. The sanctions are still there.

Mr. LAMBORN. Okay, thank you for that answer. And also, Secretary Hagel, given the Russian push into the Ukraine, the uncertainty involving Iran we just touched on, continuing instability in North Korea, Chinese expansion, the loss of almost 2 million documents through Edward Snowden's treachery, potential cyber attacks from shadowy players, were it not for budget constraints, would you be advocating for the reductions that are in this budget?

Secretary HAGEL. I wouldn't be advocating for the reductions in the budget at all. Reposturing, resetting based on coming out of, as I have said, two of America's longest wars, one of them America's longest war, we have always done that. New threats, and you just presented an inventory of many of those, starting with cyber; we need to restructure, reposture regardless of the resources.

Mr. LAMBORN. I am just wondering when the concentration is on the mission versus the budget, and which comes first.

Secretary HAGEL. Well, the strategy and the mission has to come first, but I don't think, other than you are interested in a college paper seminar project, if you can't implement the strategy, and if it is not resource—if it is not resource-facilitated, not driven, a business plan that our chairman has probably put together many of them. I have done so, many of you on this committee have over

the years. I never put together a business plan or a strategy, unless I didn't think how was I going to implement that, and how was I going to carry that out.

So it is the strategy, the mission, the responsibilities, of course, and then you build out, but you still have to connect the resources to it.

Mr. LAMBORN. Thank you.

Secretary HAGEL. Thank you.

The CHAIRMAN. Thank you.

Mr. Barber.

Mr. BARBER. Thank you, Mr. Chairman.

And I just want to, before I begin my questions, I want to join with my colleagues in thanking you, Mr. Hale, for your service to this country, for your integrity and hard work. We will miss you, and we wish you well.

Mr. Secretary, and Mr. Chairman, I really appreciate the challenges that you face in developing a budget under the sequestration requirements. I think we all understand that that is almost an impossible task. There is no question that we have to reduce our debt and deficit, but I share the view of many in this committee and in the Congress that sequestration is absolutely the wrong way to do it. And I believe it seriously is compromising our national security.

Chairman Dempsey, let me pose my first question to you. But I will preface it by talking a little bit about my district and the men and women of the Air Force and the Army who serve our country there.

I am very proud to represent Davis-Monthan Air Force Base where I grew up as a kid, home to the 355th Fighter Wing, where the A–10 operates and is training the next generation of close air support pilots. I also represent the Army Garrison at Fort Huachuca, and I have adopted the 162nd Air National Guard Fighter Wing of the Air National Guard just across my district line. And I would hope, Mr. Secretary and Mr. Chairman, that you could come and visit our district, and meet the men and women who are serving this country so courageously. I hope you can come when the weather is cooler than it is here but not as cold as it is now. It will be good to come in the spring or in the fall.

These military installations have a long and distinguished history of defending the Nation. And the budget proposal you put forward this week, last week calls for the divestment of the A–10.

Mr. Chairman, I understand the need to find budget savings. However, the A–10 I think we all know plays a crucial role in protecting our service members on the ground, a role that simply cannot be suitably replicated in all aspects by any other aircraft in our inventory at this time. I am a supporter of the F–35. I am a supporter of UAVs [unmanned aerial vehicles]. I believe that other airframes can perform aspects of close air support, but none can take the place and perform like the A–10. Just yesterday, in this hearing room, General—Admiral Locklear said there are capabilities out there that will not, will not parallel what the A–10 can offer. General Austin in the same hearing said that he had seen the A–10s perform magnificently in Iraq and Afghanistan. And previously, Major General Bill Hix made the critical crucial point that the A–10 serves as a flying artillery when ground troops cannot

be—request indirect fire support due to logistical issues. And just 7 months ago, in this hearing room as well, General Welch told me, quote, "Until the Air Force, until the Air Force has sufficient numbers of F–35s, the Air Force intends to keep the A–10 viable and combat ready."

And Mr. Chairman, from an Army officer's perspective, who has commanded ground troops, how is it possible that it is not in our Nation's best interest to keep this proven workhorse flying?

I would ask Mr. Secretary, since we are getting close to time, ask the same question of you. We, I believe, are making a grave mistake in divesting ourselves of the A–10, when it is performing so magnificently and there is no other airframe that can do the job it has done.

Mr. Chairman Dempsey and Mr. Secretary.

General DEMPSEY. Yeah, and I will make this brief, Congressman. The A–10 is a wonderful system, but it is also an old system. And it is also vulnerable in a high-intensity environment in a way that it is not vulnerable today in Iraq and Afghanistan. The Air Force has other platforms that can produce that flying artillery you described, so does the Army, called the Apache helicopter. It is a prudent budget decision made in the face of significant cuts. If we had the money we thought we would have, you know, in 2010, we probably wouldn't be having this conversation, but we are having this conversation.

Secretary HAGEL. Congressman, the only thing I would add is that this was a recommendation that the Air Force made to me, General Welch. You know, he is a former A–10 pilot. It is not a matter of, was it a platform that wasn't everything you said it was. But General Dempsey just laid out the realities of a 40-year platform when we are looking down the road at the kind of requirements we are going to need in the future with the restraints we have.

Mr. BARBER. Let me just add I have got 4 seconds. We have put $1.1 billion in upgrading this aircraft—we need to keep it flying.

The CHAIRMAN. The gentleman's time is expired.

Mr. Wittman.

Mr. WITTMAN. Thank you, Mr. Chairman, and Chairman Dempsey, Secretary Hagel, Mr. Hale.

Thank you all so much for your service to our Nation. Thanks for joining us today. Secretary Hagel, let me begin with this: You have spoken very eloquently about the increased risk around the world that we face, the threats that are out there. You have heard Members here speak about the specifics of those threats. I want to look in a little broader perspective, as you have identified those threats.

In looking at the budget that you projected going forward, I am curious as to how you feel that budget in the face of those threats relates to, in any way, shape, or form there being an increased risk to the men and women that serve this Nation if they are placed in a conflict. And then, secondly, under this budget scenario, is there any possibility that there is an increased situation where we may not win in a conflict? I think those are two things that are very, very concerning to me. I want to get your perspective on that. Again, any increased risk to the men and women in harm's way

and any increased possibility that we may lose in a conflict that we might become engaged in.

Secretary HAGEL. Congressman, thank you.

Your first question, increased risk to the men and women in uniform that we would send, have sent, into harm's way. I don't know if you were here, and a couple of my opening comments on this specific issue. So I won't replow that same ground. But as you said, in way of your question, as I noted in my statement, how we take care of our men and women isn't just compensation. Yes, that is a big part of it. But it is, to your point, making certain, no question that they are prepared in every way.

That has been a priority, will continue to be a priority. Any time you take cuts the size that we are taking, and the steep abrupt cuts that we are taking, there is going to be risk. I mean, look at the Army last year and the Marines, for example, and ground troops. What the Army in particular had to do to do is stand down much of their training. Well, that cuts right into readiness, and that cuts right to risk. That is just one element.

But the budget we propose over the next 5 years we think addresses that. The chairman will give his opinion on this, but this was not without the chiefs, our senior enlisted, without the complete integration and involvement of our uniform military.

On the larger, the second question was the risk on——

Mr. WITTMAN. Well, is there any increased possibility that in a conflict——

Secretary HAGEL. War, we lose a war?

Mr. WITTMAN [continuing]. That we might lose.

Secretary HAGEL. First, the world is uncertain. I can't guarantee the outcome of anything. But what we are trying to do, as I said, in the strategic guidance that the President gave us in 2012, what our QDR was based on, what our focus was based on, is winning wars. And I noted that. The world is unpredictable. But we want to be prepared to win a war. And that is the kind of budget that we have presented. That is the focus. That is our priority.

Mr. WITTMAN. Very good.

Chairman Dempsey, I am going to get your perspective, but I want also if you would, to drill down a little bit and give us the perspective, too, on the challenges with the Army that it now is having to face a decreased capacity in end strength and decreased capability as far as less modernization and what does that mean for them in having to carry out OPLANs [operation plans] and CONPLANs [Concept of Operations Plans] that they are going to be faced with? If you could obviously answer the general question, but then drill down a little bit as to the Army perspective.

General DEMPSEY. Yeah, what I will do is just give you—I will react to your question, but actually, I would like to take it for the record, the opportunity to answer. This is a very profound question. This is the question we have been struggling with for 3 years, frankly. But I will tell you this: In 2020, we will still be the most powerful nation in the world if we achieve the promises in the QDR. And the promises in the QDR actually involve institutional reform, flexibility, so that we can take the money that the country has decided to invest in us and use it to keep the force in balance. If we can do that, then in 2020, I have confidence in telling you

we will still be the most powerful nation in the world, with over 1 million men and women in uniform. That is not counting the Guard and Reserve. It will be up around 2 million with the strongest system of alliances, a global network of forward-operating bases and allies and partners, control of the global commons, but not unchallenged and not at times at risk. Let me answer that question more fully for the record.

Mr. WITTMAN. Sure, very good.

[The information referred to can be found in the Appendix on page 145.]

The CHAIRMAN. The gentleman's time is expired. Thank you.

Mr. Kilmer.

Mr. KILMER. Thank you, Mr. Chairman.

And thank you each for being here.

Mr. Secretary, I wanted to start by asking about the role of the Reserve Component in the National Guard. Would you agree that there are some missions that are best suited for the Active Component and others that are best suited for the Reserve Component and additionally, would you agree that, despite who takes the leadership in a given role, both Active and Reserve Components should be equally capable of providing forces for all mission sets?

Secretary HAGEL. First, thank you, Congressman.

First, as I said, and I said in my opening statement, I have said, all the chiefs have said, it is reflected in the budget. The Active Army is integrated into—or the other way around, the National Guard Reserve integrated into the Active in the sense that it is part of our complete national security enterprise and our military. They are vital, the National Guard and Reserve, to that system, and they will be. That is first.

Second, the National Guard has different responsibilities, Reserves do, than the Active Duty. The Active Duty is there for one reason. That is Active Duty. They have got to be prepared, agile, immediate. They have got to have the equipment, the training, everything that sets them up for that mission and to accomplish that mission. The National Guard Reserves aren't the same, but they integrate. They work together. The Reserves, National Guard work in Afghanistan and Iraq, very important. But that also includes the training, and the preparation, and the movement, and logistics that go with being able to move your combat brigades and all of the things that go into that. That also gets us into the aviation piece of that; what do the Governors need in order to use the National Guard to fulfill their requirements as well as keeping the National Guard and Reserves ready and so on?

We have tried to focus on that balance as we go forward on requirements that we know we are going to have, threats that are out there, and that is the kind of strategic guidance that we use to prepare the budget.

Mr. KILMER. Thank you.

With the time I have remaining, I wanted to ask also about, after reviewing the budget, and reflecting on the rebound toward Asia, I am concerned and hearing concern about the reduction to the Navy ship depot maintenance budget of $1.4 billion. And there is an operations cut in that regard as well. I remember the old FRAM oil filter, "Pay me now or pay later." Does this set us up for more

costly bills down the road if we use our ships more and can't repair them? Wouldn't we then have to move up our plans to replace some of these tired vessels to ensure our overall capacity?

Secretary HAGEL. Well, Congressman, I think that gets to the point of what the Navy has recommended, and some of the, I think, pretty creative ideas they have got and being able to bring some of our ships out and upgrade them and overhaul them, not taking them out of the fleet, but bringing more capacity, longer lifespan. I mean, all of these things are part of addressing your question; this also, within the framework of the budget restraints we have, the resource restraints.

Mr. KILMER. Thank you.

And I may just ask for the answer in follow-up. Mr. Hale, I am encouraged by the serious look that is taking place on acquisition reform. I wanted to get your sense of what needs to be done to properly address this issue? I am sure that there are—that both policy and process are factors in this, and I wanted to get a sense of what do you think the biggest factors are in that regard?

Secretary HALE. Well, I think I am going to let Frank Kendall answer that one for the record primarily, but I will say, we are pursuing a variety of initiatives, as I think you are aware; a greater use of competition, increasing our trade craft and services contracting, because we spend so much on that, and I think we can do better. We have seen some tangible results, like less funding or less cost for the EELV [Evolved Expendable Launch Vehicle] contract. I think we are on the way. It deserves more work, and it will get it, and I am going to let him expand on that.

[The information referred to can be found in the Appendix on page 146.]

Mr. KILMER. Thank you.

Thank you, Mr. Chairman. I yield back.

Mr. WILSON [presiding]. Thank you.

We now proceed to Dr. John Fleming of Louisiana.

Dr. FLEMING. I thank you, Mr. Chairman.

And I want to thank our panel of witnesses today. Thank you for your service to our Nation.

I want to change the subject a little bit here. Secretary Hagel, in January, the DOD published a revised instruction that was in response to the religious liberty language included in both the fiscal year 2013 and fiscal year 2014 NDAA. However, the directive failed in a number of ways to address the concerns of Members of Congress, which I noted in a letter sent to you this week. It was March 4th. You probably haven't had a chance to review it yet.

Mr. Secretary, can you explain how the Department intends to ensure that protection is provided for a service member's freedom to discuss, explain, mention, and reference their specific faith tenets, either in private or in public, while completing an official military duty? And just to mention here also, the directive does specifically but very narrowly address such things as attire, jewelry, headwear, and so forth. But it seems to ignore the really important parts of this, which is, again, the freedom to discuss, explain, mention, and reference their specific faith tenets.

Secretary HAGEL. You note, Congressman, the memo—standards that we have published to bring a service-wide standard to ac-

knowledge religious freedom, expression of that, but at the same time, not proselytizing, and there is a difference. We tried to give some framework of standards across all of the services. On the—you mentioned specifically headwear. Some of the specific areas that are always close calls, the good order and discipline of our system has to be maintained.

We have given the local commanders the call on their judgment, depending on the mission. We are not trying to inhibit anyone's freedoms to express themselves praying five times a day, but it can't interfere with the mission of the military either. It has to maintain the good order and discipline of the military.

So the local commander is an important last arbiter in this. Each command, each situation is a little different. We try to build in flexibility to that. But for example, no member of the clergy is told to, is expected to, should, is forced to do something that would be against his or her religion. So we tried to give a standard but also some flexibility.

Dr. FLEMING. Well, Mr. Secretary, I mean, for instance, we get reports that members somehow are disciplined or told to remove a Bible that is on their desk. In one case, there was some prose written, I think, by a chaplain. It had to do with the old standard, "There is no such thing as an atheist in a fox hole." We hear about prayers that have to receive some sort of scrutiny by command, the word "Jesus" removed. And so what I am saying is, it doesn't appear, at least thus far, that the directives have addressed this at all. Again, it is jewelry, it is cosmetic things which I think does not address what we put in the NDAA both in fiscal year 2013, and 2014.

Secretary HAGEL. First of all, I am not aware of the specific issues, and I would be glad to look into them.

Dr. FLEMING. They are all outlined in "A Clear and Present Danger," through the Family Research Council, so I will be happy to upload that to you.

Secretary HAGEL. Okay. But to your bigger question and answer, local commanders have authority and responsibility to make those kind of calls, based on what they think is appropriate for their command. Again, we have tried to give them some overall guidance for all our services, but I would be glad to look at the specifics of this.

Dr. FLEMING. Well, I guess a good start would be the letter that we have sent you, which, of course, you have not had an opportunity——

Secretary HAGEL. I have not seen it yet, but I will look at it and respond.

Dr. FLEMING. So I think that would be a good start on this. We have already had one hearing. I think we planned for another one soon. In fact, Mr. Wilson is the subcommittee chairman of that committee, so we would like to delve into this further.

Secretary HAGEL. I will respond to you.

Dr. FLEMING. Thank you.

I yield back.

The CHAIRMAN [presiding]. Thank you.

Ms. Duckworth.

Ms. DUCKWORTH. Thank you, Mr. Chairman.

Thank you, gentlemen, for being here. I have some significant concerns. You know, after a year of various representatives from DOD testifying to your commitment to maintaining the National Guard as an operational force, I am concerned that the proposals as pertaining to the Guard aviation really does change the fundamental nature of that. By taking away the AH–64s [Apache helicopters], by taking away the Apaches, you have basically gotten rid of the combat aviation brigades in the Guard, so that instead of having aviation for combat, aviation brigades, you now have combat support, aviation support brigades. Does that not change the fundamental nature of the divisions, the Guard divisions, and how they can go into the fight?

Secretary HAGEL. If I might, I am going to ask the chairman to respond to this because the chairman, with his experience to begin with, has something to say about this, but more to the point, he and the chiefs, in particular the Army chief—and by the way, the National Guard chief, General Frank Grass, who was involved in all of this and, as you know, has a voice at the table with the other chiefs. And he is an important voice in all of this. And we listened carefully, obviously, to what General Grass's viewpoints were. I want you to know, first of all, before I ask the chairman to respond, is that we took a very clear look at all of this, what we are going to need for the future, roles of the Guard, Reserve, Active, how we bring value added to all of that, as we must, for the future. So if I might, I will ask the chairman to respond to that.

Ms. DUCKWORTH. Just before you respond, General Dempsey, just quickly, I understand that both General Grass and, of course, the Army chief himself had input into this. I do find myself somewhat skeptical when I hear the Army chief talking about how National Guard troops and Reserve troops only train 39 days a year when we all know darn well that most of them do certainly more than that, and I certainly did more than that as an aviator.

And I think that was either a careless statement or a statement meant to deceive. So I do have some skepticism when it comes to the Army chief's desire to not cannibalize the Guard in order to maintain his force.

With that, General Dempsey.

Secretary HAGEL. General, may I just respond quickly. I am well aware of the comment. I am well aware of your concerns. I am also well aware of your distinguished service as an aviator. So I do know that you know exactly what you are talking about on this issue, so thank you.

Mr. Chairman.

General DEMPSEY. In the limited time available, but I am sure this will be a longer conversation as this evolves. But the Army's motivation in moving, particularly the Apache around is they are trying to move from seven air frames to four. I think you probably know that.

Ms. DUCKWORTH. I don't have a dog in this hunt because there is no Apaches in Illinois, so it is not a fight that I am in. But my question is, what does this do to the fundamental nature of the divisions in the Guard, as opposed to the Active Duty divisions if you take away the CABs [combat aviation brigades] out of the Guard's division?

General DEMPSEY. You correctly point out that the aviation aspect—the combat aviation aspect of the Guard division will be fundamentally altered. But I do think, in terms of them remaining operational and having the other, I don't know, 12 or 15 systems that define combat capable, in some ways, it will make us more interdependent, frankly, the Guard, the Active and the Reserve Component. And that is where I think we are headed by the way, more interdependence as opposed to interoperability. And by the way, the Air Force is probably ahead of us—ahead of the Army in that regard.

Ms. DUCKWORTH. I only have a minute left. I will take your answer for the record. I would like to know what analysis you did into the Active Duty taking over of equipment that was purchased with NGREA [National Guard & Reserve Equipment Appropriation] funding, specifically the 72s, the Lakotas, that many of them were bought with 2012 NGREA funding. That is funding that is provided by Congress directly to the Guard and to the Reserve to purchase equipment for a dual-use function, both combat and domestic, and if there is any analysis that you did on whether or not you can actually do that. Thank you.

General DEMPSEY. Yeah, we will, Congresswoman. By the way, I am reminded that it is very challenging to have a conversation with a helicopter pilot about Army aviation.

[The information referred to can be found in the Appendix on page 146.]

The CHAIRMAN. Thank you.

Mr. Coffman.

Mr. COFFMAN. Thank you, Mr. Chairman.

General Dempsey, thank you for your service as the Chairman of Joint Chiefs of Staff.

And, Secretary Hagel, as the Secretary of Defense.

And thank you both for your service in the United States Army as combat veterans.

Our previous National Defense Authorization Act authorized the National Commission on the Structure of the Air Force, and I have got the report here. And it was issued on January 30 to the Congress, and it is very impressive. And I think one of the thesis of this report is that in order to save money without compromising capability, that we need to push more capability. We need to look at the force structure, and in this report, it looks at the United States Air Force and says, what can we do in the Guard and Reserve versus what can we do on Active Duty in terms of saving money? Your predecessor, Secretary of Defense Robert Gates, would tell us in these hearings that the trajectory of personnel cost is going to eat into acquisition costs, irrespective of what else happens to the budget.

And so we now have, I think, I am co-sponsoring an amendment by Chairman Wilson of South Carolina, in the Personnel Subcommittee, that would set up the same process for the United States Army in terms of looking at its force structure and what could be done in the Guard and Reserve. I am writing amendments to do the same for the United States Marine Corps and the Navy. And so I am wondering where you see this going, because I really think that this is, having served in both the Army and the Marine

Corps and in both their Reserve Components, I mean, I really think that we can rely on the Guard and Reserve more than we do, albeit we don't want to go back, as they transition from an operational reserve to a strategic reserve, we have got to make sure that we address their training requirements. We don't want to go back to the status quo ante when Reserve units are showing up or Guard units are showing up for the first call and were ill-prepared to go to combat.

General Dempsey, I am wondering if you could address that.

General DEMPSEY. You know, you are not going to find a bigger fan of the Guard and Reserve than me, having served 3 years in Iraq almost consecutively. But I also, as we continue to do this analysis, and I think the Army, I am not sure whether we need a study or not. Frankly, it would depend on what charter you gave it and what composition you would direct. But let me set that aside for a minute. If you want someone to be ready and as capable as someone who is Active, then you have to pay for them to achieve that level of readiness. This really is not magic. So if you want a Guard who is ready tonight, it is going to cost you the same, precisely the same, as it will cost you to have an Active Duty. The issue for us is, again, that word keeps coming back, balance. And we are eager to have that conversation. We are not trying to direct it in any one particular direction. We think we have got in the Army's plan the proper balance. If someone suggests otherwise, then let's have that conversation.

Mr. COFFMAN. We will have that conversation. And what you have just mentioned doesn't take into account the legacy cost where, you know, an Active Duty soldier may, with 20 years, retires at age, say, 40, 42, is going to draw 50 percent of their base pay from the date of retirement, whereas that reservist with 20 years is not going to draw it until age 60. There is significant legacy cost differences.

Mr. Secretary, do you have any comments on this?

Secretary HAGEL. I think that the chairman laid it out pretty clearly, and I would just add to one thing he said. We are not trying to push anybody aside here. We would welcome the input and the ideas and just as Chairman Dempsey said.

Mr. COFFMAN. Well, I think we are clearly going to look at how we structure this. I think these findings are impressive in this report. I have written the four recommendations in amendment form that I am going to try to put into the National Defense Authorization Act that will produce savings. And we are going to take the same processes to all the other branches of service.

Thank you.

Mr. Chairman, I yield back.

General DEMPSEY. If I could, Mr. Chairman, I just want to ensure—I don't know this, but I suspect the Air Force hasn't had time to, not rebut it, but comment upon it and present their alternative view. And I would hate to have the recommendations in that review be placed into the NDAA in a binding fashion before we have this debate.

Mr. COFFMAN. Mr. Chairman, in accordance to this report, the Air Force fully participated in it. Thank you.

The CHAIRMAN. Thank you.

Mr. Peters.

Mr. PETERS. Thank you, Mr. Chairman.

And thank you, gentlemen, for your time today and for your service to our country.

Particularly to Mr. Hale, congratulations, and we wish you good luck.

I wanted to draw your attention, if I could, with my time to the $20 billion or so we spend every year on energy in the Department and to raise a little comment in response to something I heard about what happened at yesterday's Senate Armed Services Committee, where some of the folks attacked the Navy's investments in bio fuels, including algae and alternative energy resources.

For my part, I wanted to just encourage you that I agree with you that the investments are designed to enhance operational security and that reducing the reliance on conventional fuels and improving the energy efficiency of our operations and installations has both strategic and tactical benefits but also promotes cost savings, which is important for us to support your mission as well, in terms of equipping our soldiers and our warfighters and our bases.

So I want to commend the Department and the services for all the work they do and have continued to do to promote energy security and efficiency. I know there is a lot more work to do, but I just wanted to thank you, in particular, Mr. Secretary, for signing the letter to Senator Mikulski, dated January 2 with Secretary Vilsack and Secretary Moniz. I appreciate that.

My question on this was to sort of maybe give us an update on the latest initiatives to integrate energy considerations into planning and force development activities and then maybe give us some sense of how we can be helpful here at Congress in supporting that effort.

Secretary HAGEL. Thank you, Congressman. You know, we have an Office of Energy Resources Development and Assistant Secretary, and you deal with her I am sure and know her well. Starting with your number that we are in the area of about $20 billion roughly of what we expend, DOD, on fuel and what it takes to propel this large enterprise. And we are constantly working inside, with others outside, as we develop research and finding ways to, yes, get cheaper, more effective, more efficient ways of producing energy, but secure, secure energy. And we have I think, over the last 10 years, done a lot of interesting things. I mean, you know about the third-party private sector investments on some of our bases where we get first priority to that energy. It is much cheaper. It is secure. It is there. But also, as you know well, we are all over the world, ships, planes, bases. So it is not just North America. We have got to rely on secure energy sources everywhere in the world, so we are constantly working to improve that and find new ways to do it and will continue to do.

General DEMPSEY. If I could add from the military JCS perspective, we are interested in becoming more efficient, saving money, and so forth. But if you are looking for where you can be helpful, operational energy. For example, a U.S. Army or Marine Corps infantry platoon probably carries about 400 pounds of batteries in order to power all the devices that we have given them over time. To the extent that we can invest in and find ways to either improve

the batteries or somehow replace them, then we become more combat effective. And that is what we are interested in.

Mr. PETERS. I appreciate that. I always recount the story of my first visit from the Commandant of the Marines, as a member of this committee. He sat down with a whole group of top level Marine Corps officers, and the thing he wanted to talk to me about was solar energy. Not because he is a tree hugger, but in terms of in the battlefield, it has become so useful. And, of course, that is what this committee is about. So we want to be helpful and supportive. And also I know there are a lot of new smart grid technologies that help you out in the field remain independent from electric grids that might not be the most friendly in terms of our relationship with those countries. So I appreciate what you are doing. Thanks again for your service, and thank you for being here today.

The CHAIRMAN. Thank you.

We are getting close to our final series of votes, and I want to ask unanimous consent to enter Members' comments in the record for those who are in attendance but don't have a chance to address the witnesses, and then I would ask that those Members' questions be responded to the record promptly if you could.

Secretary HAGEL. Mr. Chairman, we will prioritize all those questions and get them back to you immediately.

The CHAIRMAN. Thank you very much.

Mr. Scott.

Mr. SCOTT. Thank you, Mr. Chairman.

And I will be brief and try to give additional Members a chance to ask the question. You have been sitting there for 4 hours, I guess, since 9:30 answering questions. And I have been sitting here wondering if I was going to get to ask one, so I don't know who has got the worst seat in the house.

Just the point I would like to make, I know a lot of tough decisions are having to be made, and we are trying to balance national security with some very serious constraints. And I do hope that, after the upcoming elections, that we will get back to trying to get to the big deal where we are able to get the priorities of this country in order.

It is clear to me that defense cannot take all of the cuts that are coming to the discretionary side of the equation, and choices have to be made. With that, I would make this one point. The A–10s, and I know you have heard a lot about it. The F–35 has not proven itself in battle yet. Once the F–35 has proven itself in battle, I may feel differently about this. And I certainly respect General Welsh and all of you at the table as well. But for the same price over the course of 5 years, you can have 212 F–35s and 246 A–10s, or you can have 238 F–35s, according to the numbers that come from what you have given us. So that is 212 F–35s and 246 A–10s or 238 F–35s over the 5-year period, and I would just respectfully submit that the 246 A–10s are more important to national security and protecting our men and women and our troops in combat and can do more than 26 F–35s can.

One of our admirals yesterday, was it Locklear, said that, you know, no matter how good the plane is or the ship is, it can't be

in two places at one time. And I would just hope that you would consider that recommendation as we go forward.

And with that, Mr. Chairman, I will yield the remainder of my time so that other Members can ask questions.

The CHAIRMAN. Thank you.

Mr. Courtney.

Mr. COURTNEY. Thank you, Mr. Chairman.

And thank you to the witnesses, and particularly to Mr. Hale, went through that audit review subcommittee at 8:00 in the morning every week for a while, and you did great work helping us with that. So congratulations on a great career.

Mr. Secretary, your budget in terms of shipbuilding is going to keep the Seapower committee busy this year, but again, obviously, a lot of hard work and thought has been put into it. And, again, we look forward to working with Secretary Mabus and others in that process. The investment in the SSBN [ballistic missile submarine] design account of $1.2 billion, I think, again, follows up all of the strategic review studies, Nuclear Posture Review, QDR, et cetera, about how important the replacement of the *Ohio* program is to our national defense. That, number one, is a very good move in terms of trying to bring down the costs, because the more design we can put on requirements and to get that—and they have made great progress going from $7 billion to $5 billion a copy.

Again, this budget I think shows it is serious, (a) about the importance of the program and (b) about trying to continue that process of cost reduction. But obviously, looking out, we are going to hit a point when we have to start building these, that the strain on the shipbuilding account is going to be a bulge, and something has got to give here in terms of whether we can continue to maintain a 300-ship Navy and obviously meet this critical requirement.

You know, Secretary Mabus was quoted the other day about the fact that we need to start having a national conversation about how we fund this program. It is a strategic, you know, issue in terms of our national defense. The triad post-SALT II [Strategic Arms Limitation Talks] is going to show that sea-based nuclear deterrents is most survivable and probably is going to be the heaviest leg of the triad. And I guess the question is how do we get that conversation out of the realm of bar talk and start really having it serious, in terms of this committee and the Pentagon, in terms of, you know, whether again we fund it like we did missile defense and sort of outside of the Navy's account or whether we have to look at, you know, restructuring again the respective branches' budgets?

Again, we have got good work from CRS [Congressional Research Service] that shows it is less than 1 percent of DOD's overall budget. But again, I think it is an issue that 2021, when we started buying these things, seemed maybe a long way away. It is not. We have got to start really focusing on this issue if we are going to protect the shipbuilding plan.

Secretary HAGEL. First, thank you, Congressman, for all of your time on this. I know how integral you have been and how important your leadership has been to this. As to your question, how do you develop a national conversation, I suspect to start with, the budget that we are presenting this week and the QDR that was

brought up this week is going to generate some considerable interest and dialogue as we go along, as it should. It will come out of this committee. It will come out of the Budget Committee. It will be out of Appropriations. Everybody will have a hand at giving their opinion, as well as all the think tanks and all the writers and everybody who has something to say about this.

Then I think the military organizations, military associations, those groups always have a perspective on this. And I suspect they will also weigh in on their perspective to your point, not just this budget but this budget being kind of the platform that can be used for that larger debate, which you are talking about, which you are right needs to be had, as to how does it integrate overall into our larger security system and our future, economics, all that go into that as well. So I think your point is right. I would welcome that.

I think we are willing partners in that, and I think surely we have manifested that in every way, and we participate in every forum we are invited to. I know that is not a good answer——

Mr. COURTNEY. Well, I think it is actually. It gives us some direction as we approach markup down the road. We really need to start incorporating some real language so that this issue gets fleshed out and, again, outside of just a sort of informal process, but we need to focus on this because it is going to be a big issue for the Navy's shipbuilding plan, and we want to balance all that. So I appreciate that answer.

I yield back.

The CHAIRMAN. Thank you.

Mr. Nugent.

Mr. NUGENT. Thank you, Mr. Chairman.

I want to thank this distinguished panel.

And first of all, I am going to submit questions to the record, but I just want to make a statement, and particularly as it relates to our National Guard and our aviators. I don't have a dog in the fight as it relates to the Apaches, but I have had the National Guard folks come and talk to me about their brigade combat team structure as it mirrors the Army, and so I get that.

But I will say from a dad of three soldiers, one who is an Army National Guard chopper pilot, they train. It is not—when I was in the Air National Guard, we trained twice a month, and then we did our summer camp. These guys train all the time. I mean, they train not only on the weekend drill, but they train to keep proficient because they have to meet the same standards as any other helicopter pilot within the Army. So I just want to make sure that that is clear in regards to my stance.

One last thing, as it relates to BRAC, I was not here when the last BRAC took place, but could you tell me, since 2005 BRAC, what are the savings that we accrued since then? Do we have a dollar amount of what we have saved?

Secretary HAGEL. We do and the comptroller can go into as much detail as you want, but just very quickly, we are realizing from the past BRACs, I believe about $12 billion annually in savings, and we have all that documented how did we get to that and so on. The last BRAC, 2005, which gets held up is the bad BRAC, costs us money and so on and so on. That BRAC is not a good one to compare, partly because——

Mr. NUGENT. So the next BRAC is going to be better?

Secretary HAGEL. No, no. Go back——

Mr. NUGENT. I see Mr. Hale's head shaking yes.

Secretary HAGEL. Well, the next BRAC will be better, but for comparison reasons, you can't compare something that hasn't happened. For comparison reasons, the 2005 BRAC was as much about reorganization as it was about savings and doing the other things that you normally get out of BRAC, or at least that is the mission of BRAC, to eliminate overhead that you don't need. Past BRACs have done that, and we have accomplished significant savings, and I think we are looking at future BRACs if we can do this, and I will let Mr. Hale respond here, that it may be $2 billion a year.

Mr. NUGENT. I don't mean to cut you short, Mr. Secretary. Mr. Hale, if you would respond for the record to me because I would like to yield the rest of my time to Mrs. Walorski if she would like.

Thank you very much again, gentlemen.

[No answer was available at the time of printing.]

Mrs. WALORSKI. Thank you, Representative Nugent.

Gentlemen, thanks for being here.

General Dempsey, what has been your role in the foreign transfers for transfers of GTMO [Guantanamo Bay Naval Base] detainees?

General DEMPSEY. I don't have a role in the process, a formal role in the process, but the Secretary of Defense takes me into consultation.

Mrs. WALORSKI. Do you concur on all those transfers? Do you have an official——

General DEMPSEY. I don't have the responsibility to concur, but I consult. In other words, I discuss with the Secretary of Defense the risk in the transfer.

Mrs. WALORSKI. Do you have any concerns about the potential risk of GTMO detainees to Yemen?

General DEMPSEY. Yemen is a rather unstable platform and so the Yemenese in GTMO are a particular challenge to us.

Mrs. WALORSKI. Do you agree with the White House assessment that there are some GTMO detainees that are too dangerous to transfer or release?

General DEMPSEY. In general, I agree that, of the 155 population, there are some who are too dangerous to transfer or release.

Mrs. WALORSKI. And, Secretary Hagel, is the administration's policy still that the issue of concurrence from all national security principals is the needed before a foreign transfer?

Secretary HAGEL. Yes, and we do that.

Mrs. WALORSKI. And do you have any reason to believe there will be changes to this practice of concurrence?

Secretary HAGEL. No.

Mrs. WALORSKI. What happens if analysis by the Intelligence Community of a particular host country's capacity, willingness, and past practices impacts your determinations? So what if another agency comes up and says we have a problem, for example, moving to the Sudan or releasing these people; what happens then?

Secretary HAGEL. Well, we have to resolve it. I mean, you have given me a hypothetical, so we have to resolve it. So far, since I

have been Secretary of Defense, every decision that I have made a determination on here has been concurred to.

Mrs. WALORSKI. And do you have any reason to believe that that concurrence process will change?

Secretary HAGEL. No.

Mrs. WALORSKI. Thank you. I yield back my time.

The CHAIRMAN. Thank you.

Mr. Larsen.

Mr. LARSEN. Thank you, Mr. Chairman.

Mr. Secretary, the OCO [Overseas Contingency Operation] budget that you propose is of $79 billion, and yet we don't have an agreement with the Afghan Government about what to do, presumably until after the Presidential election in April. So can you give us an idea what the $79 billion is for?

Secretary HAGEL. Yes, I can. It is not all Afghanistan, as you know. To answer that, I will ask the comptroller to——

Mr. LARSEN. Just give me the $79 billion part.

Secretary HALE. The $79 billion is a placeholder. We don't have an OCO budget and won't until conditions permit the President to make a decision about enduring presence, so there is no content behind it. It is simply a placeholder.

Mr. LARSEN. A $79 billion placeholder?

Secretary HALE. Right.

Mr. LARSEN. Which is kind of in line, well, last year was 80-ish; the year before was 80-ish.

Secretary HALE. It is based on the request from last year and no more, no less. It is a placeholder. Once we get that decision, we will do a formal budget amendment, and then you will have detail behind it.

Mr. LARSEN. With regards to the BAH, Basic Housing Allowance, you noted in your either testimony or in the backup material that the average for someone across the force will be about 5 percent out of pocket after the changes. That is a mean average, so who is it—how is that going to fall? How is that going to distribute? Who is going to be paying zero percent, and who is going to be paying 10 percent?

Secretary HAGEL. Congressman, everybody will be paying something.

Mr. LARSEN. I understand that. Okay.

Secretary HAGEL. So 5 percent is as low as we believe it would go or as much as we would ask anyone to pay out of pocket.

Mr. LARSEN. So the backup documents we have say an average of 5 percent.

Secretary HALE. Let me add to that. The way we are designing it is so that the out-of-pocket cost is equal by pay grade, because we felt that would be more understandable.

Mr. LARSEN. Proportional.

Secretary HALE. And so it is going to vary by the high- or low-cost areas, and we can supply for the record the range. None will be zero, as the Secretary said. Some will be less than 5; some more.

Mr. LARSEN. All right. And finally, on TRICARE for Life, you are submitting a previous proposal on TRICARE for Life, what was the previous proposal?

Secretary HALE. That there would be an enrollment fee of up to 1 percent of retired pay, with a maximum $300 per individual, except for flag and general officer retirees. Then it would be $400.

Mr. LARSEN. And that is for new retirees, not for existing.

Secretary HALE. Correct. Only those who enter on or after enactment.

Mr. LARSEN. Great. I just want to know what my phone calls are going to be about. I appreciate it very much.

Secretary HALE. Glad to help.

Mr. LARSEN. Thank you. Yield back.

The CHAIRMAN. I would just like to clarify the question about OCO. That doesn't just count Afghanistan, does it? And it does have other, AFRICOM, there are some other expenses in there. And then we don't yet know what the final disposition of Afghanistan is going to be, so that number could go higher or it could go lower once you get to the point of actually looking at it, right?

Secretary HALE. Right. I suspect it will be lower, but we don't know yet.

The CHAIRMAN. Thank you.

Mr. Bridenstine.

Mr. BRIDENSTINE. Thank you, Mr. Chairman.

Secretary Hagel, the President's initiative, the Opportunity, Security and Growth Initiative in the budget request offers $26 billion for additional defense spending, which I think is appropriate. I think a lot of people on this committee would agree that the defense budget is inadequate, in large part because of Congress, and we want to get it fixed.

The challenge is it has been tied to an additional $30 billion in domestic social spending. I was wondering in your opinion, do you think the President would be open to the idea of supporting the Department of Defense with that $26 billion apart from the additional $30 billion in domestic social spending.

Secretary HAGEL. That is a decision that the President would have to make, and I can't negotiate that for him, but I believe that that was presented as part of the total. Our $26 billion is part of the total package, and that is the way it came in. But that would not be my role or responsibility. We are part of the total of the I think 58, 56, 58, yeah.

Mr. BRIDENSTINE. So, as the Secretary of Defense, your personal opinion, do you think that it is right to hold that $26 billion hostage for an additional $30 billion in social spending?

Secretary HAGEL. Well, my personal opinion is an opinion of the Secretary of Defense, and so——

Mr. BRIDENSTINE. Would you share that with us, as the Secretary of Defense, would that be your opinion that it is inappropriate to hold the $26 billion hostage to an additional 30?

Secretary HAGEL. No. That was part of the President's total budget, just as we are part of the administration. And it was presented that way. Again, that is not my area. I think the OMB [Office of Management and Budget] Director was up here today. That would be a question I think for her. No, we are part of the administration's budget proposal as a whole.

Mr. BRIDENSTINE. Right. But the whole package, the whole initiative, is what is troubling. I would like——

Secretary HAGEL. I support the whole package, if that is what you are getting at. But that is not my responsibility. My responsibility is this $26 billion and doing everything I can to convince the Congress that my part of it is worthy of the consideration.

Mr. BRIDENSTINE. I think the challenge a lot of us have on this committee is the fact that we want to be there. We want to help, but it is difficult when the President puts us in a position where, okay, we will do that if, if you agree to an additional $30 billion in social spending, and that makes a lot of us look at the President's budget request and not take the military, the Department of Defense provision seriously, because it is almost like he put a poison pill intentionally so that the $26 billion would never get voted on. That is the challenge a lot of us on this side of the aisle see in this President's budget request.

I have got about a minute and 50 remaining. The next question is, when you think about the nation of Israel and the United States and our support for the nation of Israel, if Israel were to be attacked today from Iran or another neighboring country, is the United States currently prepared and ready to respond to that attack?

Secretary HAGEL. Go ahead.

General DEMPSEY. Yes, we have some defense agreements with Israel and contingency plans to support them.

Mr. BRIDENSTINE. Roger that. I yield back.

The CHAIRMAN. Mr. Gallego.

Mr. GALLEGO. Thank you, Mr. Chairman.

General Dempsey, you talked about, there is no choice but to raid the readiness accounts and that we have dug a 2- to 3-year readiness hole. Part of the challenge is that when I go home, people don't see sequester as a big deal. Perhaps they don't understand. Perhaps they don't, so how would you—you know, the district that I represent from El Paso with Fort Bliss presence, Joint Base San Antonio on the other end, and Laughlin in the middle, it is clearly a huge issue. So how would you, if people say, for example, you can find more money through efficiencies, can you find more money through efficiencies? I mean, is that enough? Are there enough efficiencies out there to save you?

General DEMPSEY. No, that is the right question, Congressman. Of course we can find more money in efficiencies, but we are talking about if you add up all of the different reductions that we are faced with, it comes out to a little over a trillion dollars. You can't find a trillion dollars worth of efficiency. I think the Secretary has driven us to wring out as much as we can, and we are still looking.

The reason your constituents don't feel it though, is if you have got a unit at Fort Bliss or any other post, camp, or station in any of the other Armed Forces, what the community sees is whether those men and women are still getting paid. Are they still coming downtown to use restaurants and make purchases. They don't really see that they may be on the base not training.

And so let me use the basketball analogy. It is that time of year. It is March Madness, and I don't mean the budget, although I might make that analogy. You know, if you have a basketball team, you can train it at individual skills. Then you put it together to scrimmage itself, and then, at some point, you scrimmage another

team. And then, at some point, you actually put it in a game. Because of this readiness hole, there is a large portion of the Armed Forces that are doing individual drills and maybe playing games against themselves. But they are not training against a world-class adversary like you would at the National Training Center or someplace.

Mr. GALLEGO. And so that ability not to train, does that in a very real way endanger our men and women in uniform as they go about trying to accomplish their missions?

General DEMPSEY. I can give you a one-word answer to that: Yes.

Mr. GALLEGO. Can you give me examples of how you would, as a believer in plain English as opposed to—the only part of politics I don't like is the political part because we all get caught up in the politics of it all. In very plain English, what has the sequester done, in two sentences or less, what has the sequester done to the military might of the United States?

General DEMPSEY. In two sentences or less, it has forced us to make some bad investment decisions because we haven't had certainty, time, or flexibility to do otherwise, and it has put us in a position where we have had to raid—let me use another word—rob our readiness accounts in order to get the money we need to reduce, you know, to find where we can reduce it, because we don't have access to the other places in the near term.

Mr. GALLEGO. And the impact of robbing those readiness is what?

General DEMPSEY. Is that we are far less ready than we should be for the world that we confront.

Mr. GALLEGO. Thank you, Mr. Chairman.

I yield back.

The CHAIRMAN. Thank you.

We have just under 6 minutes left in the vote. We have one final Member's questions to work in, but we have 314 that haven't voted.

So, Mr. Byrne.

Mr. BYRNE. Secretary Hagel, I want to ask you some questions about the Littoral Combat Ship [LCS]. In your memo of 24 February to the Secretary of Navy and in your prepared remarks today, which are virtually identical, you say that you want to see some alternative proposals made regarding the procurement of a capable and lethal small surface combatant generally consistent with the capabilities of a frigate. And then you give the Secretary of the Navy three options, one of which is to continue with the existing LCS, or modified LCS, and the other is to go forward with another existing vessel, or to design a new vessel.

So let me ask a couple of questions. With regard to the LCS, clearly, by virtue of your wording there, if the Secretary of the Navy can show you that he can meet your requirements on capability and lethality, you would accept either an existing Littoral Combat Ship or modified version Littoral Combat Ship, would you not?

Secretary HAGEL. I don't think that was an option I gave in my directive as to go ahead with the LCS as it is. I think if you reread that, Congressman, I don't think that was what I said.

Mr. BYRNE. Well, I will read it back to you. It says, options considered should include a completely new design——

Secretary HAGEL. A completely new design is not the same LCS.

Mr. BYRNE. Existing ships design, and you say including the LCS. Then you say and a modified LCS, so by virtue of the fact that you include in your parenthetical including the LCS and an existing ship design, that would mean the existing LCS design?

Secretary HAGEL. I have given the Secretary of the Navy and the Chief of Naval Operations not options; I have given them directives as to what I want to see for them to come back to me, survivability, combat power, more capability. Can they do that with an existing design that would give more survivability, more capability, more combat power? That is not, in my opinion, why we need automatically 52 of the LCS's. The original point was the LCS is fulfilling, will fulfill the mission that we have asked it to fulfill. That is not in dispute. The bigger question—and I suspect you have read the entire memo—if you build out the LCS system to 52, in a 300-ship Navy, that represents about a sixth of our Navy. Every test we have seen—never designed to do otherwise, which I agree with—but it doesn't have the survivability, capability, firepower, as ships we may well need to confront much more sophisticated adversaries, especially in the Asia-Pacific, in the next few years.

Mr. BYRNE. If it met those requirements, though, you would accept a modified LCS?

Secretary HAGEL. I have said that, yes, yes, if it meets those requirements.

Mr. BYRNE. Now, let me go to the other, and these were, the way I read it, it looks like these were options that you gave for him to look at and give you reports on. One was the development of a new design. In our current fiscal environment, which is very limited, as we have heard all day, is it practical, is it good common sense that we would actually go and design a new ship with the long time period that it would take to develop that ship and the attendant expense now that we have reached a fairly low expense on a per ship basis with the LCS down to $350 million a vessel?

Secretary HAGEL. Well, let's start with the LCS production lines as they are. As you know there are two different hulls; one made in Alabama and one made in Wisconsin. So there are variations to those hulls, and then you put on top of that the profiles and what we need to adjust there. What the Chief of Naval Operations [CNO] has advised me and combat surface commanders have advised me, and I have gone to talk to every one of them, including your guest yesterday afternoon, Admiral Locklear, about this, is you don't need to go back and spend billions of dollars of redesigning a ship. There is a lot of design already that you could build on the existing systems or match and mix and so on. CNO says it is doable. All of his commanders tell me it is doable to come back to them—back to me within the timeframe I have asked. And they have agreed with that. I think the CNO will tell you that, and I think Secretary Mabus will tell you that.

Mr. BYRNE. Well, I have talked to Secretary Mabus, and he has made it very clear that he considers the LCS to be a significant part of the future of the Navy. And one of the things that you have charged him with doing is looking at a potential new ship design that is based upon a frigate. The last frigate we commissioned was

over 25 years ago. We don't have a frigate in operation or a shipyard that——

Secretary HAGEL. I didn't say based on a frigate. I referenced frigate in there, like a frigate. So it doesn't need to be a frigate.

Mr. BYRNE. We would have to design a new frigate or something like a frigate to meet that requirement if we didn't go with existing design.

Secretary HAGEL. That is your opinion, which I respect. What I am saying is the reference I am making is the CNO told me, sitting in my office, that they could do this; they could comply with my request. Secretary Mabus knows about this. He said, and he said it in a speech last week downtown, that it was a fair request, and he looked forward to complying to it and with it.

The CHAIRMAN. The gentleman's time——

Secretary HAGEL. I know LCS is important to the Secretary. I spent a lot of time with the Secretary. I don't discount his advice, but there is enough testing out there, Congressman, that tells me and others who have evaluated this ship that there is a big, big question whether we want a sixth of our Navy to be LCS's.

Mr. BYRNE. Thank you, Mr. Chairman.

The CHAIRMAN. But if we had a 500-ship Navy——

Mr. BYRNE. We will buy more.

The CHAIRMAN. The gentleman's time is expired.

Thank you very much for your patience, for your explanations. This hearing is adjourned.

[Whereupon, at 2:00 p.m., the committee was adjourned.]

A P P E N D I X

March 6, 2014

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

MARCH 6, 2014

Opening Statement of Chairman Howard P. "Buck" McKeon

HEARING ON

Fiscal Year 2015 National Defense Authorization Budget Request from the Department of Defense

March 6, 2014

Good morning ladies and gentlemen. I would like to welcome Secretary Hagel, General Dempsey, and Mr. Hale, who will be testifying before the committee on the President's Fiscal Year 2015 budget request for the Department of Defense.

I will keep my remarks brief and hope that we can get through testimony and several members' questions before the vote series this morning. Thank your willingness to do the same and for adjusting your schedules to accommodate an earlier start time.

The White House Fact Sheet on the Key Budget Issues makes it clear – defense is not a priority in this budget. And while no one would argue that hard choices will have to be made in light of the budget caps, the President seems to want it both ways with this budget request and defense strategy. Instead of making the really hard choices, it delivers false promises. Instead of delivering a sustainable strategy, it simply adds risk to the existing one. This is not sustainable. And this mixed message is not the one we want to send to our all-volunteer force, to our allies and partners, and to our adversaries who would seek to test our resolve.

I recognize the tough position you're in. Congress must be a partner in mitigating the damage and risks of the current budget trajectory. I hope today's testimony will bring clarity to these issues and enable Congress to do just that.

On a final note, this is Mr. Hale's last appearance before the committee as Comptroller. Bob is a man of integrity and depth of knowledge, who we could always rely on to be a straight-shooter. He has the admiration of this committee and he will be missed.

Statement of Ranking Member Adam Smith
HEARING ON
Fiscal Year 2015 National Defense Authorization Budget Request from the Department of Defense
March 6, 2014

Thank you, Mr. Chairman. And thank you, Secretary Hagel and General Dempsey. We very much appreciate your testimony today and your service on behalf of our nation.

Just two short months ago, Congress voted to pass the Ryan-Murray Bipartisan Budget Act to set the budget authorization levels for Fiscal Year 2014 and for the coming year. This has not stopped any number of members, on both sides of the aisle, from condemning the recently released President's budget request that meets the caps required by that law. The President apparently felt that he should comply with the law he just signed. Members have pointed out that reducing the budget will likely result in increased risk in executing the nation's defense strategy, and they are probably right in making that judgment.

The solution to this dilemma is reasonably simple: we, Congress and the President, must sit down together and come up with a way to reform entitlements and provide for tax increases to bring our budget more into balance and provide for the resources we need to run the government and fund defense. In the absence of such a deal, however, we are left trying to bring the budget more into balance by only cutting the discretionary budget. Defense makes up about half of the discretionary budget. If members don't like the cuts in the defense budget, and they are not willing to engage in coming up with a larger budget deal, it is incumbent on those members to show where the money would come from to increase the defense budget.

The President, to his credit, has proposed an additional fund this year, totaling about $26 Billion, to address some of the readiness shortfalls caused by sequestration that were imposed on the Department of Defense last year. The President has also proposed offsets that would fully fund that $26 Billion fund. Many of my colleagues won't like those offsets, but this makes my point: if we are going to provide the resources we need to fund the defense budget we seem to want, we're all going to have to compromise somewhere and do something each of

us doesn't much like, whether increasing taxes or cutting the growth of entitlements.

If, however, we are not going to make that grand bargain, and if we are not going to accept the offsets for the $26 Billion fund, we need to face the reality that we are still going to have to make hard choices if we want to avoid a hollow force. The Department's budget before us today asks us to make some of those hard choices. They are asking for base closure authority, reductions in force structure, retirement of some weapon systems, compensation reform, and acquisition reform. All of those will be unpopular with some, or many, members. None of this will be easy, but until we figure out another way, we have the top line we have, and members of this committee are going to have to choose between politically unpopular actions or underfunding the readiness of the United States military.

Yesterday, General Mattis, the former commander of Central Command and someone all of us greatly respect, noted that eventually the force we fund here will have to fight. His comment, which I urge all members to take to heart, is that the military we build with the funding choices we make here will be "audited by war." If we duck hard choices in this committee, we will force cuts in readiness, and that means that no matter the size of the force, it will not be properly trained and prepared to fight. We owe our nation, and those we would send into harm's way, better.

AS PREPARED – EMBARGOED UNTIL DELIVERY

SECRETARY OF DEFENSE CHUCK HAGEL SUBMITTED STATEMENT TO THE HOUSE ARMED SERVICES COMMITTEE ON THE FY 2015 BUDGET REQUEST FOR THE DEPARTMENT OF DEFENSE THURSDAY, MARCH 6, 2014

Chairman McKeon, Ranking Member Smith, members of the committee: thank you for the opportunity to be here today.

The President's Fiscal Year 2015 budget submission for the Department of Defense fully reflects the historic transition taking place as America winds down the longest war in its history. This is a defining budget that will begin adapting and reshaping our defense enterprise for years to come.

With this budget, we are repositioning the military for the new strategic challenges and opportunities that will define our future: new technologies, new centers of power, and a world that is growing more volatile, more unpredictable, and in some instances more threatening to the United States. We are also helping navigate through a period of great uncertainty regarding the future level of resources DoD will have to defend the nation.

I have no illusions about the fiscal realities facing DoD. It was almost exactly one year ago that $37 billion in sequestration cuts were imposed for Fiscal Year 2013 – cuts that came on top of the $487 billion, ten-year defense spending reductions required by the Budget Control Act of 2011.

We had to implement this $37 billion cut in a matter of months while trying to avoid catastrophic damage to national security. It wasn't easy, and our people and our mission suffered for it.

Today, DoD is in a better place as a result of the Bipartisan Budget Act passed in December 2013. It provided DoD with some relief in this Fiscal Year and for Fiscal Year 2015. And it gave us much-needed budget certainty for the next fiscal year.

The Bipartisan Budget Act was possible because members of Congress both Republican and Democrat worked together with this Administration for the greater interests of our country.

But we're not yet where we need to be. So our partnership must continue.

Under the spending limits of the Bipartisan Budget Act, DoD's budget is roughly $496 billion in Fiscal Year 2014 – or $31 billion below what the President requested last year. The law also meant cutting DoD spending in Fiscal Year 2015 to $496 billion, which is $45 billion less than was projected in the President's budget request last year. And sequestration-level cuts remain the law for Fiscal Year 2016 and beyond.

The President's budget request adheres to Bipartisan Budget Act spending limits for Fiscal Year 2015. But it is clear that under these limits the military will still face significant readiness and modernization challenges next year. To close these gaps, the President's budget also includes an Opportunity, Growth and Security Initiative. This initiative is a government-wide proposal that is part of the President's budget submission. It would provide an additional $26 billion for the Defense Department in Fiscal Year 2015.

These additional funds are paid for with a balanced package of spending cuts and tax reforms, and would allow us to increase training, upgrade aircraft and weapons systems, and make needed repairs to our facilities. The money is specifically for bringing unit readiness, equipment, and facilities closer to standard after the disruptions and large shortfalls of the last few years. I strongly support the President's proposal.

Defense budgets have long included both a one-year budget request, and a five-year plan that indicates expectations for the future. Over five years, the President's plan projects $115 billion more in spending than at sequestration levels.

Some have asked why the President continues to request budgets above sequestration levels. The reason is clear. President Obama and I are not going to ask for a level of funding that would compromise America's national security interests. We never would. Continued sequestration cuts would compromise our national security both for the short- and long-term.

That said, if sequestration returns in Fiscal Year 2016 and beyond, or if we receive funding levels below the President's request, we are prepared to specify the cuts we would have to make, and the risks we would then have to assume. These cuts are detailed in this testimony.

However, the President, the Chairman, and I do not expect Congress to push us further down a path that has clear risks to our national security. Instead, we expect that all of us can continue working together, as partners, to find a balance… and to assure America's national security. If Congress is going to require us to operate under increasingly constrained budgets, Congress must partner with us so that we can make the right decisions.

The President's budget matches resources to the updated defense strategy in this year's Quadrennial Defense Review (QDR), which is being released this week and which builds on the President's January 2012 Defense Strategic Guidance. The QDR is not budget-driven; rather, it is resource-informed, defining the risks assumed under the President's budget as well as the risks that would be assumed under the return of sequestration. A QDR that completely ignores fiscal realities would be irrelevant.

The QDR outlines our top strategic priorities, which weighed heavily on the choices presented in this budget:

- Defending the homeland against all threats;
- Building security globally by projecting U.S. influence and deterring aggression; and,
- Remaining prepared to win decisively against any adversary should deterrence fail.

By prioritizing DoD's strategic interests, we will rebalance our military over the next decade and put it on a sustainable path to protect and advance U.S. interests and America's global leadership.

To fulfill this strategy DoD will continue to shift its operational focus and forces to the Asia-Pacific, sustain commitments to key allies and partners in the Middle East and Europe, maintain engagement in other regions, and continue to aggressively pursue global terrorist networks.

As a whole, this budget allows DoD to implement the President's defense strategy, albeit with some increased risks, which I specify later in my testimony.

The reality of reduced resources and a changing strategic environment requires us to prioritize and make difficult choices. Given the uncertainty about funding levels, our current five-year plan reduces selected end strengths and forces to levels consistent with sequestration-level cuts. Those additional reductions could be reversed if funding rises above sequestration levels. I explain this in greater detail later in my testimony. The way we formulated our budget gives us the flexibility to make difficult decisions based on different fiscal outcomes.

Budget Top-Lines: Balancing Readiness, Capability, and Capacity

Consistent with the strict spending limits of the Bipartisan Budget Act, President Obama is requesting $495.6 billion for DoD's Fiscal Year 2015 base budget. Since last year's plans

expected $541 billion for Fiscal Year 2015, this represents a $45 billion cut. It will allow the military to protect U.S. interests and fulfill the updated defense strategy – but with somewhat increased levels of risk. DoD can manage these risks under the President's Fiscal Year 2015 budget plan, but risks would grow significantly if sequestration-level cuts return in Fiscal Year 2016, if proposed reforms are not accepted, and if uncertainty over budget levels continues.

In formulating this budget, our priority was balancing readiness, capability, and capacity – making sure that whatever size force we have, we can afford to keep our people properly trained, equipped, compensated, and prepared to accomplish their mission. That's the only reasonable course under constrained budgets. There's no point in having a larger military if you can't afford to keep it ready and capable.

Accordingly, a little more than two-thirds of DoD's Fiscal Year 2015 budget – $341.3 billion – funds our day-to-day costs, what a business might call their operating budget. These funds pay for things like fuel, spare parts, logistics support, maintenance, service contracts, and administration. It also includes pay and benefits for military and civilian personnel, which by themselves comprise nearly half of the total budget.

The remaining third of our budget – $154.3 billion – pays for investments in future defense needs, or what a business might call their capital improvement budget. These funds are allocated for researching, developing, testing, evaluating, and ultimately purchasing the weapons, equipment, and facilities that our men and women in uniform need to accomplish their mission.

Broken down in a more specific way, our budget includes the following categories:

- Military pay and benefits (including health care and retirement benefits) – $167.2 billion, or about 34% of the total base budget.
- Civilian pay and benefits – $77 billion, or about 16% of the total base budget.
- Other operating costs – $97.1 billion, or about 19% of the total base budget.
- Acquisitions and other investments (Procurement; research, development, testing, and evaluation; and new facilities construction) – $154.3 billion, or about 31% of the total base budget.

Those figures do not include funding for Overseas Contingency Operations (OCO) in Fiscal Year 2015. Since the Administration is still determining its post-2014 presence in Afghanistan and the President of Afghanistan has yet to sign the Bilateral Security Agreement, the President's budget currently includes a placeholder for DoD's OCO request, equal to last year's request. I appreciate the Congress's understanding that OCO funding is particularly important to our service members deployed around the world, and request that it be approved expeditiously once the President submits his complete OCO funding request for Fiscal Year 2015.

Being More Efficient

But first, asking taxpayers for half a trillion dollars means that DoD must make every dollar count – particularly under budget constraints. So we're continuing to find new ways to use our resources more wisely and strategically, be more efficient, reduce overhead, and root out waste, fraud, and abuse.

This year, a new package of reforms in these areas – the second-largest submitted by this Administration – produced $18.2 billion in savings for Fiscal Year 2015, and some $93 billion in savings through Fiscal Year 2019. This enabled us to make smaller cuts in other areas. Building

on a 20% cut in management headquarters operating budgets – which we began implementing in December for the Office of the Secretary of Defense and the Joint Staff, and which the services and agencies are implementing during the five-year defense plan – this package includes savings from reducing contractor costs and civilian personnel; terminating or delaying some troubled weapons and procurement programs in favor of higher priorities; and cutting back on costs at certain defense agencies. It also includes health care savings that we found by cutting back lower-priority research projects and construction and by taking advantage of slower growth of health care costs in the private sector.

We are also continuing to monitor previous years' initiatives to use our resources more efficiently, as well as making progress toward auditability on our financial statements. DoD remains committed to becoming fully audit-ready by 2017, and to achieving audit-ready budget statements by this September. This is an ambitious goal for an organization of our size and complexity, and there is still much more work to do. But we are making real progress. Several DoD organizations have achieved important, positive audit results. Last year, for example, the Marine Corps became the first military service to receive an unqualified audit opinion – in this case for the current year of its budget statement.

In addition to these efforts, we must take a serious look at responsible procurement and acquisition reforms that will further increase the buying power of defense dollars. This is particularly important if we're going to protect investments in modernized capabilities. DoD officials are already working closely with Congressional efforts to go over defense acquisition and procurement laws line-by-line, and we hope to start implementing legislative reforms as soon as this year.

No reasonable discussion of allocating our resources more efficiently can avoid the need to reduce excess facilities. With this submission, we are asking you to authorize a round of Base Realignment and Closure (BRAC) to begin in Fiscal Year 2017.

I understand Congress' concerns about BRAC, including your desire to reduce overseas infrastructure first and your frustrations with BRAC 2005. That's why this round will be focused on finding savings rather than reorganization and will feature a rapid payback of up-front costs, and why DoD will continue to reduce overseas infrastructure.

But we must also divest ourselves of excess domestic facilities, and BRAC is the most responsible path. I am mindful that Congress has not agreed to our BRAC requests of the last two years, but if Congress continues to block these requests while reducing the overall budget, we will have to consider every tool at our disposal to reduce infrastructure. We can't keep financing overhead that we don't need, because we're taking that money away from areas that we do need. The more we delay now, the more we'll have to spend later on unneeded installations instead of on training, equipping, and compensating our people – robbing our troops of the resources they need to be able to fight and win decisively when we send them into harm's way.

Congress and DoD must work together as partners to make these decisions wisely – because no matter what, we must reduce force structure and end strength in order to sustain a ready and capable force under constrained budgets.

Sustaining a Ready and Capable Force – Now and in the Future

This is the lesson of every defense drawdown over the past 70 years. Whether after World War II, Korea, Vietnam, or the Cold War, the U.S. military retained more force structure

than it could afford to properly train, maintain, and equip – giving too much weight to capacity over readiness and capability. Because readiness and modernization were sacrificed, it took much more money for the military to recover and be sufficiently trained and equipped to perform assigned missions. And conflict ultimately did resurface.

We can't afford to repeat those mistakes, which is why we decided to trade some capacity for readiness and modernized capabilities, in order to ensure that our military will be well-trained and supplied in arms and equipment. All of our force structure decisions were made strategically – protecting investments in the forces that would be uniquely suited to the most likely missions of the future, and minimizing risk in meeting the President's defense strategy.

Our decisions for investing in a modernized and capable future force were made in a similar way. With the proliferation of more advanced military technologies and other nations pursuing comprehensive military modernization, we are entering an era where American dominance on the seas, in the skies, and in space – not to mention cyberspace – can no longer be taken for granted. Because it is essential for deterring aggression, and because the risk of failure against those potential adversaries would be far greater than against any others, the President's budget puts a premium on rapidly deployable, self-sustaining platforms that can defeat more technologically advanced adversaries.

Sustaining these critical investments under restrained budgets required setting strategic priorities and making difficult tradeoffs. That's why each service's budget allocations were made based on strategy and with the goal of maintaining balance in the readiness, capability, and capacity of the force.

Army: (24% of the President's Fiscal Year 2015 budget)

The Army's $120.3 billion will support 32 active-duty brigade combat teams in Fiscal Year 2015. Since we are no longer sizing the force for large and prolonged stability operations, the Army will accelerate the pace and increase the scale of its post-war drawdown – reducing by 13%, from about 520,000 soldiers to a range of 440,000-450,000 active-duty soldiers instead of 490,000. To maintain a balanced force, the Army National Guard and Reserves will also draw down, but by a smaller percentage and by a smaller amount than the active Army – reducing by an average of 5%, from about 355,000 Guardsmen and 205,000 Reservists to 335,000 Guardsmen and 195,000 Reservists.

Analysis conducted by the QDR indicated that under the President's budget, the U.S. military's resulting post-war ground force will be sufficient to meet the updated defense strategy: capable of decisively defeating aggression in one major combat theater – as it must be – while also defending the homeland and supporting air and naval forces engaged in another theater.

In terms of capabilities, we chose to terminate and reevaluate alternative options for the Army's Ground Combat Vehicle program, which had become too heavy and needed an infusion of new technology. The Army will also streamline its helicopter force from 7 to 4 airframes. Aging Kiowa helicopters and older training helicopters will be retired and replaced with more advanced Apache helicopters that will move from the National Guard to the active force. In return, the Guard will receive much more versatile Blackhawk helicopters, which are not only critical for warfighting, but also more apt for the missions the Guard conducts most frequently, such as disaster relief and emergency response.

The past decade of war has clearly shown that Apaches are in high demand. We need to put the Apaches where they will be ready to deploy fast and frequently when they're needed.

This decision will also help the Guard's helicopter force more closely adhere to state and federal requirements for homeland defense, disaster relief, and support to civil authorities while still serving as an important operational and strategic complement to our active-duty military. The Guard's helicopter fleet would only decline by 8% compared to the active Army's decline by 25%, and the overall fleet will be significantly modernized under the President's budget plan.

In making these difficult decisions on the Guard and Reserves, we affirmed the value of a highly capable reserve component, while keeping the focus on how our military can best meet future demands given fiscal constraints. We made choices based on strategic priorities, clear facts, unbiased analysis, and fiscal realities… and with the bottom line focus on how best we can defend the United States.

Navy and Marine Corps: (30% of the President's Fiscal Year 2015 budget)

The Navy and Marine Corps are allocated $147.7 billion for Fiscal Year 2015. The Navy's $124.9 billion will support a fleet approaching 300 ships and some 323,600 active-duty sailors, as well as help preserve the fleet's modernization programs. The President's budget plan protects our investments in attack submarines, guided missile destroyers, and afloat staging bases – all of which we will need to confront emerging threats. Specifically:

- Virginia-class Attack Submarines: We are requesting $5.9 billion for FY 2015, and $28 billion over the FYDP, to support buying two submarines a year through FY 2019.
- DDG-51 Guided Missile Destroyers: We are requesting $2.8 billion for FY 2015, and $16 billion over the FYDP, to support buying two DDG-51 destroyers a year through FY 2019. This will grow our destroyer inventory from 62 at the end of FY 2014 to 71 (68 DDG-51s, 3 DDG-1000s) at the end of FY 2019.
- Afloat Forward Staging Bases: We are requesting $613 million over the FYDP to support buying one afloat forward staging base between now and FY 2019.
- Aircraft Carriers: The President's budget plan enables us to support 11 carrier strike groups, including the U.S.S. *George Washington* and its carrier air wing. If we receive the President's funding levels through FY 2019, we will keep the *George Washington* in the fleet and pay for its nuclear refueling and overhaul. We are requesting $2 billion in FY 2015 and $12 billion over the FDYP to support completion of the *Gerald Ford*, construction of the *John F. Kennedy*, and initial procurement of the next carrier.
- F-35 Joint Strike Fighter: The Department of the Navy is acquiring two F-35 variants – the Navy carrier-based variant, the F-35C, and the Marine Corps short-take-off-and-vertical-landing variant, the F-35B. The Navy is requesting $3.3 billion for eight aircraft in FY 2015 (two F-35Cs and six F-35Bs), and $22.9 billion for 105 aircraft over the FYDP.

Again, trade-offs were required to prioritize those investments under current budget constraints. In order to help keep its ship inventory ready and modern at reduced budget levels, half of the Navy's cruiser fleet – or eleven ships – will be placed in a long-term phased modernization program that will eventually provide them with greater capability and a longer lifespan. This approach to modernization enables us to sustain our fleet of cruisers over the long term, which is important because they're the most capable ships for controlling the air defense of a carrier strike group.

Despite preserving the fleet's modernization programs and providing for increases in ship inventory over the next five years, I am concerned that the Navy is relying too heavily on the Littoral Combat Ship (LCS) to achieve its long-term goals for ship numbers.

The LCS was designed to perform certain missions – such as mine sweeping and anti-submarine warfare – in a relatively permissive environment. But we need to closely examine whether the LCS has the independent protection and firepower to operate and survive against a more advanced military adversary and emerging new technologies, especially in the Asia Pacific. If we were to build out the LCS program to 52 ships, as previously planned, it would represent one-sixth of our future 300-ship Navy. Given continued fiscal constraints, we must direct future shipbuilding resources toward platforms that can operate in every region and along the full spectrum of conflict.

Therefore, no new contract negotiations beyond 32 ships will go forward. With this decision, the LCS line will continue beyond our five-year budget plan with no interruptions. Additionally, at my direction, the Navy will submit alternative proposals to procure a capable and lethal small surface combatant, generally consistent with the capabilities of a frigate. I've directed the Navy to consider a completely new design, existing ship designs, and a modified LCS. These proposals are due to me later this year in time to inform next year's budget submission.

While these decisions still keep the Navy on track for a 300-ship inventory by 2019, finding the money required to modernize older ships and buy new ones will depend on the Navy's success in its aggressive and ambitious plans to reduce acquisitions costs and use available resources more efficiently, particularly in the acquisition of contracted services. My office will be keeping a close eye on these efforts.

The Marine Corps' $22.7 billion will support 182,700 Marines, including about 900 more Marines devoted to increased security at embassies around the world. It will also support a geographically-distributed force posture in the Asia-Pacific, which will be critical as we continue rebalancing to the region.

Air Force: (28% of the President's Fiscal Year 2015 budget)

The Air Force is allocated $137.8 billion in Fiscal Year 2015. We chose to protect funding for advanced systems most relevant to confronting threats from near-peer adversaries – including the F-35 Joint Strike Fighter, the new Long Range Strike Bomber, and the KC-46 refueling tanker. These platforms will be critical to maintaining aerial dominance against any potential adversaries for decades to come. Specifically:

- F-35 Joint Strike Fighter: We are requesting $4.6 billion for 26 aircraft in FY 2015, and $31.7 billion for 238 aircraft over the FYDP.
- Long Range Strike Bomber: We are requesting $900 million for development funds in FY 2015, and $11.4 billion over the FYDP.
- KC-46 Tanker: We are requesting $2.4 billion for seven aircraft in FY 2015, and $16.5 billion for 69 aircraft over the FYDP.

Because we believe research and development is essential to keeping our military's technological edge, the President's budget also invests $1 billion through Fiscal Year 2019 in a promising next-generation jet engine technology, which we expect to produce improved performance and sizeable cost-savings through less fuel consumption. This new funding will also help ensure a robust industrial base – itself a national strategic asset.

Protecting these investments required trade-offs. In the next five years, in order to free up funding to train and maintain no less than 48 squadrons, the Air Force plans to reduce the number of active-duty personnel from 328,000 airmen at the end of Fiscal Year 2014 to 309,000 airmen by the end of Fiscal Year 2019. The Air Force will also retire the 50-year-old U-2 in favor of the unmanned Global Hawk system, slow the growth in its arsenal of armed unmanned systems, and phase out the aging A-10 fleet.

The A-10 "Warthog" is a venerable platform, and this was a tough decision. But it is a 40-year-old single-purpose airplane originally designed to kill enemy tanks on a Cold War battlefield. It cannot survive or operate effectively where there are more advanced aircraft or air defenses. And as we saw in Iraq and Afghanistan, the advent of precision munitions means that many more types of aircraft can now provide effective close air support, from multirole fighters to B-1 bombers to remotely piloted aircraft, which can all execute more than one mission. Moreover, the A-10's age is making it much more difficult and costly to maintain. Analysis showed that significant savings were only possible through eliminating the entire support apparatus associated with the aircraft. Keeping a smaller number of A-10s would only delay the inevitable while forcing worse trade-offs elsewhere.

Defense-Wide: (18% of the President's Fiscal Year 2015 Budget)

The remaining share of the budget – about $89.8 billion – is allocated for organizations across the Department of Defense.

For Fiscal Year 2015, this includes more than $7.5 billion for the Missile Defense Agency, which is critical for defending our homeland and reassuring our European allies. This funding will enable DoD to increase the number of Ground-Based Interceptors and make targeted investments in additional defensive interceptors, discrimination capabilities, and sensors. The budget continues to support the President's schedule for the European Phased Adaptive Approach.

Since special operations forces play a key role in counterterrorism, crisis response, and building partner capacity, the President's budget for Fiscal Year 2015 allocates $7.7 billion for Special Operations Command. This is equal to what we requested last year, a 10% increase over what Congress appropriated for Fiscal Year 2014, and will support a special operations force of 69,700 personnel.

The President's Fiscal Year 2015 budget increases cyber funding to $5.1 billion and maintains funding for intelligence agencies and other support activities. Through funds allocated to the Navy and the Air Force, the President's budget also preserves all three legs of the nuclear triad and funds important investments to ensure a safe, secure, and effective nuclear deterrent.

Compensation Reform & Structural Adjustments to Some In-Kind Benefits

For all the money that goes into maintaining a modernized and capable force, people are the core of our military. In this era of constrained budgets, ensuring that our people are properly trained, equipped, prepared, and compensated requires looking at difficult trade-offs and making some difficult choices. Compensation adjustments were the last thing we looked at, because you take care of your people first.

While Congress has taken a few helpful steps in recent years to control the growth in compensation spending, we must do more. At this point, given the steps we've already taken to

reduce civilian personnel costs in compliance with Congressional direction, no realistic effort to find further significant savings – savings needed to close serious shortfalls in training, maintenance, and equipment – can avoid dealing with military compensation… That includes pay and benefits for active and retired troops, both direct and in-kind.

We could reduce overall payroll spending by further reducing the total number of people in uniform. But since too small a force adds too much risk to our national security, we must also address the growth in pay and benefits for service members so that we can afford to provide them with the training and tools they need to successfully accomplish their missions and return home safely.

Since 2000, Congress has in some cases boosted pay increases above the levels requested by the Department of Defense. Benefits were added and increased by more than what most active-duty personnel sought, expected, or had been promised when joining the military. Congress also added a new health care benefit and approved DoD proposals to increase housing allowances. As a U.S. Senator I supported such proposals. It was the right thing to do at the time, given the burdens being placed on our service members, the military's recruiting and retention challenges, and the fact that we had few constraints on defense spending.

But today DoD faces a vastly different fiscal situation – and all the services have consistently met recruiting and retention goals. This year we're concluding combat operations in America's longest war, which has lasted 13 years. Now is the time to consider fair and responsible adjustments to our overall military compensation package.

America has an obligation to make sure service members and their families are fairly and appropriately compensated and cared for during and after their time in uniform. We also have a responsibility to give our troops the finest training and equipment possible – so that whenever America calls upon them, they are prepared with every advantage we can give them so that they will return home safely to their families. The President's budget fulfills both of these promises to our service members and their families by making several specific proposals.

Basic Pay Raises

For Fiscal Year 2015 we are requesting 1% raise in basic pay for military personnel – with the exception of general and flag officers, whose pay will be frozen for a year. Basic pay raises in future years will be similarly restrained, though raises will continue.

DoD rightfully provides many benefits to our people; however, finding the money to meet these commitments while protecting training and readiness under tighter budgets will require a few structural adjustments to three of them – housing, commissaries, and TRICARE.

Housing

In the early 1990s, DoD covered only about 80% of service members' total off-base housing costs. Since then, we increased that rate to 100%.

To adequately fund readiness and modernization under constrained budgets, we need to slow the growth rate of tax-free basic housing allowances (BAH) until they cover about 95% of the average service member's housing expenses. We would also remove renters' insurance from the benefit calculation.

This change will happen over several years, to ensure that our people have time to adjust to it. And, in order to ensure that military personnel don't have to pay more out-of-pocket after

they've signed a lease, a service member's allowance won't be adjusted until they've moved to a new location. This means that no one currently living in a particular area will see their housing allowances actually decrease; only service members moving into the area will receive the lower rate, which is what already happens under the current rules when housing market prices go down.

To account for geographic differences in housing costs, we will also design this adjustment to ensure that all service members in the same pay grade have identical out-of-pocket costs. That way, once the overall change has been fully phased-in for all personnel, service members in the same pay grade but living in different areas would end up paying the same dollar amount toward their housing costs – and they'll know exactly how much that will be so that they can make informed decisions and trade-offs in their own budgets.

All of these savings will be invested back into the force, to help keep our people trained and equipped so they can succeed in battle and return home safely to their families.

Commissaries

There's no doubt that commissaries provide a valued service to our people, especially younger military families and retirees. For this reason, we're not directing any commissaries to close.

Like our base exchanges, commissaries currently do not pay rent or taxes. That won't change under any of our proposals. But unlike base exchanges, commissaries also receive $1.4 billion in direct subsidies each year. In order to adequately fund training and readiness under constrained budgets, we need to gradually reduce that subsidy by $1 billion (about two-thirds) over the next three years.

Stateside commissaries have many private-sector competitors, and it's not unreasonable for them to operate more like a business. Since commissaries still operate rent-free and tax-free, they will still be able to provide a good deal to service members, military families, and retirees as long as they continue to shop there. Going forward, only commissaries overseas or in remote U.S. locations would continue receiving direct subsidies, which, for example, not only helps pay to ship U.S. goods to bases overseas, but also helps those who either may not have the option of a local grocery store or are stationed where food prices may be higher.

TRICARE

In recent years, Congress has permitted DoD to make some changes that slow the growth in military health care costs; however, these costs will continue to grow, and we need to slow that growth in order to free up funds for training and readiness. So we need to make some additional smart, responsible adjustments to help streamline, simplify, and modernize the system while encouraging affordability.

Merging three of our TRICARE health plans for those under 65 – Prime, Standard, and Extra – into a single, modernized health plan will help us focus on quality while reducing complexity and administrative costs. The new plan would adjust co-pays and deductibles for retirees and some active-duty family members in ways that encourage TRICARE members to use the most affordable means of care, such as military treatment facilities and preferred providers.

Some important features of the military health care system will not change. The scope of benefits will not change, and we will continue to distinguish between in-network and out-of-network care. Active-duty personnel will still receive health care that is entirely free – that's the promise we make when they sign up, and it's a promise we intend to keep. Medically retired personnel and survivors of those who died on active duty will continue to be treated favorably, with no participation fees and lower co-pays and deductibles. And DoD will continue to support our programs for wounded warriors.

With the TRICARE single health plan, active-duty family members and retirees under age 65 will be able to save more money by using military treatment facilities (MTF) if they're close to home, which are often under-used. More than 90% of active-duty service members and their families live within an MTF's 40-mile-radius service area. For families of active-duty service members stationed far away from MTFs, such as recruiters, all their care will continue to be considered "in-network" even if there are no network care providers in their remote location.

Under this proposal, the share of costs borne by retirees will rise from about 9% today to about 11% – still a smaller cost share than the roughly 25% that retirees were paying out-of-pocket when TRICARE was initially set up in the 1990s. And while we will ask retirees and some active-duty family members to pay modestly more, others may end up paying less. Overall, everyone's benefits will remain substantial, affordable, and generous – as they should be.

Given these proposed efforts to modernize and simplify TRICARE for retirees under age 65, we will not resubmit last year's request for sharp increases in enrollment fees for these retirees.

For retirees who are old enough to use Medicare and who choose to have TRICARE as well – what we call TRICARE-For-Life (TFL) – we would ask new members to pay a little bit more as well. Since TFL coverage currently requires no premium or enrollment fee, DoD again proposes a small per-person enrollment fee equal to 1% of a retiree's gross retirement pay up to a maximum of $300 per person – comparable to paying a monthly premium of no more than $25. For retired general and flag officers, the maximum would be $400 per person. Current TFL members would be grandfathered and exempted from having to pay enrollment fees. Even with this small enrollment fee, TFL members will still have substantial, affordable, and generous benefits – saving them thousands of dollars a year compared to similar coverage supplementing Medicare.

Congress has taken helpful steps in the past, authorizing adjustments to the TRICARE pharmacy co-pay structure and initiating a pilot program for TFL members to refill prescriptions for maintenance medications (such as those that treat high blood pressure and high cholesterol) by mail order. These are good practices that we must now build upon in order to better encourage more TRICARE members to use generics and mail-order prescriptions, which help save the most money. Under our plan, MTFs will continue filling prescriptions without charging a co-pay, while all prescriptions for long-term maintenance medications will need to be filled either at MTFs or through the TRICARE mail order pharmacy. To ensure that our people aren't caught off-guard and have time to make the necessary adjustments, our plan would be slowly phased in over a 10-year period.

As with our structural adjustments to housing and commissaries, all these savings will go toward providing our people with the tools and training they need in order to fight and win on the battlefield and return home safely to their families.

Military Retirement

Our proposals do not include any recommended changes to military retirement benefits for those now serving in the Armed Forces. Because military retirement is a complex and long-term benefit, it deserves special study. Therefore, we are working with and waiting for the results of the Military Compensation and Retirement Modernization Commission, which is expected to present its report in February 2015, before pursuing reforms in that area. But DoD continues to support the principle of "grandfathering" for any future changes to military retirement plans.

Why Now

DoD's military and civilian leaders conducted substantial analysis to arrive at our proposed package of compensation adjustments. We concluded that, even after we make these changes and slow the growth in military compensation, we will still be able to recruit and retain a high-quality force and offer generous, competitive, and sustainable benefits.

These proposed compensation adjustments will be phased in over time, but they must begin now because budget limits are already in place. If we wait, we would have to make even deeper cuts to readiness or force structure in order to comply with the budget caps that Congress has passed into law. We must be able to free up funds in order to provide our men and women in uniform with the tools and training they need to succeed in battle and return home safely to their families. Sustaining a well-trained, ready, agile, motivated, and technologically superior force depends on it.

To be clear, our proposals were carefully crafted to reform military compensation in a fair, responsible, and sustainable way, making the most modest adjustments we could afford. We took a holistic approach to this issue, because continuous piecemeal changes will only prolong the uncertainty and create doubts among our personnel about whether their benefits will be there in the future.

We recognize that no one serving our nation in uniform is overpaid for what they do for our country. But if we continue on the current course without making these modest adjustments now, the choices will only grow more difficult and painful down the road. We will inevitably have to either cut into compensation even more deeply and abruptly, or we will have to deprive our men and women of the training and equipment they need to succeed in battle. Either way, we would be breaking faith with our people. And the President and I will not allow that to happen.

We're also recommending freezing generals' and admirals' pay for one year. And as I've already announced, I'm cutting the budget of the Office of the Secretary of Defense by 20%. The Joint Staff, the Service Chiefs, and the Combatant Commanders are cutting their management headquarters operating budgets by 20% as well. We're also continuing to focus on acquisition reform and asking for another round of authority for Base Realignment and Closure.

Risks in The President's Budget

I've outlined the funding levels we need and the decisions we had to make to stay within the limits agreed to in the Bipartisan Budget Act. They add some risks to our defense strategy, but manageable ones.

Over the near-term, because of budget limitations even under the Bipartisan Budget Act and after 13 years of war, the military will continue to experience gaps in training and maintenance – putting stress on the force and limiting our global readiness even as we sustain a heightened alert posture in regions like the Middle East and North Africa. The President's Opportunity, Growth, and Security Initiative would provide an additional $26.4 billion to DoD and would allow us to make faster progress in restoring and sustaining readiness – significantly mitigating this risk by closing these near-term gaps in readiness and modernization.

This Opportunity, Growth, and Security Initiative is not a wish list of "unfunded priorities" or "unfunded requirements" – the government-wide Initiative is fully paid-for, and for DoD, this money is specifically intended to bring unit readiness, equipment, and facilities closer to standard after the disruptions and shortfalls of the last few years. Each service receives a share of this funding. For example:

- The Army's share would go toward additional training and increasing its investment in Blackhawk helicopters.
- The Navy's share would go toward aviation depot maintenance and logistics and increasing its investment in P-8 Poseidon, E-2D Hawkeye, and Joint Strike Fighter aircraft.
- The Marine Corps' share would go toward unit-level training and increasing its investment in the H-1 and KC-130 aircraft.
- The Air Force's share would go toward additional readiness and training range support and increasing its investment in F-35, C-130J, and MQ-9 Reaper aircraft.
- Across the services, DoD would be able to increase funding needed for military construction and facilities repair and maintenance.

We also face the risk of uncertainty in a dynamic and volatile security environment. Budget reductions inevitably reduce the military's margin of error in dealing with these risks, as other powers are continuing to modernize their weapons portfolios, to include anti-air and anti-ship systems. And a smaller force strains our ability to simultaneously respond to more than one major contingency at a time. But with the President's budget, our military will still be able to defeat any aggressor.

Sequestration's Effect on Programs and Risk

However, if sequestration-level cuts are re-imposed in Fiscal Year 2016 and beyond, if our reforms are not accepted, or if uncertainty on budget levels continues, our analysis has shown that we would have to make unavoidable decisions that would significantly increase those risks. As I've made clear, the scale and timeline of continued sequestration-level cuts would require greater reductions in the military's size, reach, and margin of technological superiority.

At a minimum, we would be forced to draw down the active Army to 420,000 soldiers, the Army Guard to 315,000 soldiers, and the Army Reserve to 185,000 soldiers. We would also have to draw down the Marine Corps to 175,000 Marines, and retire a 25-year-old aircraft carrier – the U.S.S. *George Washington* – and her carrier air wing ahead of her scheduled nuclear refueling and overhaul. Keeping the *George Washington* and her carrier air wing in the fleet would cost $6 billion over the FYDP.

This budgeting process has been marked by uncertainty and irregularity, with changes to our spending assumptions that came late in the process – including congressional action on a Bipartisan Budget Act that provided a new level of spending for Fiscal Year 2015. We also face

the reality that sequestration remains the law of the land beginning in Fiscal Year 2016. As a result, I chose to be conservative in my direction to the military services for this budget submission and directed them to first plan in detail for sequestration-level funding.

Even though the five-year budget plan submitted along with the President's budget request assumes $115 billion more than sequestration-level funding, in its later years we have programmed for sequestration-level force sizes for the active duty Army, Army Guard and Reserve, and Marine Corps end-strength, as well as for carrier strike groups. It takes time to plan and execute a successful drawdown that preserves capability in the process. Past drawdowns have reduced force structure too fast with too little planning. The resulting problems required significant amounts of time and money to fix.

DoD leaders have assessed that our desired force levels – 440,000-450,000 for the Active Army, 195,000 for the Army Reserve, 335,000 for the Army Guard, 182,000 for the Marine Corps, and 11 carrier strike groups – are sustainable over the long term at the President's budget level. Therefore, Fiscal Year 2016 will be a critical inflection point. DoD will be looking for a signal from Congress that sequestration will not be imposed in Fiscal Year 2016 and the budget levels projected in this five-year plan will be realized. If that happens, we will submit a budget that implements our desired force levels. I have given the military leadership formal guidance that documents these levels.

The bottom line is that if Congress indicates it will build on the precedent of the Bipartisan Budget Act and provide relief from sequestration by appropriating at five-year funding levels equal to those in the President's budget, we will not need to take end strength down to those lowest levels or decommission the *George Washington.*

But if we don't get some clarity in our future funding, we will have to start implementing those changes. And if sequestration-level cuts are re-imposed in 2016 and beyond, we would have to make many other cuts not only to force structure, but also to modernization and readiness – all in addition to making the changes proposed in the President's Fiscal Year 2015 budget plan. That means fewer planes, fewer ships, fewer troops, and a force that would be under-trained, poorly-maintained, and reliant on older weapons and equipment:

- The Army, in addition to shrinking the active-duty force to 420,000 soldiers and the Guard and Reserves to lower levels, would have 50 fewer Light Utility Helicopters in the Guard force.
- The Navy, in addition to retiring the U.S.S. *George Washington* and her carrier air wing, would have to immediately lay up six additional ships, defer procurement for one submarine, and buy two fewer F-35Cs and three fewer DDG-51 guided missile destroyers between Fiscal Year 2015 and Fiscal Year 2019. The Navy would ultimately have 10 fewer large surface combatants than would be expected under the President's funding levels.
- The Marine Corps, as mentioned, would have to shrink to 175,000 Marines. While we would still devote about 900 Marines to increased embassy security around the world, this reduction would entail some added risk for future contingencies as well as sustaining the Marines' global presence.
- The Air Force would have to retire 80 more aircraft, including the entire KC-10 tanker fleet and the Global Hawk Block 40 fleet, as well as slow down purchases of the Joint Strike Fighter – resulting in 15 fewer F-35As purchased through Fiscal Year 2019 – and sustain 10 fewer Predator and Reaper 24-hour combat air patrols. The Air

Force would also have to take deep cuts to flying hours, which would prevent a return to adequate readiness levels.

- Across DoD, operation and maintenance funding – an important element of the budget that supports readiness – would grow at only about 2% a year under sequestration compared to about 3% a year under the President's budget. This will hamper or even prevent a gradual recovery in readiness. Funding for research, development, testing, and evaluation would decline by 1.3% a year under sequestration instead of increasing by 1.6% under the President's budget. And there would be no recovery in funding for military facilities repairs and construction.

Although future changes in the security environment might require us to modify some of these specific plans, the strategic impacts are clear. Under the funding levels that the President and I are asking for, we can manage the risks. Under a return to sequestration spending levels, risks would grow significantly, particularly if our military is required to respond to multiple major contingencies at the same time.

Our recommendations beyond Fiscal Year 2015 provide a realistic alternative to sequestration-level cuts, sustaining adequate readiness and modernization most relevant to strategic priorities over the long-term. But this can only be achieved by the strategic balance of reforms and reductions the President and I will present to the Congress next week. This will require the Congress to partner with the Department of Defense in making politically difficult choices.

Our Shared National Interest

Formulating this budget request took courage on the part of many involved in the decision-making process – from the Joint Chiefs to the President. It required new ways of thinking about both short-term and long-term challenges facing our country.

I look forward to working with the Congress to find the responsible ground of protecting America's interests with the required resources.

As we all know, these challenges and choices before us will demand moral and political courage on the part of everyone who has a stake in our national security and our national leadership. They will demand leadership that reaches into the future without stumbling over the present. Now is the time to summon that leadership – not for any one specific interest, but for our shared national interest.

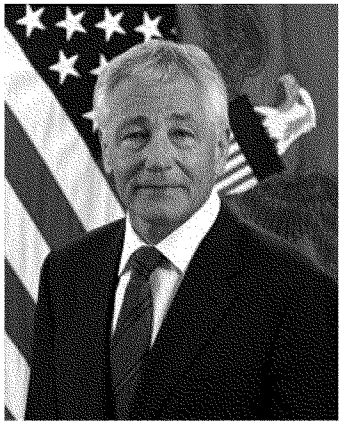
I appreciate this opportunity to discuss the President's Fiscal Year 2015 budget request for the Department of Defense, and I look forward to your questions.

Mr. Chairman, thank you.

# # #

Chuck Hagel

Secretary of Defense



Chuck Hagel was sworn in as the 24th Secretary of Defense on February 27, 2013 becoming the first enlisted combat veteran to lead the Department of Defense.

Secretary Hagel was born on October 4, 1946 in North Platte, Nebraska, the eldest of four brothers. He joined the United States Army and volunteered to go to Vietnam, rising to the rank of Sergeant and serving as an infantry squad leader alongside his brother, Tom, with the Army's 9th Infantry Division in 1968. He earned numerous military decorations and honors, including two Purple Hearts.

Following his tour in Vietnam, Secretary Hagel graduated from the University of Nebraska at Omaha using the G.I. Bill. Continuing his commitment to public service, Secretary Hagel became Chief of Staff to Nebraska Congressman John Y. McCollister.

In 1981, Secretary Hagel was nominated by President Ronald Reagan to serve as Deputy Administrator of the Veterans Administration. In that post he helped pioneer early electronic health record keeping and pushed for increased benefits for Vietnam veterans suffering from Agent Orange. This fight became one of the causes of his life, later helping federal courts distribute hundreds of millions of dollars for Agent Orange victims through the Court settlement that set up the Agent Orange Payment Program which he chaired.

In the mid-1980's, Secretary Hagel co-founded Vanguard Cellular Systems, Inc., which became one of the largest independent cellular networks in the country. Secretary Hagel also served as President and CEO of the USO; the Chief Operating Officer of the 1990 Economic Summit of Industrialized Nations (G-7 Summit) in Houston, Texas; Deputy Commissioner General of the United States for the 1982 World's Fair, President of the Private Sector Council and President of McCarthy & Company, an Omaha based investment bank.

In 1996, Secretary Hagel was elected to the United States Senate and represented Nebraska until 2009. While in the Senate, he was a senior member of the Foreign Relations; Banking, Housing and Urban Affairs; and Intelligence Committees. He chaired the Foreign Relations International Economic Policy, Export and Trade Promotion Subcommittee; and the Banking Committee's International Trade and Finance, and Securities Subcommittees. Secretary Hagel also served as the Chairman of the Congressional-Executive Commission on China and the Senate Climate Change Observer Group.

Following his Senate career, Secretary Hagel served as Co-Chairman of President Obama's Intelligence Advisory Board and a member of the Secretary of Defense Policy Board. He was a Distinguished Professor in the Practice of National Governance at the Georgetown University School of Foreign Service and Chairman of the Atlantic Council, a non-partisan institution devoted to promoting transatlantic cooperation and international security. He also served on the board of PBS and a number of corporations and financial institutions.

Secretary Hagel is author of the 2008 book *America: Our Next Chapter*. He and his wife Lilibet have a daughter, Allyn, and a son, Ziller.

POSTURE STATEMENT OF

GENERAL MARTIN E. DEMPSEY, USA

18TH CHAIRMAN OF THE JOINT CHIEFS OF STAFF

BEFORE THE 113TH CONGRESS

HOUSE ARMED SERVICES COMMITTEE

FY15 DEPARTMENT OF DEFENSE BUDGET

MARCH 6, 2014

Chairman McKeon, Representative Smith, and distinguished members of this Committee, it is my privilege to report to you on the state of America's Armed Forces, our accomplishments over the last year, the opportunities and challenges ahead, and my vision for the future force.

We are in our Nation's thirteenth year at war. I am extremely proud to represent the men and women of our Armed Forces. *Volunteers all, they represent America at its very best.*

It is these Soldiers, Sailors, Airmen, Marines, and Coast Guardsmen – America's sons and daughters – who will face tomorrow's challenges with the strategy, structure, and resources we develop today. Our men and women are our decisive edge. Sustaining our military strength in the face of *an historic shift to the future* means making sure that the force is in the right *balance.*

In the near term, our mission in Afghanistan will transition, while we reset a force coming out of more than a decade of continuous conflict. We will sustain – in some cases adjust – our commitments around the globe to keep our Nation immune from coercion. And, we must do all of this with decreasing defense budgets. As a result, we will have to assume risk in some areas to create opportunity in others. This will require carefully prioritizing investments in readiness, training, modernization, and leader development.

Our men and women in uniform are the cornerstone of this Nation's security and our strongest bridge to the future. They are trusting us to make the right choices. So are the American people.

Joint Force Operations

America's military has been in continuous conflict for the longest period in our Nation's history. But the force remains strong. The Joint Force today is as diverse and rich in experience as it has ever been. Our men and women remain engaged around the globe supporting our Nation's interests. They are defeating adversaries, deterring aggression, strengthening partners, and delivering aid.

Over the past year, our men and women have continued to fight, transition, and redeploy from Afghanistan. In June of last year, the Afghans reached a decisive milestone as they assumed lead responsibility for their own security. This signaled a shift in our primary mission from combat to training, advising, and assisting the Afghan forces. While Coalition forces prepare to support national elections in the coming weeks, we continue to develop options for the forces, missions, partnerships, and authorities that will set the conditions for our commitment to Afghanistan after 2014.

The Joint Force continues to serve in and around an unpredictable Middle East through military-to-military exercises, exchanges, and security assistance. We are actively reinforcing our partners along Syria's borders to help contain violence, care for refugees, and counter the spread of violent extremism. We continue to pursue violent extremist organizations directly and through our partners where US and allied interests are threatened. This includes support to partners in Yemen, and to French and African partners in Mali. Our military is also working closely with the US Department of State to help restore security and stability in the Central African Republic and South Sudan.

We have deepened our traditional security ties in the Asia Pacific. In addition to our support for Typhoon Haiyan recovery efforts, we have strengthened cooperation with our allies and partners through military

activities and force posture. We have maintained an active presence in the South and East China Seas, while also remaining prepared to respond to provocations on the Korean Peninsula.

We also remain postured with our interagency partners to detect, deter, and defeat threats to the homeland—to include ballistic missile defense, countering terrorism, and safeguarding against cyber-attack on government and critical infrastructure targets. Our men and women work collaboratively with other US agencies, with forward-stationed State Department professionals, and with regional allies and partners to keep the Nation safe. Across all of these security operations, the Joint Force remains ready with military options if called upon.

Balancing Global Strategic Risk

The global security environment is as fluid and complex as we have ever seen. We are being challenged in pockets throughout the world by a diverse set of actors—resurgent and rising powers, failing states, and aggressive ideologies. Power in the international system is shifting below and beyond the nation-state. At the same time, *the balance between our security demands and available resources has rarely been more delicate.*

The confluence of wide-ranging transitions, enduring and new friction points, and "wild cards" can seem unsolvable. Yet, understanding the interrelationships between trends reshaping the security environment offers opportunities to begin to solve some of the world's perplexing and prolonged challenges.

In any effort, the military does not do it alone. We must bring to bear every tool of national power in American's arsenal. Our distributed networks of allies and partners are equally indispensable. Together, we can build shared understanding and develop focused, whole approaches that share the costs of global leadership. Deepening these hard-won

relationships of trust and building the capacity of our partners will be more vital in the years ahead.

With this context in mind, *the Joint Force of the future will require exceptional agility in how we shape, prepare, and posture.* We will seek innovation not only in technology, but also in leader development, doctrine, organization, and partnerships. We must be able to rapidly aggregate and disaggregate our formations, throttle up force and just as quickly, throttle it back.

We will have to be more regionally-focused in our understanding and globally-networked in our approaches. We will be adaptable to combatant commander priorities to prevent conflict, shape the strategic environment, and – when necessary – win decisively.

And, importantly, we will have to balance these competing strategic objectives in the context of a resource-constrained environment. *We must be frank about the limits of what the Joint Force can achieve, how quickly, for how long, and with what risk.*

Accordingly, we will need to challenge assumptions and align ambitions to match our combined abilities. Our force's greatest value to the Nation is as much unrealized as realized. We need to calibrate our use of military power to where it is most able and appropriate to advance our national interests. Our recent wars have reminded us that our military serves the Nation best when it is synchronized with other elements of national power and integrated with our partners.

Balancing the Force

As part of an historic shift to the future, the institution is fundamentally re-examining itself to preserve military strength in the face of the changing security environment and declining resources. Here are five

ways in which we are working to make sure the Joint Force remains properly balanced over time:

Resource Allocation

We are resetting how we allocate our budget among manpower, operations, training, maintenance, and modernization. Disproportionate growth in the cost per service member is overburdening our manpower account and threatening to erode combat power. We have to bring those costs back into balance with our other sacred obligations to the Nation.

The President's FY15 budget request, importantly, reflects the needed personnel reductions, institutional streamlining, and administrative changes that better reflect our military's more limited resources. We will keep driving towards becoming more steel-plated on all fronts—shedding waste, redundancy, and superfluity in our organizations and processes. We are rebalancing our tooth-to-tail ratio by shrinking the Department's headquarters, overhead, and overseas infrastructure costs. We are taking steps to improve our acquisitions enterprise. And, we will make the tough choices on force structure.

We will never end our campaign to find every way to become more effective. Yet, we have already seen that not every effort generates the savings we need as fast as we need them. And some proposals to shed excess infrastructure have not gained the support of Congress, most notably our calls for a Base Realignment and Closure round and requests to retire legacy weapons systems we no longer need or afford.

Getting our personnel costs in balance is a strategic imperative. We can no longer put off rebalancing our military compensation systems. Otherwise we are forced into disproportionate cuts to readiness and modernization. We price ourselves out of the ability to defend the Nation.

We must work together to modernize and optimize our compensation package to fairly compensate our men and women for their service. We should provide the options and flexibility that they prefer and shift funds from undervalued services to the more highly valued benefits, as we reduce our outlays.

We need to *slow the rate of growth* in our three highest-cost areas: basic pay, health care, and housing allowances. The Joint Chiefs, our senior enlisted leaders, and I also strongly recommend *grandfathering any future proposed changes to military retirement,* and we will continue to place a premium on efforts that support wounded warriors and mental health.

To that end, I look forward to working in partnership with Congress and the American people on a sensible approach that addresses the growing imbalances in our accounts, enables us to recruit and retain America's best, and puts the all-volunteer force on a viable path for the future.

We should tackle this in a comprehensive package of reforms. Piecemeal changes are a surefire way to fray the trust and confidence of our troops. They want – and they deserve – predictability.

Geographic Shift

The United States remains a global power and our military is globally engaged. While we transition from the wars of the past decade, we are focusing on an evolving range of challenges and opportunities. *Our military will continue to have deep security ties in the Middle East and globally.* And, we are – of necessity – continuing the rebalance to the Asia Pacific as part of our government's larger priority effort towards the future stability and growth of that region.

Broadly, this geographic rebalance recognizes where the future demographic, economic, and security trends are moving. In a sense, it is

"skating to where the puck is going," as hockey great Wayne Gretzky used to say. As such, we are – over time – investing more bandwidth in our relationships in the Asia Pacific, engaging more at every level, and shifting assets to the region, to include our best human capital and equipment.

Europe remains a central pillar to our national security and prosperity. Our NATO alliance has responded to security challenges in Afghanistan, Africa, and the Middle East. The most successful and durable alliance in history, NATO transcends partnership because common values underpin our 65 year-old alliance. Going forward, we will all benefit from the security NATO provides.

Preparing across the Spectrum

Our force is coming out of more than a decade of focusing primarily on one particular kind of fight centered on the Middle East. As a result, we have become the finest counterinsurgency force in the world.

Current and future security challenges mandate that we broaden our approach. Across the Services, we are resetting how we apply our training bandwidth and how we develop leaders to account for conflict across the spectrum. This includes those critical conventional areas that – by necessity – were deemphasized over the past decade.

We are also pluralizing our partnerships with other agencies and nations. With the global terrorism threat specifically, we are rebalancing our emphasis towards building or enabling our partners, while retaining the capability to take direct action ourselves.

Remaining the security partner of choice increases our Nation's collective ability to safeguard common interests and support greater stability in weaker areas of the world. Improving partner capability and

capacity in a targeted way is an important component of our military strategy, especially as our resources become more constrained.

Force Distribution

In keeping with the evolving strategic landscape, our force posture must also evolve. As we emerge from the major campaigns of the last decade, we are developing new approaches across and within commands in the way we assign, allocate, and apportion forces inside a broader interagency construct.

We are determining how much of the force should be forward-stationed, how much should be rotational, and how much should be surge ready in the homeland. Baselining forces in each combatant command will allow us to predictably engage with and assure partners and deter adversaries. Baseline does not mean equal resources. We seek instead a *force distribution appropriately weighted to our national interests and threats.*

Our military has become more integrated operationally and organizationally across the Active, Guard, and Reserve, especially over the past decade. We are working to determine the most effective mix of each of the components to preserve the strength we have gained as a more seamless force. This too will be different across the combatant commands. For example, many relationships in Europe – especially the newest NATO partner nations – benefit from the National Guard-led State Partnership Program, which is in its 20th year. Relationships such as these will help us to sustain the capabilities we will require in the years ahead.

Also to strengthen the Joint Force, we are committed to offer everyone in uniform equal professional opportunities to contribute their talent. Rescinding the Direct Ground Combat Rule last January has enabled the elimination of gender-based restrictions for assignment. The Services are mid-way through reviewing and validating occupational standards with the

aim of integrating women into occupational fields to the fullest extent over the next two years. We are proceeding in a deliberate, measured way that preserves unit readiness, cohesion, and the quality of the all-volunteer force.

Additionally, as our force draws down, the remarkable generation that carried the best of our Nation into battle is transitioning home and reintegrating into civilian life. We will keep working with the Department of Veterans Affairs, other agencies, and communities across the country to make sure they have access to health care, quality education opportunities, and meaningful employment. This generation is not done serving and our efforts to enable them to contribute their strengths should be viewed as a direct investment in the future of America.

Competence and Character

We are making sure that as the Nation's Profession of Arms, we remain equally committed to competence and character throughout our ranks. The pace of the last decade, frankly, may have resulted in an overemphasis on competence. Those we serve call for us to be good stewards of the special trust and confidence gifted to us by our fellow citizens—on and off the battlefield.

Even as – especially as – we take this opportunity to remake our force and its capabilities, we owe it to the American people and to ourselves to also take an introspective look at whether we are holding true to the bedrock values and standards of our profession. Historically, the military has done precisely this after coming out of major periods of conflict.

The vast majority serve honorably with moral courage and distinction every day. But sexual assault crimes, failures of leadership and ethics, and lapses of judgment by a portion of the force are evidence that we must do more—and we are. These issues have my ongoing and full attention.

It has been and continues to be one of my foremost priorities as Chairman to rekindle within the force both its understanding and its resolve as a profession. We must strengthen the enduring norms and values that define us and continue to be a source of trust and pride for our Nation.

We are looking at who we are promoting. More importantly, we are looking at *what* we are promoting—the standards, the ethos, the essence of professionalism. We know that we can never let our actions distance us from the American people, nor destroy the message that draws many into the ranks of the military in the first place.

To that end, we are advancing a constellation of initiatives towards our continued development as professionals. These include 360 degree reviews, staff assistance and training visits to senior leadership, and a deeper investment in character development and education through the span of service. We are detecting and rooting out flaws in our command culture and promoting an ethos of accountability across the ranks. *We know we own this challenge and we are committed to meeting it.*

Balancing Strategic Choices

Our military's ability to field a ready, capable force to meet global mission requirements has been placed at risk by layered effects of the operational pace and converging fiscal factors of recent years.

The funds above sequester levels passed by this Congress in the Bipartisan Budget Agreement allow us to buy back some lost readiness and continue to make responsible investments in our Nation's defense. It doesn't solve every readiness problem and is no long-term solution to sequestration, but it does give us a measure of near-term relief and stability.

The Joint Chiefs and I are grateful for Congress's support of the efforts to return units to the necessary levels of readiness. It helps us

preserve options for the Nation and ensure that our troops can do what they joined the military to do. Likewise, we appreciate the dialogue engendered in these chambers to determine the kind of military the American people need and can afford—the right mix of capabilities and programs to protect our national interests.

While we have achieved a degree of certainty in our budget for the next two years, we still don't have a steady, predictable funding stream, nor the flexibility and time we need to reset the force for the challenges we see ahead.

This tension comes at a time when winning together through jointness has been at its peak. If we don't adapt from previous approaches toward a sounder way to steward our Nation's defense, w*e risk ending up with the wrong force at the wrong time.*

The President's FY15 budget request represents a balanced, responsible, and realistic way forward. It leads to a Joint Force that is global, networked, and provides options for the Nation. It helps us rebuild readiness in areas that were – by necessity – deemphasized over the past decade, while retaining capacity and capability. It supports the reset and replacement of battle-damaged equipment and helps us meet future needs by balancing force structure, readiness, and modernization priorities. It invests in missile defense and in modernizing the nuclear enterprise. It allows us to advantage intelligence, surveillance, and reconnaissance (ISR), Special Operations Forces (SOF), and cyber, while making adjustments to the conventional force.

To be clear, we do assume higher risks in some areas under the FY15 proposal, but this budget helps us to remain the world's finest military—modern, capable, and ready, even while transitioning to a smaller force over

time. If sequester-level cuts return in 2016, the risks will grow, and the options we can provide the Nation will shrink.

The Joint Chiefs and I remain committed to making the tough choices – carefully informed – that preserve our ability to protect our Nation from coercion and defend the American people. Our sacred obligation is to make sure our men and women are never sent into a fair fight. That means we must make sure they are the best led, best trained, and best equipped in the world.

But, we need help from our elected leaders to rebalance the force in the ways I have described. This includes, importantly, making the financially prudent, strategically informed reductions we need.

The opportunity is ours in the months ahead to carry the hard-earned lessons learned of our Nation's wars into the context of today, to set the conditions to prepare the force to address the challenges of tomorrow, and to sustain and support our dedicated men and women in uniform and their families. I look forward to seizing these opportunities together.

Thank you for your enduring support.

General Martin E. Dempsey

Chairman, Joint Chiefs of Staff

General Martin E. Dempsey becomes the Chairman of the Joint Chiefs of Staff after serving most recently as the Army's 37th Chief of Staff from 11 April 2011 through 7 September 2011.

Past assignments have taken him and his family across the globe during both peace and war from Platoon Leader to Combatant Commander. He is a 1974 graduate of the United States Military Academy and a career armor officer.

As a company grade officer, he served with the 2nd Cavalry in United States Army Europe and with the 10th Cavalry at Fort Carson. Following troop command he earned his Masters of Arts in English from Duke University and was assigned to the English Department at West Point. In 1991, GEN Dempsey deployed with the Third Armored Division in support of OPERATION DESERT STORM. Following DESERT STORM, he commanded 4th Battalion 67th Armor (Bandits) in Germany for two years and then departed to become Armor Branch Chief in US Army Personnel Command. From 1996-1998 he served as the 67th Colonel of the Third Armored Cavalry Regiment. Following this assignment as the Army's "senior scout" he served on the Joint Staff as an Assistant Deputy Director in J-5 and as Special Assistant to the Chairman of the Joint Chiefs of Staff. From September 2001 to June 2003, General Dempsey served in the Kingdom of Saudi Arabia training and advising the Saudi Arabian National Guard. In June of 2003, General Dempsey took command of the 1st Armored Division in Baghdad, Iraq. After 14 months in Iraq, General Dempsey redeployed the division to Germany and completed his command tour in July of 2005. He then returned to Iraq for two years in August of 2005 to train and equip the Iraqi Security Forces as Commanding General of MNSTC-I. From August 2007 through October 2008, GEN Dempsey served as the Deputy Commander and then Acting Commander of U.S. Central Command. Before becoming Chief of Staff of the Army, he commanded US Army Training and Doctrine Command from December 2008-March 2011.

General Dempsey's awards and decorations include the Defense Distinguished Service Medal with Oak Leaf Cluster, the Distinguished Service Medal with three Oak Leaf Clusters, the Defense Superior Service Medal, the Legion of Merit with two Oak Leaf Clusters, the Bronze Star with "V" Device and Oak Leaf Cluster, the Combat Action Badge, and the Parachutist Badge. In addition to his Masters' Degree in English, he holds Masters' Degrees in Military Art and in National Security Studies.

General Dempsey and his high school sweetheart Deanie have three children: Chris, Megan, and Caitlin. Each has served in the United States Army. Chris remains on active duty. They have five wonderful grandchildren: Kayla and Mackenna by Chris and daughter-in-law Julie, Luke by Caitlin and son-in-law Shane, and Alexander and Hunter by Megan and son-in-law Kory. Chris and Julie are expecting their third child this fall.

DOCUMENTS SUBMITTED FOR THE RECORD

MARCH 6, 2014

UNCLASSIFIED

What Does $1 Billion Buy for DoD?*

Readiness**

- **12 F-16 Squadrons** for 1 year
- **8 KC-135 Squadrons** for 1 year
- **Carrier Strike Group** for 5 months
- **2 Carrier Air Wings O&M** for 12 months
- **1K Marines – USMC Embassy Security Group** for 10 years
- **15 USMC Infantry Battalions** for 1 year
- **3 Army Infantry BCTs** for 1 year
- **20 Combat Training Center Exercises** over 2 years
- **Minuteman III Fleet (450 ICBMs)** for 1 year

Modernization

- **10 Joint Strike Fighters**
- **2 Littoral Combat Ships**
- **5 P-8A Maritime Multi-Mission Aircraft**
- **900 JSOW and 80 AMRAAM weapons**
- **Upgrades to 1K Light Armored Vehicles and 140 Amphibious Assault Vehicles**
- **Army Ground Combat Vehicle RDT&E**
- **50 Black Hawk Helicopters**
- **Terminal High Altitude Air Defense Battery** with 48 interceptors

$1 Billion Buys One of the Above

*** For illustrative purposes only. These figures are rough order of magnitude estimates built around multiple assumptions.**
**** Readiness costs include military personnel.**

UNCLASSIFIED

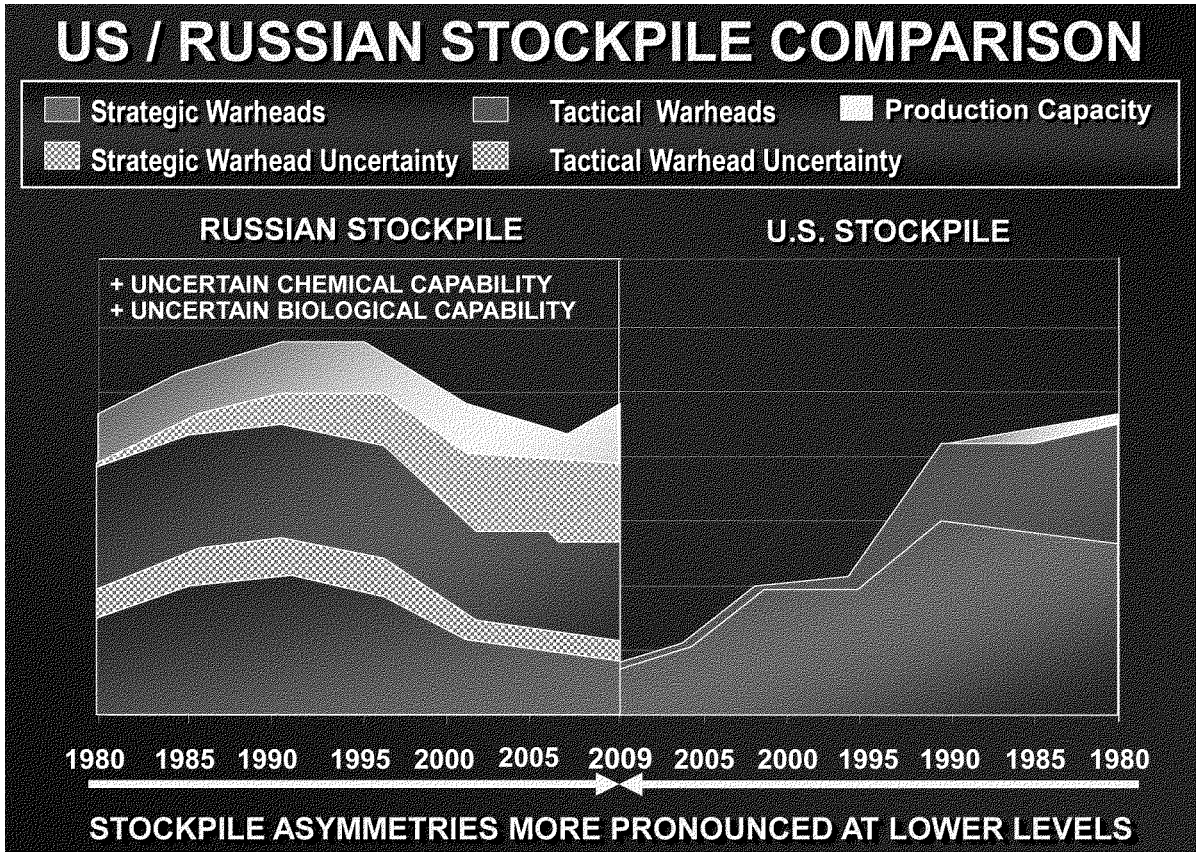
Timeline of the FY12-21 Funding Level National Defense (050) Base Funding

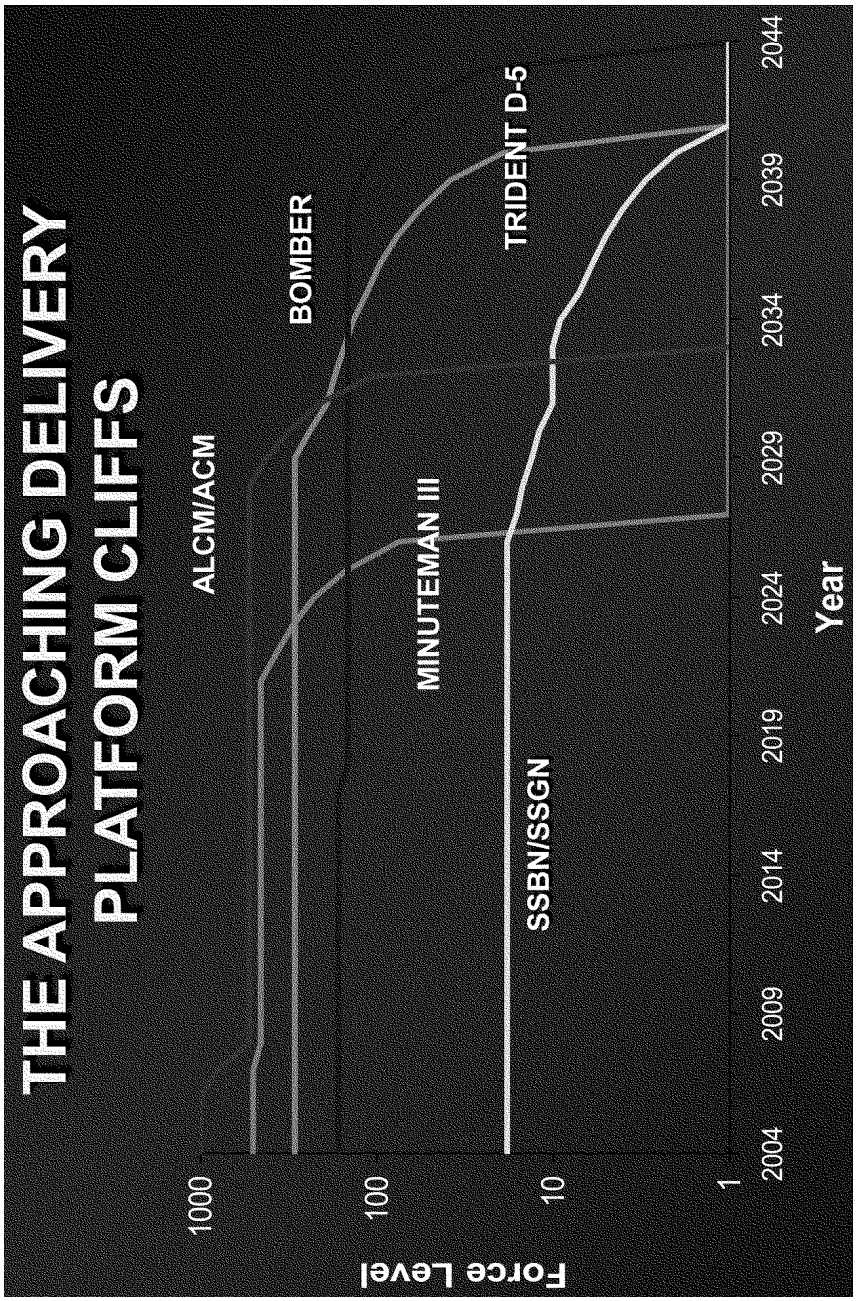
	February 2010 FY11 Plan	February 2011 FY12 Plan	February 2012 FY13 Plan	March 2013 Sequestration
FY12-21 Plan	$6.7T	$6.4T	$5.9T	$5.4T
$ Change	$-291B +	$-487B +	$-492B ≈	$-1.3T
Reason for Funding Change	Self-Imposed Efficiencies	Result of BCA Impacts	Full Sequestration	
Change in Strategy	Funds Reinvested	Revised Strategy	No Current Plan	

Efficiencies garnered to effective manage Defense issues with minimal funding increases.

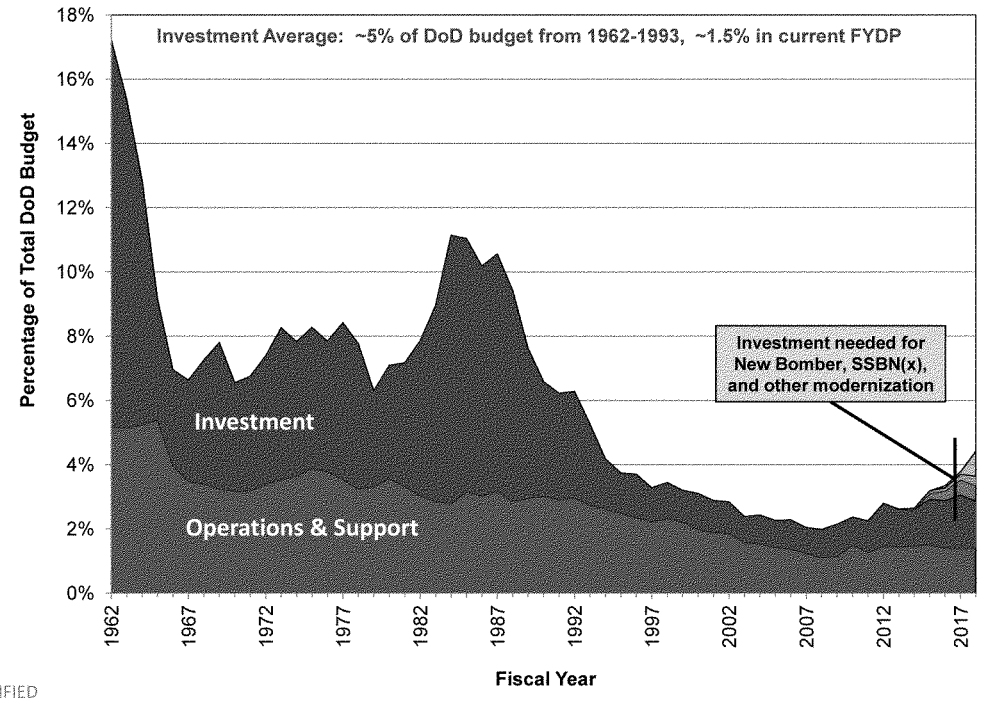
The Obama Administration developed a Budget-Driven strategy, reducing the size of the force, and eliminating the capability to fight 2 nearly simultaneous conflicts.

With sequestration, Defense spending will be **19%** less over FY 2012-2021 than planned in 2010. There is no strategic rationale for this reduction in funding.


US / RUSSIAN STOCKPILE COMPARISON
Strategic Warheads
Tactical Warheads
Production Capacity
Strategic Warhead Uncertainty
Tactical Warhead Uncertainty
RUSSIAN STOCKPILE
U.S. STOCKPILE
+ UNCERTAIN CHEMICAL CAPABILITY
+ UNCERTAIN BIOLOGICAL CAPABILITY
1980 1985 1990 1995 2000 2005 2009 2005 2000 1995 1990 1985 1980
STOCKPILE ASYMMETRIES MORE PRONOUNCED AT LOWER LEVELS


THE APPROACHING DELIVERY
PLATFORM CLIFFS
ALCM/ACM
BOMBER
MINUTEMAN III
TRIDENT D-5
SSBN/SSGN
Force Level
1000
100
10
1
2004
2009
2014
2019
2024
2029
2034
2039
2044
Year

Funding of DoD Nuclear Capabilities Relative to DoD Budget



Arrow Weapon System (AWS)

REQUESTED ACTION:

- **Support the President Budget request of $63.3 M for the Arrow Programs.**
- **Provide a Plus Up of $22.1 M for Arrow 3-Upper Tier Interceptor Program.**
- **Provide a Plus Up of $45.5 M for the acceleration of the Arrow System Improvement Programs.**

Strategic Importance: The Arrow Weapon System (AWS), jointly developed by the United States and Israel, provides Israel with the capability to defend itself against imminent and emerging ballistic missile threats, while providing the US with critical data and technology for its missile defense programs. Fully operational in the Israeli Air Force and interoperable with US BMD systems, the AWS proved its capabilities in a series of successful flight tests (last tests successfully conducted, February 2011 in the US and February 2012 in Israel). The development pace of enhancements, including the development of Long Range Detection suite, and of the Arrow-3 Upper Tier Capability, is to be accelerated in order to cope with the evolving unconventional threat from Iran.

Program Description & Status:

Arrow System Improvement Program (ASIP) and related activities: Starting FY01, the US and Israel have agreed to improve the Arrow system's operational and interoperability capabilities through the ASIP and related activities, such as the Israeli Test Bed (ITB) and Israeli System Architecture & Integration (ISA&I). DOD has funded a total of $683.4 M in FY01-FY13 for the ASIP programs and requested $10.7 M for FY15. Until AWS Upper Tier matures, a joint US-IL interoperable BMDS architecture is implemented. This concept was successfully tested November 2009 during the joint US-Israel exercise – JC-10 and again during AC-12 October 2012. For FY15 $45.5 M plus up is required to support completion of the AWS Block 4 enhancements (including the upgrade for obsolescence) to meet the evolving threat, as well as the development of Upper Tier capabilities, including long range, ground and airborne, detection suite. **Therefore the request for ASIP is $56.2 M** (vs. $44.4 M in FY14).

Arrow 3 Upper Tier Interceptor Program: Faced with the evolving Iranian unconventional threat, the US and Israel conducted during 2008 a comprehensive Analysis of Alternatives (AOA) and agreed to further develop an AWS Upper Tier Exo-Atmospheric Interception Capability, based on the Arrow-3 interceptor. This interceptor is jointly developed and will be coproduced by IAI and the Boeing Co. A joint feasibility study and preliminary design activities were funded during FY08-FY09 by the amount of $50 M. In 2010 MDA and the Israeli MOD signed the official Project Agreement (PA) for the Arrow 3 program. To accelerate the development of the Arrow-3 interceptor for FY10-FY13, the Congress allocated a total of $249.9 M. The program is progressing under full scale development efforts, and a series of ground and flight tests were conducted, including two successful fly-out tests in February 2013 and in January 2014. The DOD has requested for FY15 $52.6 M, an additional $22.1 M plus up is required to continue the full scale development, and support the initial production towards IOC. **Therefore the request for the Upper Tier program is $74.7 M** (as in FY14).

US Contractors: Israel Aircraft Industries (IAI) and the Boeing Company (AL) co-produced Arrow 2 interceptors and are co-developing the Arrow-3 missile. Other subcontractors include numerous US companies located over 25 states.

Congressional Funding History:
ASIP and Upper Tier: FY01 ($8M); FY02 ($66M); FY03 ($39M); FY04 ($61M); FY05 ($61M); FY06 ($61M); FY07 ($61M); FY08 ($61M); FY09 ($61M); FY10 ($47M); FY11 ($54M); FY12 ($59M); FY13 ($44.4M); FY14 ($44.4M);
Arrow-3 Upper Tier Interceptor Program: FY08 ($20M); FY09 ($30M); FY10 ($50M); FY11 ($59M); FY12 ($66.2M); FY13 ($74.7M); FY14 ($74.7M);

"David's Sling" Weapon System (DSWS)

REQUESTED ACTION:

- **Support the President Budget request of $32.5 M for DSWS ("David's Sling").**
- **Provide a Plus Up of $105.4 M for the joint development and initial production of the DSWS.**

Strategic Importance: The "David's Sling" Weapon System (DSWS), jointly developed by the United States and Israel, is planned to provide both the State of Israel and the US with an effective and affordable defense against the threat of Large Caliber Artillery Rockets (LCAR), Tactical Ballistic Missiles (TBM) and against the emerging Cruise Missile and similar representative threats currently proliferating in the region. DSWS is thus required to provide the US and Israel an affordable system, designed to efficiently defend against the abovementioned threats, including those that the existing systems do not cope with.

Program Description & Status:

As the last Lebanon conflict has proven, LCARs and SRBMs have become an immediate mortal threat to the Israeli civilian population. These weapons exist in the hands of Syria and the Hezbollah. An enhancement of the Israeli Missile Defense Architecture was thoroughly discussed with the US Missile Defense Agency (MDA) leadership, which agreed that the subject is of major interest for both Israel and the US. In 2008 MDA and the Israeli MOD signed the official DSWS Project Agreement (PA).

A joint feasibility study and preliminary design activities were funded during FY06 and FY07 by a total amount of $30.4M. This phase, for which the RAFAEL-RAYTHEON industrial team was jointly selected by IMOD and MDA, was concluded in 2008. The program is progressing under full scale development and initial production efforts, and a series of ground and flight tests were conducted including two successful interception tests in November 2012 and November 2013. A total of $ 535.2M was appropriated during FY08-FY13.

In order to continue the full scale development of the DSWS program including initial production activities and to ensure IOC is achieved on time, a FY15 congressional Plus Up of $105.4 M is required, beyond the $32.5 M requested by the administration. **Therefore the total request for the joint development and initial production of the "David's Sling" Weapon System is $137.9 M** (vs. $149.7 M in FY14).

US Contractors: RAFAEL has teamed with RAYTHEON (AZ) for the development and the production of DSWS. Numerous US companies were selected as subcontractors like: ATK (WV), NG (CA), SDC (CA), PKI (MA) etc.

Congressional Funding History:
DSWS: FY06 ($10M); FY07 ($20.4M); FY08 ($37M); FY09 ($73M); FY10 ($80M); FY11 ($85M); FY12 ($110.5M); FY13 ($149.7M); FY14 ($149.7M);

Iron Dome Defense System

REQUESTED ACTION:

- **Support the President Budget request of $176 M for the procurement of "Iron Dome" batteries and interceptors.**
- **Provide a Plus Up of $175 M for the procurement of "Iron Dome" interceptors.**

Strategic Importance: The "Iron Dome" Weapon System (IDWS) provides the State of Israel with an effective and affordable defense against the threat of rockets. The Iron Dome System is a part of the Israeli Multitier Defense Architecture which includes the Arrow and the David's Sling weapon systems. April 2011"Iron Dome" became an effective counter rockets system and one of the first anti-ballistic systems in the world to intercept rockets under real combat conditions. The system is capable of handling multiple targets and determines whether the rockets will hit urban areas or crash harmlessly into open fields. As such, the Iron Dome system is cost effective and designed to ignore rockets predicted to hit unpopulated areas.

Program Description & Status:
The rockets threat is evolving rapidly in all aspects: accuracy, quantity, range etc., during the last decade rockets have become an immediate mortal threat to the civilian population of Israel. These weapons exist in the hands of Hamas, Hezbollah and Syria. In April 2011 the Israeli Air Force (IAF) deployed the first battery of Iron Dome in southern Israel and for the first time in combat the system successfully intercepted rockets from Gaza. Since then the system has performed several times in combat. During the operation "Pillar of Defense" (November 2012) Iron Dome successfully intercepted more than 500 rockets with success intereception rate of about 85%. Six Iron Dome batteries are currently deployed in Israel, and two additional batteries are expected to become operational shortly.

The state of Israel invested more than $300 M to develop IDWS and to procure two batteries and continues to invest in the program. Although Iron Dome was developed by an Israeli industry (main contractor Rafael) there is full transparency with the United States regarding tests, capabilities and the status of the program.
In FY11 DoD and the US Congress appropriated $204M for the procurement of additional four Iron Dome's batteries and interceptors.
On May 17, 2012 Secretary Panetta informed Israeli Minister of Defense Barak that the president supports Israel's Iron Dome System, and also stated that his goal is to ensure Israel has the funding it needs each year to produce these batteries that can protect its citizens. In FY12, FY13 and FY14 the Congress appropriated a total of $501M for Iron Dome procurement. This funding allowed procurement of additional batteries and interceptors. Another $15M was appropriated in FY14 for establishing co-production capability in the United States.
The Co-Production Activities, with Rafael as a prime and Raytheon as a US main sub-contractor have been initiated in FY13 and will be accelerating in FY14-FY15.
The transition to production in the United States has an impact on the overall cost of production. Therefore, in order to meet the original plan, a Plus Up of $175M is required, beyond the $176M requested by the administration.
Therefore, in order to respond to the operational needs and to supply additional IDWS batteries and interceptors, a total budget of $351M is required for FY15 (vs. $235M in FY14).

Congressional Funding History: FY11 - $204M, FY12 - $70M, FY13 - $211M, FY14 - $235M.

US Contractors: Raytheon. Additional sub-contractors are in process of joining the Co-production.

U.S. Department of Defense Annual Report on Implementation of Executive Order 13595 and the U.S. National Action Plan on Women, Peace, and Security

Executive Summary

On December 19, 2011, the President released the U.S. National Action Plan on Women, Peace, and Security (NAP) and signed Executive Order (E.O.) 13595, "Institutionalizing a National Action Plan on Women, Peace, and Security." The NAP "represents a government-wide effort to leverage U.S. diplomatic, defense, and development resources to improve the participation of women in peace and conflict prevention processes, protect women and girls from sexual and gender-based violence (SGBV), and help ensure that women have full and equal access to relief and recovery resources."

During the past year, the Department of Defense (DoD) made substantial progress in implementing the NAP and related E.O. 13595. Foremost among these accomplishments is the successful integration of NAP objectives into key policy and strategic guidance, thereby institutionalizing change and solidifying Women, Peace, and Security (WPS) as a key priority for the Department. Notably, the Department revised its Implementation Guide for the NAP, which serves as a tool for implementing the NAP objectives into DoD programs and policies, and released a memorandum promulgating and formalizing DoD's Implementation Guide. Key efforts centered on increasing staff capacity for applying a gender-sensitive approach to diplomacy, development, and defense in conflict-affected environments. The Department launched new training courses on WPS issues, including instruction on the value of inclusive participation in conflict prevention, peace processes, and security initiatives; international human rights law and international humanitarian law; protection of civilians; prevention of SGBV; prevention of sexual exploitation and abuse; and combating trafficking in persons (CTIP).

- For example, U.S. Africa Command's (USAFRICOM) WPS working group developed a command briefing that familiarizes staff members with the USAFRICOM's WPS program, and provides an overview of the three main lines of effort being executed within the area of responsibility: (1) gender mainstreaming; (2) peacekeeping operations; and (3) staff education/training.

- Additionally, U.S. Northern Command (USNORTHCOM) developed a module on Human Rights and WPS for its "USNORTHCOM 101" class that is provided to all new personnel.

The Department continued to improve its collection, analysis, and use of data and research to track and report progress on WPS objectives, to assess lessons learned, and to

identify best practices from among existing programs. These efforts enabled the Department to evaluate and to learn from activities undertaken in support of WPS initiatives, and included the implementation of a monitoring and evaluation matrix, creation of a monthly WPS Synchronization Working Group, and establishment of a WPS online information portal.

To initiate broader inclusion of women across the spectrum of peace-making processes and decision-making, DoD facilitated training of partner nations to integrate women and their perspectives into their security sectors.

- For example, USAFRICOM led two engagements with the government of Botswana to assist in the integration of enlisted females in the Botswana Defense Force.

- DoD's regional centers also conducted courses, workshops, and conferences to promote women's active participation in the security sector, including a workshop in Vietnam on "Building an Effective Security Sector through Inclusion," which focused on key considerations and opportunities to build effective security sectors in the Asia-Pacific region through gender equality and the effective involvement of women in national security.

Moreover, the Department continued to leverage the participation of female members of the U.S. Armed Forces to encourage and model gender integration through the use of cultural support teams, female engagement teams, and gender advisors.

Consistent with NAP objectives to assist partner nations in building the capacity of their Defense Ministries to develop, implement, and enforce policies and military justice systems that promote and protect women's rights, the Ministry of Defense Advisors Program deployed five individuals who work to integrate women into the Ministry of Defense (MoD) and Ministry of Interior (MoI) staff and to establish MoD offices on gender.

The Department also made significant progress reforming and expanding upon SGBV prevention and response efforts, as well as assisting multilateral and international organizations in developing SGBV prevention and response mechanisms. The Department incorporated gender-based violence prevention and response programming into partner nation training programs, as well as in legal and medical education programs. The Department also advanced CTIP commitments through strengthening internal DoD requirements for trafficking in persons (TIP) awareness and reporting, and supporting partner nations in their efforts to combat TIP through the provision of capacity building assistance to detect, monitor, and disrupt trafficking events.

Promoting women's roles in conflict prevention and integrating gender perspectives in early warning and response systems are key elements of the Department's NAP implementation. For example, U.S Pacific Command's Center for Excellence in Disaster Management and Humanitarian Assistance facilitates an annual course that provides first responders with an understanding of the major public health issues, including SGBV, to be addressed among populations affected by natural disasters, complex emergencies, and internal displacement.

Equally important, the Department achieved demonstrable success in efforts to address the distinct needs of men and women in reintegration and early recovery programs. Efforts include: course discussions at the George C. Marshall European Center for Security Studies on disarmament, demobilization, and reintegration, with a special emphasis on women and children; training on protection measures for vulnerable populations, specifically women and children; and in the delivery of relief and recovery services.

Despite these accomplishments, components across the DoD recognize that more work remains. The Department is committed to institutionalizing the NAP further and will continue to work with interagency partners, as well as multilateral and international organizations, to promote implementation of NAP objectives at the strategic, operational, and tactical levels. For example, we will continue to:

- Seek inclusion of WPS principles in the upcoming revisions to the President's National Security Strategy;

- Demonstrate how gender mainstreaming contributes to a measurable increase in security and the success of military operations; and

- Eliminate sexual assault within the U.S. military through sexual assault prevention efforts on all fronts and at all levels.

In an effort to benchmark the Department's progress in implementing the NAP, DoD offers the following detailed summary of internal and external activities aligned to the NAP's identified outcomes.

NATIONAL INTEGRATION AND INSTITUTIONALIZATION

***Outcome 1.1** – Agencies establish and improve policy frameworks to support achievements in gender equality and women's empowerment throughout our diplomacy, development, and defense work.*

In an effort to institutionalize NAP objectives further, the Department has elevated WPS principles as a priority consideration in the development of policy frameworks, strategic guidance, and planning documents.

- In June 2012, the Deputy Assistant Secretary of Defense for Rule of Law & Detainee Policy (RDP), in coordination with the Joint Chiefs of Staff, Deputy Director for Partnership Strategy in the Directorate of Strategic Plans and Policy (J5), developed an informal Implementation Guide for the NAP. This Implementation Guide was revised in September 2013, and the Under Secretary of Defense for Policy released an implementation memo formalizing and promulgating the Implementation Guide for DoD-wide use. This Implementation Guide serves as a tool for applying the NAP objectives into DoD programs and policies within the strategic, operational, and tactical environment. It also aims to support military personnel in recognizing and addressing the security priorities of all sectors of the local population in the military context.

- In 2013, the Joint Staff conducted a Joint Publication (JP) review to identify elements of the NAP to incorporate into joint guidance documents. As a result of this review, the Joint Staff intends to update the applicable publications during their next revision, specifically, JP 3.07, Stability Operations; JP 3.08, Interagency Coordination during Joint Operations; JP 3.07-2, Antiterrorism; and JP 3-29, Foreign Humanitarian Assistance.

- In Fiscal Year (FY) 2014, the U.S. Army's Peacekeeping & Stability Operations Institute (PKSOI) plans to incorporate WPS into the Army's Stability Operations Manual (FM 3-07) and into the Protection of Civilians section of the Army Training Publication 3-07.6.

- In FY 2014, USAFRICOM incorporated WPS into its concept of operations and specifically highlighted WPS in two of six lines of effort (Strengthen Defense Institutions; Prepare and Respond to Crisis) that integrate the Command's efforts throughout the area of responsibility (AOR).

- In FY 2014, USNORTHCOM integrated NAP objectives into its command objectives in their Headquarters Operating Instruction.

- U.S. Southern Command (USSOUTHCOM) integrated WPS objectives into its Theater Campaign Plan (TCP), specifically within Defense and Sector Reform, with key tasks that specifically address integrating women into partner nation militaries and MoDs. Specific intermediate military objective key tasks were developed to advance WPS issues in the USSOUTHCOM AOR. USSOUTHCOM and its components are working with the militaries and defense forces of Peru, Guatemala, Honduras, Belize, and El Salvador to conduct Subject Matter Expert Exchanges on TIP prevention and protection of women in military operations.

- In April 2013, the Asia-Pacific Center for Security Studies (APCSS) added "Inclusion" to the Center's Guiding Principles, so as to institutionalize the Center's commitment "to include Fellows and participants from across the security spectrum, from a diverse set of nations and organizations, with the right balance in all areas including gender," in the Center's courses and workshops. In summer 2013, APCSS established a WPS lead to coordinate with course managers and curriculum committees in order to ensure incorporation of WPS issues into APCSS' courses, exercises, and workshops.

On January 24, 2013, former Secretary of Defense Panetta, with the Chairman of the Joint Chiefs of Staff, announced the rescission of the 1994 Direct Ground Combat Definition and Assignment Rule excluding women from assignments to units and positions whose primary mission is to engage in direct combat on the ground. By May 15, 2013, the Military Departments were required to submit to the Secretary of Defense, through the Chairman of the Joint Chiefs of Staff and the Under Secretary of Defense for Personnel and Readiness (P&R), their detailed plans for implementation of this directive, with integration of women into newly opened positions and units to occur as expeditiously as possible, but no later than January 1, 2016.

- The U.S. Air Force is undergoing a physical performance standards study to validate operationally relevant, occupationally specific, and gender-neutral performance standards. They are also addressing critical issues such as health and welfare, training, assignment classification, and career development, which are key stepping stones to removing assignment restrictions for women.

- The U.S. Navy has submitted an implementation plan that maximizes all feasible professional opportunities for females in the Navy. According to the implementation plan, the Navy will have no closed occupations, very limited number of closed positions, and equal professional opportunity for females in every officer designator and enlisted

rating in the Navy by January 1, 2016. The Department has notified Congress of the Navy's intent to open approximately 267 positions in the Coastal Riverine Force small craft to women, and has opened opportunities to women officers on some submarine types. The Navy has also announced its intent to assign enlisted women to Virginia class submarines.

- Since rescission of the 1994 Direct Ground Combat Definition and Assignment Rule, the U.S. Army has opened over 8,000 positions to female soldiers. The Department has also notified Congress of the Army's intent to open approximately 33,000 additional positions in open occupations. The Army is currently leading two efforts within Soldier 2020, the Army's plan to integrate women into previously closed military occupational specialties. The first is a study of the physical demands required for each military occupational specialty (MOS) throughout the Army, beginning with MOSs currently closed to women. The second is an extensive study of the institutional and cultural factors associated with integrating women into previously closed MOSs.

- The U.S. Marine Corps continues to assign women who currently serve in open MOSs to previously closed ground combat units. The Marine Corps recently opened approximately 40 positions with the Marine Corps' Air Naval Gunfire Liaison Companies (ANGLICO) and 56 Marine Corps ground intelligence officer positions, a previously closed MOS. Additionally, DoD notified Congress of the Marine Corps' intent to open approximately 220 Marine Corps officer and staff Non-Commissioned Officer (NCO) positions in Marine Corps Reserve artillery, tank, amphibious assault, and combat engineer battalions.

- In total, the Services and U.S. Special Operations Command (USSOCOM) have either opened, or notified Congress of the intent to open, approximately 57,000 positions to female service members since the rescission of the Direct Ground Combat Definition and Assignment Rule.

***Outcome 1.2** – Agencies enhance staff capacity for applying a gender-sensitive approach to diplomacy, development, and defense in conflict-affected environments.*

The Department and its leadership are committed to maintaining a workplace environment that rejects sexual assault and reinforces a culture of prevention, response, and accountability, and has implemented a comprehensive policy to ensure the safety, dignity, and well-being of all members of the U.S. Armed Forces. By enhancing staff capacity for preventing sexual assault, DoD serves as an example and demonstrates international leadership for applying a gender-sensitive approach in defense operations.

- In March 2013, the Department released a revised comprehensive policy, DoD Instruction (DoDI) 6495.02, "Sexual Assault Prevention and Response (SAPR) Procedures." This Instruction provides a number of program improvements, including: ensuring that every sexual assault case is treated as a medical emergency regardless of visible physical injuries, with clear standards for medical care and counseling; expanding reporting options to military dependents 18 years of age and older who have been sexually assaulted; establishing enhanced training requirements for DoD personnel; providing explicit commander and management SAPR procedures; and providing Sexual Assault Response Coordinator (SARC) and SAPR Victim Advocate (VA) procedures.

- In May 2013, Secretary of Defense Hagel directed implementation of the 2013 DoD Sexual Assault Prevention and Response Strategic Plan (SAPR Strategic Plan), which employs a multidisciplinary approach in prevention, investigation, accountability, advocacy/victim assistance, and assessment to achieve unity of effort and purpose across the Department. Using the SAPR Strategic Plan, the Department executes tasks across the five identified SAPR lines of effort (LOEs): **Prevention, Investigation, Accountability, Advocacy/Victim Assistance,** and **Assessment.**

Throughout FY 2013, the Department has continued to produce SAPR program improvements that include the following:

- In the **Prevention** LOE, each of the Military Departments launched a wide range of enhanced training programs using interactive and adult learning methods, and emphasizing bystander intervention. Standardized core competencies and learning objectives are now being taught in DoD-wide, pre-command and senior NCO training courses.

- *In the* ***Investigation and Accountability*** *LOEs, the DoD Inspector General published* a new DoD policy on adult sexual assault investigation standards. This policy requires that all sexual assault investigations be conducted by independent and professional Military Criminal Investigative Organizations. Toward the end of calendar year 2013, in order to comply with new requirements in the National Defense Authorization Act, each Military Department established a Special Victims Capability to provide effective, timely, and responsive worldwide victim support, as well as the capacity to investigate and prosecute allegations of certain special victim offenses. The Military Departments and the National Guard Bureau fielded specialized personnel and/or teams, such as Complex Trial Teams, Special Victim Prosecutors, and Trial Counsel Assistance Programs, to deliver enhanced capability in the prosecution of sexual assault cases.

- In FY 2013, the Department employed the DoD Sexual Assault Advocate Certification Program (D-SAACP), establishing a certification program for DoD SARC and SAPR VAs with the National Organization for Victim Assistance. In FY 2013, the Department certified nearly 23,000 SARCs and SAPR VAs from each of the Military Departments and the National Guard Bureau through the D-SAACP.

- Efforts taken in support of the Assessment LOE are discussed under Outcome 1.4.

The Secretary of Defense also led several new initiatives in 2013 to enhance commander accountability, ensure the appropriate command climate, improve victim support, and enhance safety.

- The Secretary of Defense directed that all commanders be provided the results of subordinates' annual command climate surveys to improve insight into climate at every level of the chain of command; that DoD component heads conduct visual inspections of all DoD workplaces, including those of the Military Academies, to ensure that facilities promote an environment of dignity and respect and are free from materials that create an offensive work environment; that the Military Departments improve the effectiveness of SAPR programs in recruiting organizations, processing stations, and the Reserve Officer Training Corps, to ensure the awareness and safety of new and aspiring service members; and that the Secretaries of the Military Departments implement methods to improve victim treatment within each Military Department by peers, co-workers, and chains of command, and to incorporate direct victim input.

- Fundamental to any approach to reduce violence and victimization is leadership accountability and ownership. In order to ensure that the Military Departments comply with DoD program policy, the Secretary of Defense established and conducts weekly accountability and assessment meetings with senior DoD leaders from the Secretary's staff and the Military Departments. The Joint Chiefs of Staff conduct a quarterly Joint Executive Council effort to provide oversight. Working group meetings are held bi-monthly with representatives of the White House to communicate DoD's approach and to address executive actions to combat sexual assault in the military. Oversight is also conducted via two annual reports provided to the U.S. Congress.

The Department ensures that all relevant U.S. personnel and contractors receive appropriate training on WPS issues, including instruction on the value of inclusive participation in conflict prevention, peace processes, and security initiatives; international human rights law and international humanitarian law; protection of civilians; prevention of SGBV; prevention of sexual exploitation and abuse (SEA); and CTIP. This training improves overall mission

effectiveness by ensuring that individuals have functional knowledge of gender and human rights issues.

- The Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics (AT&L) is leading a multi-stakeholder effort to identify standardized training modules for contingency contractors to promote respect for human rights.

- The Joint Staff is participating in a series of workshops on gender education and training for the military. The workshops are organized by the Security Sector Reform Working Group and the Education Development Working Group of the Partnership for Peace Consortium of Defense Academies and Security Studies Institutes. In December 2013, the third workshop in this series was held on "Integrating Gender in the Curriculum." Approximately 30 participants from national defense academies, MoDs of the North Atlantic Treaty Organization (NATO) and partner countries, as well as NATO personnel took part in the workshop. Participants collaborated in developing an online gender course, a checklist for gender curriculum review, and a practical application exercise based on lessons learned regarding how gender was previously integrated into a generic professional military education (PME) curriculum for Partnership for Peace countries. The workshop also focused on developing action plans for implementing a gender curriculum within participant organizations. A follow-on meeting to conduct an assessment of the implementation of gender in the curriculum will be conducted in summer 2014.

- The U.S. Air Force Air Advisor Academy provides a lesson on "Gender Dynamics and Culture Shock," which teaches Airmen techniques for successfully developing rapport, influencing individuals, and coping with the challenges of culture shock as well as gender dynamics as an Air Advisor to host nation counterparts.

- The U.S. Army's Pre-Command courses integrate WPS issues into 19 critical tasks, including: command climate; maintaining good order; health promotion; risk reduction; sexual harassment/assault response and prevention; equal opportunity; and leader development.

- U.S. Army training requirements for the Sexual Harassment/Assault Response and Prevention (SHARP) program, Female Engagement Teams (FETs), and TIP incorporate WPS principles, protection of women, and gender integration, and are available through the Army Training Network and Army Learning Management System (ALMS). For example, the FET Army Training Package incorporates WPS principles into six training modules: (1) Introduction to FETs; (2) Afghan Culture; (3) FET Mission Considerations; (4) FET Engagement Considerations; (5) Enablers; and (6) FET Culminating Exercise.

- The U.S. Marine Corps Regional Culture and Language Familiarization Program is part of career Marines' PME and provides Marines a baseline capacity to work and plan with other cultures. This training facilitates better communication with local populations, contributing to increased awareness of human rights violations, protection of civilians, and participation in local conflict prevention strategies.

- Cultural training, including training on cultural norms and women's rights, is included in U.S. Navy pre-deployment training for specific countries in order to better prepare service members to interact with the local population.

- In 2013, the USAFRICOM WPS working group developed a command briefing which is provided to all headquarters staff. The briefing familiarizes staff members with the command's WPS program, and provides an overview of the three main lines of effort being executed within the AOR: (1) gender mainstreaming; (2) peacekeeping operations; and (3) staff education/training.

- In December 2013, USAFRICOM screened the documentary "Chahinaz: What Rights for Women?" for USAFRICOM staff. The film provided USAFRICOM staff with an understanding of international women's rights from the perspective of a young Algerian woman. In June 2013, all USAFRICOM HQ staff members participated in a four-hour session that included the documentary film "The Invisible War" about sexual assault in the U.S. military, a panel discussion, and remarks by USAFRICOM's Chief of Staff, MG Mannon.

- In FY 2013, USNORTHCOM developed a module on Human Rights and WPS for inclusion in the "USNORTHCOM 101" class that is provided to all new personnel. The module focuses on how conflict affects women differently than men and lays out several reasons why the consideration of WPS principles in military operations improves overall mission effectiveness.

- The Nordic Centre for Gender in Military Operations (NCGM), located in Sweden, provides instruction on integrating gender perspectives into the planning, execution, and evaluation of military operations. The United States has sent participants to the Center's Gender Field Advisor Course, which educates personnel to perform as Gender Field Advisors or Gender Advisors in military and peace support operations. The Gender Field Advisor II course, held August 28, 2013 – September 6, 2013, had three U.S. participants.

Several service schools are beginning to offer WPS-related courses as part of their curricula.

- The U.S. Naval War College (USNWC) offers a "Women in Combat and War" course during which students learn about historical and present day women and their roles in the profession of arms. In FY 2015, the USNWC will offer "Women in Leadership: Conflict, War, and History," an elective course that specifically addresses the value of women in combat.

- Beginning in spring 2014, the Air Command and Staff College will offer an elective "Women in the U.S. Military."

- The Marine Corps University, in coordination with the Marine Corps Center for Advanced Operational Culture and Learning, is developing a Command and Staff elective titled "War, Sex, and Gender," which will introduce students to historic and contemporary views on sex and gender in militaries around the world. Topics include cognition, mental and physical health, aggression, communication, and behavioral norms as they relate to sex, gender, and identity in the military.

- The U.S. Army War College incorporates WPS issue into its peacekeeping and stability operations and civil security electives and periodically hosts forums to engage students and external audiences on these issues.

- (A detailed description of CTIP efforts is included under Outcome 3.3.)

***Outcome 1.3** – Agencies establish mechanisms to promote accountability for implementation of their respective gender-related policies in conflict-affected environments.*

In order to promote accountability for implementation of the NAP, former Secretary of Defense Panetta designated the Under Secretary of Defense for Policy as responsible for coordinating implementation of the NAP by ensuring the principles and objectives in the NAP inform the strategic planning process, and by monitoring and reporting DoD progress in that regard. The Directorate for Strategic Plans and Policy (J5) represents the Chairman of the Joint Chiefs of Staff on NAP issues and coordinates implementation efforts across the Joint Staff, Military Departments, and Combatant Commands (COCOMS).

***Outcome 1.4** – Agencies establish processes to evaluate and learn from activities undertaken in support of Women, Peace, and Security initiatives.*

The Department continues to improve its collection, analysis, and use of data and research to track and report progress on WPS objectives, to assess lessons learned, and to identify best practices from among existing programs, in order to evaluate and learn from activities undertaken in support of WPS initiatives.

- DoD aims to standardize assessment methodologies and to measure, analyze, assess, and report effectively the progress of the SAPR program. The Department conducts recurring Survivor Summits during which survivors share experiences that the Department can use to ensure that policy-making is informed by the voices of survivors. In FY 2013, sexual assault questions were added to the DoD Command Climate Surveys, and Secretary of Defense Hagel directed that all commanders be provided the results of their subordinates' command climate surveys. Additionally, the Defense Sexual Assault Incident Database was fielded and now serves as the records system for sexual assault case management and data collection. Further, the Department continues to develop metrics that can be used to help better assess SAPR performance and effectiveness on a regular basis.

- The Department's monitoring and evaluation matrix outlines the outcomes and actions listed in the NAP and assists in mapping implementation activities. Over the past year, DoD has refined the matrix in order to elicit more complete data so as to enable a thorough assessment of successes, obstacles, and gaps.

- The Department continues to use the Joint Lessons Learned Information System, which provides a common lessons learned repository for DoD Components and allows for the sharing and evaluation of information to support future operations, exercises, and country engagements.

- USSOUTHCOM collects course and deployment data, disaggregated by gender, for all Global Peace Operations Initiative (GPOI) partner nation activities in order to gain awareness of the current state of gender integration in GPOI partner peacekeeping activities and to demonstrate to partner nations the importance of gender integration. Additionally, USSOUTHCOM provides a Spanish language course of instruction on the value and methods of gathering and tracking gender-disaggregated data, which is distributed to partner nations.

- In order to monitor student population diversity, the George C. Marshall European Center for Security Studies (Marshall Center) tracks and evaluates the gender demographics for all resident courses and makes the data available on the Regional Center Persons Activity Management System.

- In FY 2013, USNORTHCOM established a position within its J5 to track and promote WPS activities and to ensure compliance with national directives regarding WPS.

- In March 2014, USAFRICOM's Knowledge Development Division plans to deploy a Socio-Cultural Research Advisory Team to conduct research to understand partner nation capabilities, successes, and challenges with respect to the use of female military members in Somalia and their role in promoting security and stability. The study seeks to answer two questions: (1) How can USAFRICOM/Combined Joint Task Force Horn of Africa (CJTF-HOA) support East African women in the military to promote security and stability in Somalia? (2) How can USAFRICOM/CJTF-HOA positively influence military-to-military and/or train-the-trainer programs to address the need for increased female engagement education and training within the African Union Mission in Somalia (AMISOM) Troop Contributing Countries?

- The Office of the Assistant Secretary of Defense for Health Affairs has produced peer-reviewed publications, funded by USAFRICOM, addressing SGBV in the Democratic Republic of Congo (DRC) and in Liberia.

- The Navy Office of Women's Policy, in coordination with the Naval Postgraduate School, is conducting an "International Navies" study on female-specific policies in foreign militaries. The study is being conducted to collect best practices and lessons learned from different countries' experiences integrating women into their military services.

- In April 2013, the Department volunteered a service member to participate in the Afghanistan portion of NATO's "Review of the Practical Implications of UN Security Council Resolution (UNSCR) 1325 for the Conduct of NATO-led Operations and Missions." The aim of the review was to evaluate "efforts to integrate a gender perspective in the planning, conduct and assessment of operations, and to develop recommendations for strengthening future work in this area."

Both the National Defense University (NDU) and the USNWC have established competitions to encourage research on WPS-related issues.

- In March 2013, NDU established a university-wide annual WPS Writing Award competition, where students may submit papers highlighting one or more of the following areas: Women and Conflict Resolution; Protections for Women During and After Conflict; Women's Roles in Conflict Prevention; Women's Access to the Means for and Integration into Relief and Recovery; National and International Stakeholders' Respective Roles in Setting and Advancing the WPS Agenda; and National Defense

Colleges and the Study of WPS. The award winning article is published in a professional journal, and the Office of the Provost disseminates the article to the Academic Deans for consideration in PME curriculum reviews.

- In November 2013, the USNWC announced the Naval War College Award for Research Competition regarding women and conflict outcomes. The $10,000 award, sponsored by the Naval War College Foundation, is designed to encourage outstanding new research that advances understanding of the roles of women during conflict and in conflict prevention and conflict resolution.

The Department has also expanded its efforts to share lessons learned and best practices to increase coordination among relevant stakeholders, inform program development, and examine challenges faced in implementing NAP objectives.

- In June 2013, RDP, in coordination with the J5, initiated a monthly WPS Synchronization Group to coordinate WPS efforts, and to share lessons learned and best practices among the COCOMS, Military Departments, Regional Centers, and Senior Service Schools. Through briefings and discussions, the group provides a forum to discuss methods to strengthen further and institutionalize WPS within the Department. In October 2013, the J5 established a WPS portal with a calendar of upcoming events, slides and briefs from WPS Synchronization Group meetings, and relevant WPS policy and guidance.

- RDP and the J5 also participate in USAFRICOM's WPS Working Group, which works to integrate gender perspectives across the full range of USAFRICOM's operations, exercises, and security cooperation activities.

- To assist in effective program development, U.S. European Command (USEUCOM) shares WPS best practices and lessons learned through an established network with other European countries and agencies executing programs on UNSCR 1325.

- The U.S. Marine Corps collects lessons learned on FETs and captures them in formal publications. Additionally, the Marine Corps collects after-action reports from FET unit missions and student papers from intermediate and senior service schools. All reports and publications are posted to the Marine Corps Lessons Learned website.

- The Center for Army Lessons Learned captures best practices from existing programs through various publications such as "The Commander's Guide to Female Engagement Teams" and the "Supplement to Key Leader Engagement Handout-Key Female Engagement."

- APCSS established a WPS Community of Interest on its GlobalNet, which serves as a platform for the exchange of ideas and the sharing of lessons learned among international Fellows. Additionally, APCSS created a WPS knowledge repository on its internal SharePoint site with WPS information and case studies to assist faculty in integrating WPS elements into their lectures and briefs.

- In December 2013, the USNWC held its second annual WPS Conference, which focused on "Answering the How: Progress, Challenges, and Issues for Sustaining the National Action Plan." Speakers and panelists represented an extensive set of viewpoints from the armed services, as well as from non-profit, government, and academic organizations, while presentations explored national and international political, military, educational, institutional, sociological, and anthropological perspectives essential to attaining the goal of empowering women in conflict prevention and peace.

PARTICIPATION IN PEACE PROCESSES AND DECISION-MAKING

***Outcome 2.1** – More women are effectively engaged in peace negotiations, security initiatives, conflict prevention, peace-building including formal and informal processes – and decision-making during all phases of conflict prevention and resolution, and transition.*

Through bilateral and multilateral engagements, the Department works to promote women's active participation in peace-processes and decision-making, while leading by example in its work to meet NAP objectives.

- The United States has committed to provide support for the NCGM training and education efforts. DoD has also agreed to provide an instructor for the Center. The instructor will teach portions of the Center's core curriculum with a focus on incorporating lessons learned in overseas military operations into NCGM's curriculum. DoD is working to facilitate this request by identifying the appropriate organization to provide experienced personnel in a manner that will ensure a sustainable relationship with the Center.

- The Department works closely with the NCGP on efforts to prevent and respond to conflict-related SGBV. The NCGP supports the implementation of UNSCR 1325 and serves in an advisory role to the Military Committee on gender-related policies for the Armed Forces of the Alliance. The U.S. Army currently provides the chairperson to the Executive Committee for the NCGP. Additionally, the Department frequently engages with the NATO Secretary General's Special Representative for Women, Peace, and Security, and the Chief of NATO's Office of Gender Perspectives, to advance implementation of UNSCR 1325 and to collaborate on mutual priorities.

Additionally, the Department engages with the U.S. Congress, academic institutions, and civil society regarding NAP implementation.

- On March 13, 2013, RDP participated in a Congressional Roundtable Forum on Implementation of the NAP, hosted by Congressman Michael Honda, Congresswoman Jan Schakowsky, and Congresswoman Eddie Bernice Johnson in partnership with Women's Action for New Directions (WAND) and the U.S. Civil Society Working Group for Women, Peace and Security (CSWG). The Roundtable served to broaden understanding among Members of Congress of the goals of the NAP and to reflect upon strategies for comprehensive and effective implementation of the NAP.

- In June 2013, the former Deputy Assistant Secretary of Defense for RDP served as the keynote speaker at the Georgetown University Institute for Women, Peace, and Security's Inaugural Research Symposium, "Bridging the Theory and Practice Gap," representing the Department's commitment to women's participation in peace and security efforts. The Symposium brought together approximately 35 practitioners, policymakers, and academics from around the world to discuss the most pressing issues surrounding WPS research.

The Department is committed to improving the recruitment and retention of women into government ministries and incorporating women's perspectives into peace and security policy, and provides common guidelines and training to assist partner nations to integrate women and their perspectives into their security sectors.

- The Department engages women leaders to advance gender integration. For example, on September 24, 2013, RADM Landolt (USAFRICOM, J3) delivered a speech to the First Ladies of African Nations at the 68th United Nations General Assembly concerning USAFRICOM's focus on WPS and health. The speech sought to empower the First Ladies by stressing that they are in positions to lead and influence changes in their societies at levels that no military capability, government ministry, or other institution can do.

- USSOUTHCOM encourages gender integration of peacekeeping forces in the USSOUTHCOM AOR by co-hosting gender integration training events and through discussions with senior-level decision makers in partner nation peacekeeping, training, and command structures.

    - In July 2013, USSOUTHCOM, in collaboration with the Naval Postgraduate School, used GPOI funds to showcase Chile's progress integrating women in

Chilean forces. Experts at a Gender Integration in Peacekeeping Seminar in Santiago, Chile explained international documents regarding integration of women and provided guidance on overcoming social and organizational challenges. Attendees from participating countries shared their nation's progress with respect to policies and actual involvement of women in both military and UN peacekeeping missions. A phase 2 Gender Integration Seminar, "Integrating Gender in Peacekeeping Operations," geared to all USSOUTHCOM-GPOI partners, Brazil, and Argentina is planned for spring 2014. A phase 3 event is planned for fall 2014. In addition to Chilean peacekeeping force integration, Guatemala, Paraguay, and Peru have begun deploying, or have significantly increased the number and importance of, female peacekeepers.

- During 2011-2013, the GPOI Liaison Officer to the U.S. Military Assistance Advisory Group in Peru monitored female participation and urged the Peruvian leadership to include women in a variety of courses taught at the Peru Peacekeeping Center in Ancón.

- In 2013, USSOUTHCOM, in coordination with the Paraguay Security Cooperation Office and the Massachusetts National Guard, and using GPOI funds, supported the training, integration, and deployment of six Paraguayan female peacekeepers to the United Nations Stabilization Mission in Haiti (MINUSTAH). Training is being conducted for follow-on deployments in 2014.

- In June 2013, the USCENTCOM-GPOI Manager served as a facilitator at the training course, "A Comprehensive Approach to Gender in Operations," in Amsterdam. The one-week course was designed to increase operational effectiveness by equipping students with the necessary knowledge and skills to operationalize a gender perspective effectively in common security and defense policy, and in international missions and operations. In FY 2014, USCENTCOM-GPOI, in coordination with the European Security and Defence College, will host the same course in Amman, Jordan. The target audience for the course is mid-level military officers, police, and civilians in the USCENTCOM AOR.

- On August 26, 2013, the U.S. Forces-Afghanistan Equal Opportunity (USFOR-A EO)/SAPR Office partnered with Canadian and Afghan women to conduct in-theater training on issues specific to women, focusing on leadership positions in the government and military.

- USAFRICOM is working with the government of Botswana to assist in the integration of enlisted females in the Botswana Defense Force (BDF).

- In April 2013, a Training Contact Team composed of two U.S. Officers and one NCO met with thirty-five male and female BDF working group participants, including officers and Sergeants Major, over a four-day period to discuss issues surrounding women's integration in the BDF. The team assessed initial integration efforts with female officers, worked to familiarize BDF leadership with the latest developments in addressing integration complexities and sensitivities, and shared challenges and successes that the U.S. Army has experienced.

- In August 2013, the Training Contact Team conducted a follow-on meeting with another group of thirty-five BDF members to reinforce and assess integration status and progress. The group selected three recommendations requiring immediate attention and action: (1) the need for established fitness standards for women, as physical proficiency tests are a significant factor for promotion consideration; (2) career progression and retention; and (3) recruiting. Group members discussed the actions required for each recommendation, the lead agency/office, and timelines for completion.

- USAFRICOM plans to host a women's signal forum in August 2014. The event will take place over the course of five days and include 10-12 participants from partner nations. The forum will include an information exchange of signal doctrine, techniques, and philosophies; and panel discussions on gender mainstreaming and unique situations faced by women serving in the military.

- In May 2014, USAFRICOM will host a five-day multilateral event with 35-40 participants in Windhoek, Namibia. The goal of the event is to: (1) improve frameworks to promote, support, and encourage African partners to integrate women into their defense forces; (2) discuss gender integration best practices, challenges, and successes throughout the South African Development Community (SADC) region in order to build defense institutional capabilities; and (3) identify initiatives to prevent SGBV.

  - Namibia has substantial support for WPS initiatives at the mid-level of its government and military, but it lacks the political will at its senior levels to champion such activities successfully. This event will demonstrate senior support for WPS from Namibia's immediate neighbors and influential international partners to illustrate the importance of high-level support for success.

  - Senior leaders and key stakeholders instrumental in promoting and advancing gender integration policies and implementing actionable solutions will be invited

from Botswana, Malawi, Zambia, South Africa, and Angola. Speakers will include leaders from within the South African and Botswana governments, the U.S. Women in the Army Office (Army G-1), the U.S. Army Africa (USARAF) Commanding General, and other African regional organizations.

The National Guard regularly engages with partner militaries on issues involving gender integration through the National Guard State Partnership Program, a DoD security cooperation program run by the National Guard. Their efforts have included:

- From May 4-10, 2013, the Vermont National Guard State Partnership Program held a women's integration engagement with Senegal in the USAFRICOM AOR. The engagement included briefings, discussions, and exchange of information on women's integration issues in order to assist Senegal with successful integration of women into the Senegalese Armed Forces.

- In May and August 2013, the Colorado National Guard State Partnership Program conducted women's leadership engagements with the Jordanian Armed Forces. The one-week engagements focused on leadership development and communication styles, deployment preparations, sexual assault prevention, balancing work and home life, and overall challenges faced by women in the military.

- From November 24-27, 2013, the South Dakota National Guard, with support from USSOUTHCOM, trained the Suriname Armed Forces on integrating women into their military. The training included discussions on the history of incorporating women into the armed forces, methods for successful integration, examples of challenges that women face, and recommendations for how to address those challenges.

Through courses, workshops, and conferences, the Department's regional centers promote women's active participation in the security sector:

- In September 2012, the Africa Center for Strategic Studies (ACSS), in partnership with USAFRICOM, co-hosted a workshop, titled "Leaning Forward: Gender Mainstreaming in African Armed Forces." The workshop brought together more than two dozen experts and practitioners from 14 African countries, the AU, the Inter-governmental Authority on Development, and the U.S. Government to examine and highlight the progress made, challenges experienced, as well as the opportunities available to enhance gender mainstreaming in African security forces.

- In February 2013, ACSS conducted a day-long educational peacekeeping operations engagement program in Uganda focusing on gender mainstreaming, civilian protection,

and other security issues involved in peacekeeping operations. Eighty-one ACSS alumni and security-focused professionals attended.

- Gender sessions are included in ACSS' Senior Leaders Seminar and the Next Generation of African Security Leaders program, both of which involve more than 100 African leaders from more than 45 African countries each year. The gender sessions in these programs highlight the importance of effective and sustainable gender mainstreaming, analyze modalities for the design and implementation of appropriate strategies, and examine ways in which external partnerships, including with the United States, can be leveraged.

- In October 2012, the Marshall Center's alumni association hosted a roundtable discussion, "Gender Issues in the Security Sector." The purpose of the roundtable was to provide the alumni association an opportunity to educate the security sector in Macedonia on this topic and to exchange information on regional perspectives and local practices. Seventy individuals participated in the event, including local and regional experts, police, and MoD officials from Bosnia and Herzegovina, Macedonia, Montenegro, and Serbia.

- In October 2012, three faculty members from the Marshall Center served as speakers at the International Women's Summit, "Partnership for Change: Empowering Women," in Pristina, Kosovo. The event brought together more than 200 leaders from around the globe to engage in a robust and inclusive dialogue about the need for women's economic empowerment, political participation, access to resources, and security.

- In March 2013, APCSS, in partnership with the Diplomatic Academy of Vietnam's Institute of Foreign Policy and Strategic Studies, hosted a workshop in Vietnam on "Building an Effective Security Sector through Inclusion," which focused on key considerations and opportunities to build effective security sectors in the Asia-Pacific region through gender equality and the effective involvement of women. The thirty-nine participants from nine countries with diverse backgrounds representing military/defense, foreign affairs/diplomacy, law enforcement, economic, social, and resource related ministries in the region discussed the value of inclusion within the security sector and the key challenges and opportunities to expand inclusion in the security sector, in order to inform the on-going security sector development strategies of national governments, regional institutions, and APCSS.

- The Near East South Asia Center for Strategic Studies (NESA) is integrating gender-security issues into their curricula, with a focus on the key role women can play in security sectors, and the value of increasing the role of women and youth in transitional/transformational governments and democracies, into programming across the

NESA region. In June 2013, in Casablanca, Morocco, and in September 2013, in Rabat, Morocco, NESA worked with North Africa "whole of society" representatives as they established a Regional Task Force focused on security sector reform efforts, including "smartly" expanding the role of women in all security sectors (i.e., involving women in areas that they bring value in line with existing cultural and religious sensitivities) and capturing best practices and lessons learned.

The Department leverages the participation of female U.S. military personnel to encourage and model gender integration and to reach out to female and male populations in partner nations:

- Provincial Reconstruction Teams, Cultural Support Teams, and FETs serve as models for gender integration, and they support ongoing operations by leveraging female participation. For example, FETs are able to gather information and to communicate with the female population in Afghanistan where contact with a male service member would be deemed culturally inappropriate.

- From December 15, 2012 – December 1, 2013, the Army provided a Gender Advisor to NATO Training Mission-Afghanistan/Combined Security Transition Command-Afghanistan (NTM-A/CSTC-A), who worked with the Unified Training Advisory Group, the Afghan National Defense University, and the Afghan National Training and Education Command. In this capacity, she advised female students and staff, and provided direction regarding gender integration to other Coalition Forces' advisors through the Afghan National Army training schools. Additionally, she worked closely with Afghanistan's MoD and MoI to support efforts to train and assign women in the Afghan National Security Force.

- U.S. Marine Corps Forces Africa, in coordination with USAFRICOM, and the Kofi Annan International Peacekeeping Training Center, conducts a bi-annual Peacekeeping Logistics Course in Ghana, which seeks to develop African partner nations' logistics capacity and to train students to function as logisticians in UN-led peacekeeping operations. The February 2013 course included one female U.S. Marine Corps instructor and four female participants from Nigeria, Uganda, and Mozambique.

- In 2014, U.S. Marine Corps Forces Africa will deploy the first female team leader for the Uganda Security Cooperation Team.

- Through the U.S. Air Force International Health Specialist program, which is present at the COCOMS, female medical officers and NCOs in leadership roles interact with

partner nation military health organizations, modeling U.S. commitment to, and value of, women in such positions.

- NESA routinely involves senior female personnel as course directors, facilitators, panelists, and mentors. For example, in August 2013, a retired female U.S. Air Force Colonel served as course director for the first Libyan Defense and Staff College visit to the United States.

- APCSS is working to involve senior female U.S. military personnel from U.S. Pacific Command (USPACOM) as panelists and speakers during in-resident APCSS courses.

- The Marshall Center regularly invites female U.S. Government leaders and subject-matter experts to serve as speakers and models for gender integration at events with partner nations. For example, at the Center's Senior Executive Seminar in January 2013, speakers included: Ambassador Susan M. Elliot, U.S. Ambassador to Tajikistan; Ambassador Patricia Flor, EU Special Representative for Central Asia; Ambassador Pamela L. Spratlen, U.S. Ambassador to Kyrgyz Republic; and Dr. Kathleen Hicks, Former Principal Deputy Under Secretary of Defense for Policy.

- On March 12, 2014, the William J. Perry Center for Hemispheric Defense Studies (Perry Center), in coordination with USSOUTHCOM, USNORTHCOM, NDU, and the NDU Foundation, will host a special Hemispheric Forum in recognition of International Women's Day. The Forum will feature a panel discussion with leading women in defense, diplomacy, and development. The event will be webcast on the Perry Center network, with simultaneous translation into Spanish.

- USCENTCOM-GPOI is deploying mostly female instructors from the U.S. Marine Corps Law Enforcement Battalion and the Colorado National Guard to train female military police in Jordan in order to improve opportunities for women to participate in UN peacekeeping missions.

- In September 2013, a female USSOUTHCOM Staff Judge Advocate discussed gender equality, sexual assault, and sexual harassment with Belize Defense Force female officers and enlisted members during the "Belize Legal Subject Matter Expert Exchange and Assessment." The seminar focused on operational law, military justice, administrative law, and professional development within the Belize Defense Force and Belize Coast Guard.

- On March 7, 2013, U.S. Air Force Brig. Gen. Jacqueline Van Ovost, then Air Force Central Command's director of mobility forces, spoke at an International Women's Day

event hosted by the Afghan Air Force (AAF) at Kabul International Airport. The event celebrated the efforts of the AAF women and continued gender integration.

The Department remains committed to increasing partner nation women's participation in U.S.-funded training programs for foreign police, judicial, and military personnel, PME, exchange programs, conferences, and seminars. Efforts include establishing internal goals for women's participation, allocating additional seats to countries that are willing to send female participants, and engaging foreign ministries and officials.

- In 2012, APCSS introduced an in-resident WPS Fellows Program aimed at developing leaders committed to advancing women's inclusion in peace negotiations, peace-building activities, and conflict prevention; protecting women from SGBV; and ensuring equal access to relief and recovery assistance, in areas of conflict and insecurity. After seeing the positive impact of a WPS Cohort in Advanced Security Cooperation Course 12-1, Director APCSS set an initial goal of twenty percent female participation in all resident courses. While the ratio varies from course to course, APCSS has seen steady growth in female representation. It appears that active recruiting of female participants has created opportunities for women in the Asia-Pacific security community that otherwise would not have existed. APCSS works in concert with embassies to increase female participation in courses and workshops. Female participation was fifteen percent for FY 2013 resident courses at APCSS.

- The Marshall Center has an established goal of at least twenty percent female participation for all resident courses and outreach events.

- ACSS encourages partner Africa nations to send qualified women participants to academic programs, and the registrar office allocates additional seats to countries that are willing to send female participants. ACSS has seen a significant increase in female participants over the last eighteen months. For instance, forty percent of participants in the October 2013 Next Generation of African Security Leaders program were women.

- NESA works with U.S. Embassy/Security Cooperation Offices to encourage Foreign Ministries to "balance" proposed candidates for resident programs, including representation from various ministries and representation of women. Additionally, NESA ensures that, where program participants are invited by name, NESA provides a "whole-of-society" balance and a fair representation of women. NESA's goal is to have a minimum of twenty percent female participation for resident programs.

- The U.S. Marine Corps has invited Mexican Marine Corps (MEXMAR) female lieutenants to attend The Basic School, a mandatory, six-month school for all U.S.

Marine Corps officers where basic infantry and leadership skills are taught. MEXMAR is currently screening potential candidates. During an August 2013 visit by MEXMAR Chief of Staff Admiral Ortega Siu to Marine Forces North, U.S. Marine Corps senior staff officers discussed leveraging opportunities for both male and female MEXMAR officers to attend U.S. Marine Corps formal school.

***Outcome 2.2** – Laws, policies, and practices in partner States promote and strengthen gender equality at national and local levels.*

The Department continues to assist partner nations in building the capacity of their Defense Ministries to develop, implement, and enforce policies and military justice systems that promote and protect women's rights.

- Currently, the Ministry of Defense Advisors (MoDA) Program has five individuals serving in human resources and legal advisory billets in Afghanistan. In this capacity, they advise their Afghan counterparts to integrate women into the MoD/MoI staff and to establish MoD offices on gender as part of their day-to-day operational duties.

- In July 2013, in a presentation at the World Justice Forum in The Hague, USAFRICOM representatives advocated for the incorporation of a defense sector component in the annual World Justice Project Rule of Law Index, which is composed of five core areas: Human Rights; International Humanitarian Law; Anti-Corruption; Civilian Accountability; and Military Justice Systems. Four of the five components inherently address not just women, but gender equality, access to justice, inclusivity, equal treatment, access to opportunity, and a host of other core considerations regarding women and gender with respect to rule of law in defense sectors.

- The Perry Center's Strategic Implications of Human Rights and Rule of Law (HR/ROL) course includes WPS instruction. The course explores complex topics of human rights, the rule of law, international humanitarian law, military professionalism, the law of armed conflict, and transitional justice.

PROTECTION FROM VIOLENCE

***Outcome 3.1** – Risks of SGBV in crisis and conflict-affected environments are decreased through the increased capacity of individuals, communities, and protection actors to address the threats and vulnerability associated with SGBV.*

The United States Strategy to Prevent and Respond to Gender-Based Violence Globally (Strategy) and E.O. 13623, "Preventing and Responding to Violence Against Women and Girls

Globally," establishes a government-wide approach that identifies, coordinates, integrates, and leverages current efforts and resources in order to prevent and respond more effectively to gender-based violence globally. E.O. 13623 directs agencies to implement the Strategy and requires the establishment of benchmarks for implementation, as well as a timetable for periodically reviewing the benchmarks.

During the past year, DoD has integrated opportunities to prevent and respond to gender-based violence into its larger commitment to advance gender equality under the NAP. The Department participates in the Interagency Working Group, and representatives from SAPRO, the Office of the Under Secretary of Defense for Policy, and the Joint Staff serve on related committees. Additionally, the Department recently submitted its progress report on Implementation of the Strategy to the National Security Council staff.

GPOI programs seek to promote women's roles in conflict prevention, to improve conflict early warning and response systems through integration of gender perspectives, and to ensure that U.S. and partner State security forces are trained and responsive to SGBV.

- In March 2013, as part of USPACOM's annual GPOI Capstone training exercise, a Peacekeeping Training Seminar was conducted for more than 30 senior military officers from 10 nations at the Nepal Army Headquarters to increase participants' interoperability and peacekeeping skills prior to deployment to UN missions and focused on protection of civilians, preventing SGBV, SEA, and human securities.

Additionally, the COCOMS are implementing GPOI peacekeeping training courses with partner countries on various topics, including: human rights, code of conduct, accountability, SEA, protection of civilians, use of force, rule of law, and humanitarian affairs.

- In September 2013, USCENTCOM-GPOI, in collaboration with the Naval Postgraduate School, led a week-long course for 23 Jordanian female officers from special forces, training, and military police disciplines. The course focused on protection of civilians, including SGBV, refugee, and Internally Displaced Persons concerns, and the special needs of children.

The COCOMS and DoD regional centers have made significant progress in integrating gender-based violence prevention and response programming in their individual training, education, and awareness efforts.

- In June 2013 and July 2013, respectively, USAFRICOM/ CJTF-HOA conducted training on human rights and international humanitarian law, including instruction in "Armed

Conflict Law Against Gender Violence," with the Tanzanian People's Defense Forces and the Ugandan People's Defense Force, in preparation for deployment to AMISOM.

- CJTF-HOA includes gender and human rights in its civil-military cooperation training provided to partner nation militaries. For example, since September 2013, civil affairs teams in Tadjourah and Chabelley, Djibouti, have been conducting engagements with the Djibouti Army and the local population. Similarly, since May 2013, a civil affairs team in the Karamoja region of Uganda has been conducting training with the Uganda People's Defence Force and the local population.

- As part of Tradewinds 2013, a USSOUTHCOM-sponsored training exercise focused on improving cooperation and security in the region, participants received training on human rights and SGBV prevention. The exercise included participants from the U.S. military and U.S. law enforcement agencies, and counterparts from 14 partner nations, primarily from the Caribbean Basin.

- NESA distributes one-page policy briefs for resident program participants on sexual harassment. The briefs are translated into Dari, Arabic, and Russian, and participants' signatures are required to ensure that all participants receive the information.

The Defense Institute of International Legal Studies (DIILS) addresses gender-based violence in its courses.

- Since January 2012, DIILS Law of Armed Conflict and Human Rights (LCHR) course has included instruction regarding at least one of the following topics and presentations: national response to gender violence presentation; military discipline and human rights for soldiers, including a presentation on gender violence; presentation by a former prosecutor for the International Criminal Tribunal for the former Yugoslavia on rape as a war crime and a crime against humanity; presentation by an non-governmental organization (NGO) on women in conflict; and film presentations of "The War on Women" and "I Came to Testify." The three-week course is offered twice a year at the Naval Station in Newport, Rhode Island and prepares commanders and staff officers to conduct operations, including multinational operations, in accordance with the law of armed conflict and human rights law.

- DIILS Stability Operations: The Legal Aspects of Rules of Engagement (ROE)/Rules for the Use of Force (RUF) in Afghanistan (SOLARA) course addresses the legal, operational, and policy aspects of ROE and RUF in Afghanistan. This course includes presentations by an Afghan representative on gender challenges in Afghanistan and

applicable Afghan laws and/or a presentation by an NGO or contractor on gender challenges and gender-based violence in Afghanistan and internationally.

The Defense Institute for Medical Operations offers a seminar on gender-based violence and women's health, the goal of which is to provide participants with an insight into the varied global manifestations of gender-based violence and gender inequality, to demonstrate case-based solutions for developing a corrective action plan, and to improve women's health, gender equality, and national stability through the reduction of gender-based violence.

The Department is committed to supporting education and awareness initiatives for U.S. Government personnel on the prevention of SEA in crisis and conflict-affected environments.

- SGBV is addressed within the Uniformed Sciences University of the Health Sciences medical school and graduate school curricula. For example: the Global Health post-clerkship module for rising fourth-year students provides three half-days of global health education including human rights, maternal health, and SGBV topics. An SGBV awareness briefing is also presented to graduate students as part of Global Health 2 (GH 2), an elective course on global health. A 1.5-hour talk on female genital mutilation is also included in the GH 2 course. Additionally, the Medical Stability Operations Course and the Global Health Strategies for Stability Course, administered as pre-deployment courses by the Center for Disaster and Humanitarian Assistance Medicine (CDHAM), in partnership with the Defense Medical Readiness Training Institute (DMRTI), discuss SGBV in relationship to culture and health.

- Prior to deployment or temporary duty assignment (TDY) to South Korea, USPACOM military, civilian, and contractor personnel are required to receive U.S. Forces Korea's briefings, including instruction regarding particular cultural considerations, as well as country-specific problems with prostitution and TIP.

- USCENTCOM FRAGO 05-02-003, 201855ZMAR13, Attachments 1-5, and USCENTCOM FY 2014 Non-Standard Forces Training Requirements Overview contain counterinsurgency and medical pre-deployment training requirements concerning cultural sensitivities, SAPR, Sexual Assault Medical Forensic Examinations, Sexual Assault Nurse Examiner, Sexual Assault Forensic Examiner, Sexual Assault Examiner, and Forensic Examiner training.

- On March 8, 2013, USAFRICOM hosted "A Promise is a Promise: Time for Action to End Violence Against Women," a roundtable presentation and discussion with Mr. Emmanuel Mohuze, a Congolese social cultural analyst, and Dr. Selam Alemayo, an Ethiopian social scientist, on SGBV inside the Forces Armees de la Republique

Democratique du Congo (FARDC). The event sought to educate USAFRICOM senior staff on gender issues affecting African peace and security, and the challenges faced in successfully completing USAFRICOM's mission on the continent.

- The "Protection of Civilians: Military Reference Guide," published by PKSOI, includes a section titled "Supporting the elimination of conflict-related sexual violence." This section emphasizes that the military force, in conjunction with other actors, must ensure that sexual violence is addressed as a major area of focus and is routinely incorporated into its protection of civilian efforts, as it is impossible to obtain a safe and secure environment with adequate protection of civilians if conflict-related sexual violence is a widespread problem.

- In July 2014, USAFRICOM and PKSOI will jointly host a workshop with 35-40 participants in Carlisle, Pennsylvania, to develop gender-focused vignettes for use in peacekeeping operation pre-deployment training events and exercises. The workshop aims to address the challenges specifically related to SGBV, a pervasive problem across the continent that has not been adequately addressed in trainings and exercises to prepare peacekeepers sufficiently for real-world scenarios. Attendees will include current and recent commanders of African peacekeeping operations, in addition to senior leaders from DoD, the Department of State (DoS), and international organizations, such as UN Women.

***Outcome 3.2** – Laws, policies, and reconciliation, transitional justice, and accountability mechanisms designed to combat exploitation, abuse, discrimination, and violence against women and girls are developed and implemented at national and local levels.*

By working with partner militaries and security personnel, DoD personnel proactively support the development of effective accountability and transitional justice mechanisms that address crimes committed against women and children and reduce the impunity of perpetrators of such crimes.

- During resident and overseas programs, NESA promotes the development of accountability mechanisms and facilitates information exchange on laws and policies that address crimes committed against women and girls. For example, NESA works with transitional governments, reform groups, and civil society as they establish codes of conduct, with a special emphasis on human rights under the law, for military, police, and other actors within the security sector.

- DIILS is using its team deployed to the DRC to build military justice capacity among the magistrates, prosecutors, and investigative personnel of the FARDC. This work includes

education on affirmative obligations pursuant to international humanitarian law and domestic and international human rights law, with a sub-focus on SGBV. Several programs included presentations by Congolese representatives on SGBV from a Congolese perspective.

In FY 2013, DIILS completed twenty-eight Section 1206/1207 programs across all AORs, each of which included a Human Rights and Armed Conflict Law Against Gender Violence Presentation.

- In June 2013, DIILS conducted a Section 1206/1207 seminar on human rights and international humanitarian law in Nairobi, Kenya. The seminar focused on emerging issues involving the law of armed conflict and the responsibilities of nations and military commanders in the prevention, investigation, and prosecution of war crimes. Fifteen commanders from three units of the Kenyan Defense Forces participated. The participants' operational experience added depth to discussions, particularly those concerning international terrorist groups and gender violence.

- In June 2013, DIILS conducted an Operational Law Mobile Engagement Program in Colombia that included a Human Rights and Armed Conflict Law Against Gender Violence presentation. The three-day program was attended by military lawyers from the Colombian Army, Navy, and Air Force, as well as representatives from the national civilian police.

- In July 2013, DIILS conducted a Section 1206 engagement in Yemen on the law of armed conflict and human rights that focused on emerging issues related to the law of armed conflict and the challenges faced by professional militaries confronting an internal armed conflict. The team also discussed the prevention of gender-based violence and the role of treaties and customary international law in prevention efforts.

- In August 2013, USSOUTHCOM's Staff Judge Advocate and Human Rights Office coordinated with DIILS to provide various legal and human rights training for El Salvadorian forces. Training for Colombia, Peru, and Uruguay is tentatively planned for 2014.

- In November 2013, DIILS' USCENTCOM Regional Program Director addressed gender-based violence as an important component of transnational justice during a presentation at the Military Justice and Legal Affairs Conference in Brazil, sponsored by the Brazilian Superior Military Tribunal.

- In December 2013, as part of DIILS Military Law Development Program Resident Course, U.S. Marine Corps prosecutors presented on investigating and prosecuting sexual assault cases. The course provided military legal advisors with a comprehensive military law curriculum, including military justice and operational law, international law, human rights law, law of armed conflict, and rules of engagement.

The Department proactively coordinates its gender-based violence prevention and response efforts among U.S. Government agencies and with other stakeholders.

- In support of the United Kingdom's Preventing Sexual Violence Initiative (PSVI), the Department helped shape the Draft Declaration on Preventing Sexual Violence in Conflict and the Draft Foreign Ministers' Meeting Statement for the G8 Foreign Ministers Meeting in April 2013. Additionally, DoD identified experts to participate in the drafting of an international protocol for documenting and investigating sexual violence in conflict.

- In August 2013, the Department provided input regarding a proposed United Nations General Assembly high-level declaration, planned for release at a PSVI event addressing sexual violence in conflict hosted by the United Kingdom and UN Special Representative of the Secretary General (SRSG) Zainab Hawa Bangura on September 24, 2013.

- In April/May 2013, the Department worked with interagency partners to help craft initial drafts of UNSCR 2106 on conflict-related sexual violence. Additionally, the Department hosted SRSG Bangura in April 2013 and October 2013 to discuss priorities for the SRSG's office and ways to collaborate more effectively on mutual objectives.

- In May 2013, RDP participated in the NCGP annual meeting, which focused on "How NATO can prevent and respond to sexual and gender-based violence in conflict." The meeting provided unique analysis into understanding, preventing, and responding to SGBV in conflict, and it allowed delegates to identify and discuss best practices, including considerations for commanders when responding to SGBV in conflict, educating and training related to SGBV in conflict, and reporting processes.

- In May 2013, GPOI and PKSOI conducted an initial Protection of Civilians Table Top Exercise (TTX) at the UN Mission in South Sudan on integrated staff planning, crisis management, and effective assessment and response to SGBV. GPOI and PKSOI plan to conduct two additional TTXs in FY 2014 and four quarterly TTXs in FY 2015 and beyond.

***Outcome 3.3** – Interventions are improved to prevent trafficking in persons and to protect trafficking survivors in conflict and crisis-affected areas.*

DoD maintains a zero tolerance policy for TIP for U.S. military and civilian personnel. The CTIP Program Office oversees the DoD TIP program and ensures that the Services, COCOMS, and Defense Agencies have the necessary tools to prevent trafficking.

- TIP training is mandatory for all DoD personnel in accordance with DoD Instruction 2200.01, "Combating Trafficking in Persons."

- In 2011, the DoD CTIP Program Office established a multidisciplinary DoD Strategic Planning Task Force to provide advice and recommendations for improving current implementation, execution, and oversight of CTIP in DoD contracts. The Task Force meets monthly, and the National Security Council staff and DoS are invited.

- The CTIP Program Office coordinates with the interagency on implementation of anti-trafficking efforts through work with the Presidential Interagency Task Force (PITF) to Monitor and Combat TIP, and the Senior Policy Operating Group (SPOG). Additionally, senior leaders from the Department occasionally brief the National Security Council staff and DoS about overall DoD CTIP efforts.

- In October 2012, the DoD CTIP Program Office deployed two individuals to Afghanistan to establish an Outside the Continental United States (OCONUS) CTIP Task Force to resolve issues related to contractors exploiting their workers overseas.

- In August 2013, the DoD CTIP Program Office released new versions of the General Awareness and Law Enforcement CTIP training curricula that reflect Executive Order 13627, "Strengthening Protections Against Trafficking In Persons in Federal Contracts," and Title XVII of the NDAA for FY 2013, "End Trafficking in Government Contracting." Other forms of training under development include: Contracting Officers and Acquisition Personnel, Fifteen-Minute "Refresher," Mobile Application, and Leadership Training.

In addition to the DoD CTIP Program Office, COCOMS are strengthening internal CTIP programs.

- As in previous years, in FY 2013, the USSOUTHCOM Human Rights office (SC-HRO) conducted command-wide training to combat TIP and achieved a combined 98% compliance level within headquarters and at Posts in Security Cooperation offices and Joint Task Forces within the AOR. For FY 2014, SC-HRO is developing USSOUTHCOM-focused modules that cover specific CTIP issues within the AOR, including child soldiers, forced labor, and sex trafficking.

- USAFRICOM requires pre-deployment TIP awareness training on human trafficking in East Africa for all USAFRICOM personnel.

- Officials from USPACOM regularly meet with the local NGO community in order to integrate the NGO perspective more effectively into USPACOM CTIP training. The USPACOM CTIP Program Manager provides a CTIP overview specific to the USPACOM AOR at USPACOM's monthly Initial Staff Training and Orientation Program.

- On August 20, 2013, the Seventh Air Force Commander issued an order banning patronage of certain nightlife establishments in South Korea for all Airmen and Seventh Air Force military personnel under the premise that patronizing such bars supports the human trafficking industry. Airmen who violate the order are subject to punishment under the Uniform Code of Military Justice, and airmen who see another member of Seventh Air Force violating the order are encouraged to contact Security Forces or the U.S. Forces Korea Prostitution and Human Trafficking Hotline. Following the issuance of this order, the number of these establishments outside of Osan Air Base decreased from 44 to 10 by the end of 2013.

- The Army continues to enhance mandatory DoD annual training on Human Rights, Law of Armed Conflict, and CTIP requirements through ALMS, which offers General DoD TIP and a Leader Specific TIP course along with a mechanism to track training completion.

The Department also works closely with partner nations to support efforts to combat TIP.

- For example, in August 2013, USSOUTHCOM co-sponsored a Subject Matter Expert Exchange with the Trinidad Police Academy at the Trinidad and Tobago Police Academy. USSOUTHCOM provided two CTIP subject matter experts for the event, who discussed interviewing victims of trafficking, investigative techniques that can be employed, and indicators and trends associated with human trafficking.

- USEUCOM's Joint Interagency Counter Trafficking Center provides support to U.S. law enforcement and international partner agencies and builds the capacity of partner nations to detect, monitor, and disrupt trafficking events.

- From March 31, 2014 – April 11, 2014, the Marshall Center will host its first resident course on counter-narcotics and illicit trafficking. The course will address human exploitation and trafficking across Europe and Eurasia.

- DIILS' August 2013 "Combating Terrorism Fellowship Program: Legal Aspects of Border Security Mobile Engagement Program" included a presentation on TIP. The five-day program took place in El Salvador, and 53 individuals, including national civilian police, immigration officials, civilian prosecutors, and military personnel, participated.

CONFLICT PREVENTION

Outcome 4.1 *– Conflict early warning and response systems include gender-specific data and are responsive to SGBV and women participate in early warning, preparedness, and response initiatives.*

Progress has been made to incorporate gender considerations in conflict early warning and response systems, and to encourage women's participation in early warning and response initiatives.

- USEUCOM planners are developing storylines and simulations that integrate gender issues for use with the South-Eastern Europe Simulation Network, a series of computer-assisted crisis management/disaster response exercises.

- The Marshall Center's Seminar on Transatlantic Civil Security provides civil security professionals from Europe, Eurasia, and North America an in-depth look at how nations can effectively address domestic security issues that have regional and international impact. The three-week seminar examines best practices for ensuring civil security and preventing, preparing for, and managing the consequences of domestic and regional crises and disasters, and broadly addresses the needs of women and children in disaster preparedness and consequence management.

- USPACOM's Center for Excellence in Disaster Management and Humanitarian Assistance facilitates an-annual Health Emergencies in Large Populations (HELP) course which provides first responders with an understanding of the major public health issues, including SGBV, to be addressed among populations affected by natural disasters, complex emergencies, and internal displacement.

- USAFRICOM is co-leading a research project to develop an early warning tool to predict conflict emergence. The premise of the research project is that considerations regarding gender and women's equality in conflict analysis are indicative of conflict emergence.

- During APCSS' Comprehensive Crisis Management Course held August 15, 2013 – September 17, 2013, Fellows lectured on social inclusion (i.e., incorporating a whole-of-

society approach) in crisis management. The four-week course focused on actions to prevent routine emergencies from deteriorating into crises, preparing for crises in ways that reduce their near-term impacts, and setting the conditions for cooperation and greater national resilience in future crises.

ACCESS TO RELIEF AND RECOVERY

***Outcome 5.3** – Reintegration and early recovery programs address the distinct needs of men and women.*

The Department achieved measurable success in efforts to address the distinct needs of men and women in reintegration and early recovery programs.

- As applicable, NESA discusses Disarmament, Demobilization, and Reintegration (DDR), including a special emphasis on women and children, into Combating Terrorism elements of NESA resident programs and overseas workshop programs. Specifically, issues pertaining to the reintegration of women and child soldiers are addressed, and the radicalization of women and youth is discussed.

- Army training requirements for human rights, law of war, and cultural awareness are established and maintained in Army Regulation 350-1, "Army Training and Leader Development." Human rights training is part of the Army's CTIP Program and includes annual training on protection measures for vulnerable populations, in particular for women and children, in post-conflict and humanitarian emergency assistance missions and programs. The law of war training focuses on treatment of enemy combatants and specifies the importance of identifying and protecting non-combatants. The training materials are reviewed and updated periodically.

Where applicable, the Department incorporates the distinct needs of men and women in the delivery of relief and recovery services.

- USAFRICOM's Humanitarian Assistance Program funds construction and rehabilitation of hospitals and clinics in the DRC focused on treatment of survivors of SGBV.

- In January 2013, USS MAHAN (DDG-72) sailors volunteered at Family Horizons, a shelter and rehabilitation center for distressed women in Haifa, Israel, whose mission is to provide medical assistance, food, shelter, mentorship, and long-term care.

- On January 20, 2013, the U.S. Army Corps of Engineers completed construction of a new medical facility in Shindand District, Herat Province, Afghanistan. The facility provides basic, urgent, and emergency health care, and has separate zones for men and women.

Obstacles to Implementation

The Department has identified the following obstacles to successful implementation of the NAP:

- Ongoing resource constraints challenge the Department's ability to implement the NAP fully. Resource constraints have resulted in diminished staff capacity for policy development, implementation, and programming. For example, per guidance to reduce the footprint in Afghanistan, the OCONUS CTIP Task Force has been reduced to one person co-located with the USCENTCOM Joint Theater Support Contracting Command (C-JTSCC) in Qatar.

- Resource constraints have also limited the research capacity for collection and analysis of data. The Department will continue to evaluate how best to assess and measure the effectiveness of such resource constraints in order to determine the efficacy of programming efforts.

- The omission of WPS principles in the National Security Strategy hinders the Department's effort to fully integrate NAP objectives into Department-specific guidance, such as the Guidance for Employment of the Force. In November 2013, RDP and the J5 submitted draft language to the National Security Council staff for inclusion in the National Security Strategy.

- Analytical gaps remain with respect to how gender-mainstreaming directly contributes to a measureable increase in security and the success of military operations.

- A distinct tension may exist in certain conflict situations between reconciliation of the conflict and successful implementation of the NAP, because the situation may involve a group of people who fundamentally object to WPS objectives. Additionally, the Department is faced with determining how to ensure that any positive changes realized through meeting the WPS objectives are able to endure in post-conflict States.

Next Steps and Recommendations

Critical to the institutionalization of the NAP objectives within the Department, is the incorporation of these objectives into appropriate strategic planning guidance.

- In FY 2014, USNORTHCOM will explore integrating WPS into its TCP, and expects to accomplish formal integration in FY 2015. Additionally, the Department will facilitate coordination among other COCOMS to address integration of WPS into their respective TCPs.

- In FY 2014, the Joint Staff will develop a WPS submission as a Special Area of Emphasis for the Joint Faculty Education Conference Review.

- The Department will continue to integrate women into the remaining restricted occupational fields within our military, while adhering to guiding principles developed by the Joint Chiefs of Staff.

The Department remains committed to eliminating sexual assault within the U.S. Armed Forces. DoD will continue prevention efforts on all fronts and at all levels; to educate all Service members, commanders, and leaders, and to hold them appropriately accountable.

- The SAPR Plan, developed to address the complex nature of the issue and to synchronize Department-wide efforts, will remain a dynamic document, reviewed annually, to drive stakeholder action within the Department.

The Department will continue to track and report progress in implementing NAP objectives, to assess lessons learned, and to identify best practices from existing programs.

- DoD is developing the Global Theater Security Cooperation Management Information System to track Security Sector Assistance and Building Partner Capacity activities, report progress on WPS objectives, assess lessons learned, and identify best practices from existing programs.

- The Department will continue to develop benchmarks, along with measures of effectiveness, to better assess the impact of its implementation efforts.

WITNESS RESPONSES TO QUESTIONS ASKED DURING THE HEARING

MARCH 6, 2014

RESPONSE TO QUESTIONS SUBMITTED BY MR. KLINE

Secretary HAGEL and General DEMPSEY. DOD considered some options for consolidating Combatant Command HQ staffs as part of our annual budget development and review process. However, we did not move forward with any changes in this year's request. We believe the current structure of six geographic and three functional combatant commands remains the most effective construct to address today's global security environment and the Unified Command Plan reflects this assessment. However, in accordance with Secretary Hagel's QDR direction, we are proceeding with a 20 percent reduction in all command staffs to provide future cost savings consistent with the intent of sequestration. [See page 26.]

RESPONSE TO QUESTIONS SUBMITTED BY MR. ROGERS

Secretary HAGEL Yes. The planned Aegis Ashore sites in Poland and Romania will add value to the defense of our allies and deployed forces in the European Command Theater of Operations. The Aegis Ashore Weapon System is a regional defense system designed to defeat short- and medium range ballistic missiles, and eventually intermediate range ballistic missiles. The system re-hosts the Aegis Ballistic Missile Defense (BMD) components of the Navy Aegis BMD Destroyer, including the water (surface ship) radar surveillance and control (SPY) radar, vertical launching system, computing infrastructure, command, control, communications, computers and intelligence systems and operator consoles in the ashore configuration. In its current configuration, Aegis Ashore cannot defeat cruise missiles, but that capability could be restored with software modifications and additional hardware.

The Aegis Ashore System is designed so it can be constructed, disassembled, and moved, if necessary. However, it is not designed to counter ballistic missile threats from Russia.

The Department already has dual capable aircraft rotating to NATO-allied states in support of our deterrence mission in Europe. [See page 32.]

RESPONSE TO QUESTIONS SUBMITTED BY MR. WITTMAN

General DEMPSEY. Any diminution of resources brings added risk to both the force and our military strategy. With respect to the Army, these risks will be manifested in less capacity and lower readiness. While it is unlikely we would lose a conflict, the cost of prevailing may now be higher, in both economic and human terms. To mitigate these risks, we must maintain and develop key capabilities. Therefore, modernization programs that provide the technological overmatch needed to deter or defeat our adversaries must be preserved. Specifically, it is critical we maintain an intelligence apparatus capable of providing the warning and time required to mobilize capacity and regenerate readiness in response to a crisis. This budget aims to strike this delicate balance between capability, capacity, and readiness that ensures we will win any conflict while managing the risks to our men and women. [See page 41.]

RESPONSE TO QUESTIONS SUBMITTED BY MS. SPEIER

Secretary HAGEL As you know, last May, I ordered refresher training and a review of credentials and qualifications of Sexual Assault Response Coordinators (SARCs), Sexual Assault Prevention and Response (SAPR) Victim Advocates (VA), and recruiters. Some of the Services expanded their reviews. In addition, subsequent and separate from these reviews, the Department published detailed criteria for the screening, selection, training, certification, and decertification of SARCs and SAPR VAs who serve the Department. These criteria were published in January 2014, and such exacting standards should help ensure that the Department fields professionals of the highest caliber in our advocacy programs.

Based upon the practices identified by the Services and our Defense Sexual Assault Advocate Certification Program, I intend to direct the Acting Under Secretary of Defense for Personnel and Readiness to review and determine if additional standards are necessary to screen, select, train, and certify occupants of sensitive positions supporting SAPR or those who directly engage, support, or instruct our newest and most vulnerable service members. These positions include: SARCs, SAPR VAs, recruiters, healthcare providers authorized to conduct a Sexual Assault Forensic Exam, Special Victims Capability Investigators, Special Victims Capability Legal Team, Special Victims Counsel, and initial military trainers. Following this review, I will determine if a rescreening of these sensitive positions is necessary. [See page 37.]

RESPONSE TO QUESTIONS SUBMITTED BY MR. KILMER

Secretary HAGEL The Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(AT&L)), the Honorable Frank Kendall, directed a number of parallel efforts to institute a continuous improvement process for the Defense acquisition system. Prominent elements include: Better Buying Power initiatives; an interim policy update to the Department of Defense Instruction (DoDI) 5000.02, "Operation of the Defense Acquisition System"; a more dynamic coupling of military requirements and Defense Acquisition processes; and a review of current statutes aimed at suggesting a comprehensive consolidation and streamlining of legislative prescriptions for Defense acquisition.

If the Congressman or the Committee would like more information on any of these initiatives directed by Mr. Kendall, his staff would welcome the opportunity to provide a briefing. [See page 43.]

RESPONSES TO QUESTIONS SUBMITTED BY MS. DUCKWORTH

Secretary HAGEL. No UH–72 Lakota's purchased with NGREA funds have been transferred from the Army National Guard (ARNG) to the Active Component Army. The ARNG received two UH–72 Lakota's from NGREA funding in 2012 and were funded for an additional 127 aircraft from 2009 thru 2012. The two UH–72's that were purchased with NGREA funds were delivered in 2013 to the ARNG's High-Altitude Army National Guard Aviation Training Site (HAATS) in Centennial, Colorado. HAATS provides high altitude training for military pilots from all Services and components, as well as to approved international aircrew. This unit has a training mission and there is no intent to remove any Lakotas from the ARNG at this time.

The Assistant Secretary of Defense for Reserve Affairs tracks all equipment procured for the National Guard and Reserve, including the equipment filtered through the Active procurement appropriations as well as that procured using NGREA. The ARNG is currently scheduled to receive an additional 34 UH–72's in the FY2013 P–1R as well as a Congressional addition in FY 2014 of $75M for 10 aircraft. [See page 46.]

General DEMPSEY. No UH–72 Lakota aircraft, NGREA or otherwise funded, have ever been transferred from the National Guard to the Active Army. Such a transfer was initially considered under the Army's Aviation Restructuring Initiative, but ultimately rejected. Any transfers of aircraft that may occur between the National Guard and the active Army as part of this initiative will be in full compliance with all applicable laws. [See page 46.]

QUESTIONS SUBMITTED BY MEMBERS POST HEARING

MARCH 6, 2014

QUESTIONS SUBMITTED BY MR. MCKEON

Mr. MCKEON. We've had many lessons learned from contracting actions during contingency operations and there is no doubt we will rely on contract support in future contingencies, be it humanitarian relief or full-spectrum combat operations. What are you doing to not only plan for contract support during a contingency, but to educate and train your personnel so they are prepared to develop requirements, and execute and oversee contracting actions in order to properly respond in a contingency. Are you adequately resourced to plan, execute, and oversee the contract support you would need in the event of a major contingency?

Secretary HAGEL. In conjunction with the Joint Staff and the Services, the Office of the Secretary of Defense (OSD) continues to institutionalize operational contract support (OCS) through a variety of initiatives in the areas of education, training, joint exercises, and doctrine; incorporating lessons learned from exercises and current operations. The Department has established the OCS Functional Capabilities Integration Board to actively monitor all ongoing and planned OCS related initiatives across the Department.

Initiatives include: expanding OCS training for contingency contracting officers, planners and senior leaders; infusing OCS into operational plans and developing OCS planning factors; developing automated tools; developing an OCS common operating picture; integrating OCS into the Chairman Joint Chiefs of Staff Exercise Program and executing stand-alone OCS focused joint exercises; testing the OCS Mission Integrator (OMI) Concept; developing OCS measures of effectiveness; and, formalizing our measure of OCS readiness using the Defense Readiness Reporting System.

While the Department has made progress in establishing a burgeoning OCS capability for current and future contingency operations, funding for OCS initiatives will continue to face resourcing challenges and fiscal risk in light of the Department's overall limited resources.

Mr. MCKEON. We've had many lessons learned from contracting actions during contingency operations and there is no doubt we will rely on contract support in future contingencies, be it humanitarian relief or full-spectrum combat operations. What are you doing to not only plan for contract support during a contingency, but to educate and train your personnel so they are prepared to develop requirements, and execute and oversee contracting actions in order to properly respond in a contingency. Are you adequately resourced to plan, execute, and oversee the contract support you would need in the event of a major contingency?

General DEMPSEY. Resourcing to plan, execute, oversee and integrate operational contract support (OCS) across the Department of Defense has many facets, multiple equities, and currently disparate resourcing streams. As such, achieving the ability to adequately plan, execute and oversee contract support in event of a major contingency requires a culture change that can only occur with institutionalization of the key tenants of OCS across the DOTMLPF–P spectrum from strategic to tactical levels. The FY14–17 OCS Action Plan, currently in staffing, includes over 180 strategic actions to address the highest priority gaps outlined in the 2011 Joint Requirements Oversight Council-approved OCS Initial Capability Document. In scoping the associated tasks and setting completion dates, the Action Plan's stakeholders have factored-in available resources. However, more work remains to be done to determine the full set of actions and costs. The Department provided a "Report on Contingency Contracting and Operational Contract Support (OCS) Lessons Learned" in December 2013. This report addressed OCS efforts across doctrine, organization, training, materiel, leadership & education, personnel, facilities and policy (DOTMLPF–P) in response to Title VIII, Items of Special Interest, Report on Contingency Contracting Lessons Learned, of the fiscal year 2013 House Armed Services Committee (HASC) Report (112–479). The report highlights the Department's progress since 2003 in developing and implementing actions to educate and train acquisition and non-acquisition personnel in requirements development and the planning, execution, and oversight of contracting actions, what we call "OCS", in response to contingencies. Since submission of that report, the Department:

- Conducted the first-ever OCS joint exercise (OCSJX) in January 2014 with over 500 participants including contractors.
- Taught the Joint OCS Planning and Execution Course (JOPEC) to 113 students from four geographic combatant commands (GCC) with plans to train an additional 106 students from the other GCCs before the end of the fiscal year.
- Provided the Joint Forces Staff College tailored educational material for integrating OCS into their Joint and Combined Warfighting School (JCWS) curriculum. The Joint and Combined Warfighting School plans to adapt this new material fully to their existing curriculum by the 2nd quarter FY15.
- Is updating the "Introductory OCS Commander and Staff Course" for the department's on-line training program, "Joint Knowledge Online," with release aligned to publication of the updated Joint Publication 4–10, Operational Contract Support, this FY.
- Began initial planning with U.S. Pacific Command (USPACOM) to serve as the supported commander for OCSJX 2015.
- Initiated an effort with USPACOM to demonstrate the OCS Mission Integrator (OMI) element identified in the approved OCS Joint Concept.

As stated in the 2014 Quadrennial Defense Review, the Department is committed to the opportunity represented by a Total Force mindset. Properly integrated and managed, OCS can help mitigate the risks intrinsic in a smaller, uniformed force structure and address many lessons from the last decade of war. To assure this outcome, it would benefit from continued institutionalization across DOTMLPF–P.

The OCS Joint Concept was approved by JROCM 159–13 and guides OCS capability development for JF 2020. The OCS Joint Concept is aligned to the Capstone Concept for Joint Operations (CCJO) and depicts a Total Force enabling concept that integrates OCS into global military operations. The OMI is the major organizational solution element in the OCS Joint Concept. The 2014 QDR states, "Given the planned reductions to the uniformed force, changes to our force structure, and the Department's strategic direction under fiscal constraints, the Department must continue to find efficiencies in its total force of active and reserve military, civilian personnel, and contracted support. The Department needs the flexibility to size and structure all elements of its Total Force in a manner that most efficiently and effectively meets mission requirements, delivers the readiness our Commanders require, and preserves the viability, morale, and welfare of the All-Volunteer Force."

QUESTIONS SUBMITTED BY MR. LANGEVIN

Mr. LANGEVIN. Each of the COCOMs that have testified before this committee this year have expressed their dependence on key enablers, in particular ISR. Understanding that there are very real budget limitations that you have had to work within, where have you had to accept risk across the Department's ISR capabilities, and are you comfortable with the balance between the DOD's ISR resources and those of the Intelligence Community?

Secretary HAGEL. The Department of Defense's FY 2015 budget request reflects those critical choices necessary to address key intelligence requirements in support of today's operations, while making the necessary investments to maintain our intelligence advantage. In this period of declining resources, however, those choices come with increased levels of risk for some mission areas. For instance, reductions to force end-strength pose some mission risk as the intelligence challenges that DOD faces, now and in the future, will continue to increase in number and complexity. As part of these budget-driven manpower reductions, DOD reduced the direct support staffs at the COCOMs' J–2s and Joint Intelligence Operations Centers (JIOCs).

Global rivals and potential adversaries are developing advanced capabilities and sophisticated weapons systems, which will inevitably post increased risks to our forces and National Security. To meet these emerging threats, more advanced systems and capabilities will be required. However, existing budget constraints have forced DOD to terminate or delay some operational or modernization programs in order to protect higher priorities in procurement, research, and development. For example, DOD's decision to retire the U–2 and retain the RQ–4B (Global Hawk Block 30) acknowledges our willingness to accept a capability risk in manned high-altitude ISR in favor of long-term affordability.

It is the Department's position that the FY 2015 President's budget request strikes an effective balance between the resources of the DOD ISR enterprise and those of the Intelligence Community. As always, DOD will continue to work closely with the Office of the Director of National Intelligence to adjust resources as needed in order to continue providing unmatched ISR capabilities in support of the National Security Strategy.

QUESTIONS SUBMITTED BY MR. BISHOP

Mr. BISHOP. With regard to prior rounds of Defense Base Closures and Realignments (BRAC), how many bases which were closed in the 1991, 1993, 1995, and 2005 rounds of BRAC have ended up in private ownership (meaning private sector or non-profit)? You may answer in terms of total acreage or percentages of bases.

Secretary HAGEL. The Department tracks property disposed under BRAC by acreage across conveyance or disposal methods delegated by the General Services Administration. The 1988, 1991, 1993, 1995, and 2005 rounds of BRAC resulted in the Department conveying 168,099 acres (35%) of the property to Federal agencies, and 307,883 acres (65%) to non-Federal users, including state and local governments, non-profits, and private-sector interests.

Mr. BISHOP. With regard to prior rounds of Defense Base Closures and Realignments (BRAC), how many bases which were closed in the 1991, 1993, 1995, and 2005 rounds of BRAC have ended up in private ownership (meaning private sector or non-profit)? You may answer in terms of total acreage or percentages of bases.

General DEMPSEY. There are a range of BRAC property disposal authorities for public benefit uses, such as parks, schools, and law enforcement. Public benefit conveyances (surplus real property converted for public uses) account for 14% (69,009 acres) of disposed BRAC properties. In addition, BRAC property can be conveyed to a Local Redevelopment Authority (LRA), which is a DOD-recognized public entity, through an Economic Development Conveyance (EDC), for job creation purposes. EDCs account for 28% (133,060 acres) of disposed acreage. Once conveyed, the LRA, rather than the Department of Defense, may lease or sell this property to the private sector for economic development purposes. BRAC property also can be conveyed directly to the private sector through a public bid sale process, and this disposal method accounts for 2% (8,622 acres) of disposed BRAC properties. Other BRAC disposal methods include conservation conveyances (13%/60,646 acres), DOD-to-DOD transfers (3%/14,288 acres), Federal transfers (15%/72,791 acres), reversions where future interest is retained (18%/86,393 acres), negotiated sales to public entities (2%/11,193 acres), and other miscellaneous disposal methods (4%/19,980 acres).

NOTE: Answer coordinated with USD(I&E) Office of Economic Adjustment using GSA 2012 BRAC Oversight Report dtd December 31, 2012.

QUESTIONS SUBMITTED BY MR. COOPER

Mr. COOPER. As we continue modernization of our nuclear deterrent and prepare to invest $355 billion in the nuclear weapons enterprise (CBO estimate), can the pursuit of further verifiable nuclear weapons reductions increase national security? What are Russian (and Chinese) concerns about discussing further nuclear weapons reductions?

Secretary HAGEL. In the course of developing the current nuclear employment guidance, the Administration determined that the United States can pursue some further reductions while maintaining strategic deterrence and stability, regional deterrence, and assurance of our allies and partners. However, any such reductions should only be conducted on a mutually agreed upon basis. Russia has so far shown no interest in negotiating further reductions, nor would the current climate be conducive to such negotiations.

The United States does not anticipate negotiating nuclear arms reductions with China in the near term. Rather, our goal is to engage in a meaningful and sustained dialogue about how each side views nuclear weapons and their respective military modernization, because this can play a role over time in preventing miscommunication, misperception, and miscalculation in the relationship. We will continue to discuss such matters in the P5.

Mr. COOPER. As we continue modernization of our nuclear deterrent and prepare to invest $355 billion in the nuclear weapons enterprise (CBO estimate), can the pursuit of further verifiable nuclear weapons reductions increase national security? What are Russian (and Chinese) concerns about discussing further nuclear weapons reductions?

General DEMPSEY. The United States can pursue further reductions while maintaining strategic deterrence and stability, regional deterrence, and assurance of our allies and partners. However, I believe such reductions should only be done on a mutually negotiated basis, with full consideration for the trajectory of other potential threats and in a manner that maintains strategic stability. Even then, our plan to modernize our nuclear deterrent and recapitalize its supporting infrastructure remains fragile and very vulnerable to additional budget cuts, which could alter our calculus for maintaining strategic stability.

As we continue to implement guidance from the Nuclear Posture Review and the most recent nuclear weapons employment strategy, we remain focused on maintaining and improving strategic stability with Russia and China. We intend to maintain this stability with the lowest possible number of nuclear weapons. However, Russia, by its words and actions, has demonstrated no interest in negotiating further reductions until after the New START Treaty limits are achieved and we will not enter into any agreement with the Russian Federation that is not in the national security interest of the United States. Russia has expressed significant reticence with proceeding down a path of further strategic nuclear reductions without including other nuclear weapons states in the next phase of disarmament. Furthermore, Russia perceives the West as having technologically and numerically superior conventional forces; its primary defense against an overwhelming conventional threat remains its nuclear deterrent. Therefore, it seeks to retain the level of these forces as long as it can while modernizing its conventional forces to a level commensurate with peer competitors. With regard to Chinese interest in nuclear weapons reductions, we continue to discuss such matters in the P5 although China has not expressed interest in such reductions.

Sources: FACT SHEET: Nuclear Weapons Employment Strategy of the United States, http://www.whitehouse.gov/the-press-office/2013/06/19/fact-sheet-nuclear-weapons-employment-strategy-united-states Report on Nuclear Weapons Employment Strategy of the United States (RNES), Specified in Section 491 of 10 U.S.C. http://www.defense.gov/pubs/
reporttoCongressonUSNuclearEmploymentStrategy_Section491.pdf

Mr. COOPER. Do you support the process by which the DOD is considering reducing potentially up to 50 ICBMs to determine how to best implement New START and ensure we maintain a strong nuclear deterrent? Why is this process important? What would be the consequence of prohibiting any reductions to the number of ICBM and ICBM silos?

General DEMPSEY. The Department has carefully considered the strategic implications of the various options for implementing a nuclear force structure within New START limits. I have supported and participated in this process, which concluded with the announcement of a treaty-compliant U.S. strategic force structure composed in part of 400 deployed Minuteman III ICBMs, for a total of 454 deployed and non-deployed launchers of ICBMs. We've taken the New START reductions in a manner that best preserves our TRIAD. Prohibiting reductions in any one leg of the TRIAD will have a profound affect on the other legs.

QUESTIONS SUBMITTED BY MR. KLINE

Mr. KLINE. During the DOD's Strategic Choices Management Review (SCMR) and development of the FY15 DOD Budget Request—did you task Combatant Commanders to submit plans to consolidate HQ staff and move to a more streamlined or regionally aligned Combatant Command structure that reduces the number of commands?

Secretary HAGEL. During the Strategic Choices Management Review the headquarters team, which included representatives from Office of the Secretary of Defense (OSD), the Joint Staff, the Military Departments, and the Combatant Commands, did consider all options including consolidation of the Combatant Commands. Given the global security environment, the SCMR ultimately decided that the current structure of six geographic commands and three functional commands remains the most effective construct. While the Department will continue to exploit opportunities to reduce costs, including organizational modifications, it must also ensure that critical operational capacities necessary to attain national security objectives are preserved.

Mr. KLINE. While the Department of Defense developed the FY15 budget request, did the Department of Defense review plans to consolidate Combatant Command HQ staff? If so, why did the Department not move forward with such a plan? How much money and manpower did the Department of Defense project would be saved by consolidation of Combatant Commands?

Secretary HAGEL. DOD considered some options for consolidating Combatant Command HQ staffs as part of our annual budget development and review process. However, the department did not move forward with any changes in this year's request. The current structure of six geographic and three functional combatant commands remains the most effective construct to address today's global security environment and the Unified Command Plan reflects this assessment. However, in accordance with the QDR's direction, the department is proceeding with a 20 percent

reduction in all command staffs to provide future cost savings consistent with the intent of sequestration.

Mr. KLINE. What is the status of DOD's implementation of all four of GAO's recommendations in its May 2013 Report (GAO–13–293) entitled—"DOD Needs to Periodically Review and Improve Visibility Of Combatant Commands' Resources?"

Secretary HAGEL. The DOD has begun implementing the four recommendations identified by GAO in its May 2013 Report (GAO–13–293) entitled—"DOD Needs to Periodically Review and Improve Visibility Of Combatant Commands' Resources."

- GAO Recommendation 1: Periodic evaluation of the Combatant Commands and their existing size and structure to meet their current missions. While the Department non-concurred with this recommendation, the Joint Manpower and Personnel Program, CJCS Instruction (CJCSI) 1001.01A, is currently under revision and the DOD is examining other methods to determine the proper size and structure of Combatant Commands.
- GAO Recommendation 2: Requirement for the Combatant Commands to identify, manage, and track all personnel data. The Department concurred with this recommendation and is revising CJCSI 1001.01A as well as the DOD Directive Guidance for Management of Manpower (DOD Directive 1100.4). Moreover, the Fourth Estate Manpower Tracking System (formerly e-JMAPS) will track all personnel data, including temporary personnel, and identify specific guidelines and timelines to input/review personnel data.
- GAO Recommendation 3: Requirement for the Joint Staff, the Combatant Commands, and the Service components develop and implement a formal process to gather information on Service component commands' personnel. The Department concurred with this recommendation. Currently, the Joint Staff's formal process is to request assistance from the Service Components to track personnel billets.
- GAO Recommendation 4: Provide full-time equivalent information and detailed funding information for each combatant command with the annual budget documents. The Department concurred with this recommendation and is currently working with the Services to determine the most efficient method for collecting this level of information. The method for collecting this information will be included in an update to the DOD Financial Management Regulation (FMR) (DOD FMR 7000.14R) to support the future Program Budget Review cycle.

Mr. KLINE. What is the current status of implementation of the TRICARE Prime changes for those retirees not within 100 miles of a Military Treatment Facility (MTF) that began on October 1, 2013? Is the Department of Defense keeping statistics on retirees transitioned from TRICARE Prime to TRICARE Standard? Is the Department of Defense tracking the changes in costs to the retirees who were transitioned beginning October 1, 2013, to TRICARE Standard from TRICARE Prime? What is the DOD's estimated savings and cost rationalization for transitioning retirees outside the 40 mile radius of an MTF (now 100 miles under the FY14 NDAA) from TRICARE Prime to TRICARE Standard?

Secretary HAGEL. The TRICARE beneficiaries who were not eligible to continue their TRICARE Prime enrollment, had on October 1, 2013, immediate access to TRICARE Standard. The Department is not tracking these beneficiaries, although it initially identified 181,000, of the 5.4 million TRICARE Prime enrollees, impacted by the closure of the Prime Service Area (PSA) where they live. Approximately 32,600 of those beneficiaries re-enrolled in a remaining PSA. The Department did not close a PSA built around a military treatment facility (MTF) or base realignment (BRAC) site. In 2009, a TRICARE Standard beneficiary paid about $19.50 more per month in out-of-pocket costs compared to a TRICARE Prime beneficiary.

Eliminating the non-MTF and non-BRAC PSAs reduces the cost of administering TRICARE by approximately $45 to $56 million per year. The projected savings are based on a TRICARE Prime enrollee's healthcare cost being about $600 more per year than the cost of providing TRICARE Standard, and the administrative savings involved with establishing and maintaining the PSAs. The National Defense Authorization Act for Fiscal Year 2014 gives the beneficiaries dis-enrolled from TRICARE Prime on October 1, 2013, due to the PSA changes, a "one-time" election to continue their TRICARE Prime enrollment. Dis-enrolled beneficiaries who reside: (1) in a zip code that was a PSA as of September 30, 2013, and (2) within 100 miles of a military MTF, are eligible to make this one-time election. To ensure the affected beneficiaries are aware of their one-time enrollment option, they will be mailed a letter advising them of re-enrollment options and processes. The letters will be mailed at the end of April 2014. The beneficiaries will have until June 30, 2014, to make their election.

Mr. KLINE. There remains two vacancies on the Advisory Committee on Arlington National Cemetery. When does the Department of Defense intend to fill the two cur-

rent vacancies on the Advisory Committee on Arlington National Cemetery? Does the Department of Defense intend to nominate a member with a background in the United States Marine Corps to fill at least one of the positions?

Secretary HAGEL. The Army is currently processing nominations and diligently working to fill the two current vacancies. With regard to the composition of the Advisory Committee, the Secretary of the Army is committed to ensuring the Advisory Committee is comprised of members who are committed to our nation's veterans and their families with demonstrated technical expertise, professional preeminence, relevant points of view, and no potential conflict of interests.

Diverse representation of all constituent interest is critical to meeting the Committee's chartered purpose. The Secretary of the Army is committed to ensuring that all branches of the military services are represented, as well as ensuring, whenever possible, appropriate Gold Star Family representation on the Committee. Additionally, subcommittee representation beyond parent committee members has yet to be finalized, but the intent is to round out the subcommittees with members having specific interest or expertise in a subcommittee's area of responsibility.

Mr. KLINE. What does the Department of Defense plan to do to address the recent ethics and integrity issues?

Secretary HAGEL. There are a variety of efforts and specialized training programs underway in DOD that are being managed by the Office of the Secretary of Defense, the Joint Staff, and the Military Departments. Key among these efforts are a number of professional character initiatives for flag and general officers developed by the Chairman of the Joint Chiefs of Staff and endorsed by the Secretary of Defense. These initiatives include staff assistance visits to the Combatant Commands to review practices and procedures with respect to, for example, acceptance of gifts and use of Government vehicles and military aircraft. Senior leader ethics continuing education will occur as a follow-up to the staff assist visits. Further, a character-focused 360 degree assessment for military leaders is undergoing testing with full implementation among the Joint Staff and Combatant Commander general and flag officers by mid-summer 2014.

Several of these professional character initiatives include enhancements to DOD's ethics program that are being managed by the DOD Office of General Counsel (OGC). For example, last year, OGC created the Committee on Standards of Conduct (CSC). The CSC was established in response to requests for enhanced clarity and consistency in the legal interpretations of DOD regulations and other policies which promote the ethical conduct of DOD military and civilian personnel and the proper use of DOD resources. Its purpose is to facilitate the resolution or reconciliation of disparate legal interpretations of DOD ethics policy issuances, thereby promoting consistency in legal advice.

Additionally, in 2013, the Department's Office of General Counsel (OGC) conducted leader-led, values-based ethics training for the personnel of the Office of the Secretary of Defense. The live training sessions were intended to better equip DOD personnel to evaluate ethical dilemmas and make ethical decisions relying on both ethics regulations and fundamental ethical values. OGC will continue to facilitate leader-led values-based training in 2014. Importantly, OGC also made its values-based ethics training materials available to the Military Departments and the Joint Staff, and encouraged them to use these materials as part of their 2014 training. The Military Departments and the Joint Staff are currently investigating how to include these materials in their annual ethics training.

In addition to these professional character initiatives, I directed an assessment of the curricula of a variety of professional military education offerings available to military officers at every stage of their careers, as well as an evaluation as to whether these educational opportunities sufficiently reflect and reinforce fundamental ethical values and the hallmarks of ethical leadership. The review by the Chairman and Service Chiefs documented that core values and ethical leadership are a major focus of professional military education (PME) throughout the Department.

Earlier this year, Chairman Dempsey and I appeared in a broadcast on the Pentagon Channel, during which we emphasized the importance of leadership, professionalism, and character to members of the DOD community.

Finally, on March 25, 2014, I announced the appointment of Navy Rear Admiral Margaret Klein to serve as my senior advisor for military professionalism. Rear Admiral Klein will serve as the coordinator for the DOD to help to ensure the effective integration and implementation of ongoing efforts to further improve professional conduct, to include moral and ethical decision-making. Under the charter of her new office she will make recommendations to the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and the Military Departments, as appropriate, in order to complement and enhance the efforts listed above.

Mr. KLINE. Does the Department plan to appoint a panel or military or civilian lead to review current accountability standards to address ethics and integrity issues? Has the Department of Defense looked at expanding 360 reviews for Commanders and Senior Enlisted at all levels? Has the Department of Defense looked at new DOD screening methods for entry level—mid level—or senior level leaders to address ethics and integrity issues? Has the Department of Defense looked at current whistleblower protections and issues with service members that come forward having a hard time getting retaliatory information from their service records which effectively discourages reporting?

Secretary HAGEL. I recently appointed Rear Admiral Klein to serve as my senior advisor for military professionalism. I anticipate that among her core responsibilities, she will examine accountability standards and measures as they relate to issues of integrity and military professionalism.

The Joint Staff is developing a 360 degree assessment focused on character for general and flag officers serving in joint assignments. Testing of the 360 degree assessment instrument is on track for the April-May 2014 timeframe. Once the 360 degree tool is fully vetted and implemented, the Joint Staff will look to expand it to Joint Staff Senior Executive Service, military O–6, and civilian GS–15 personnel.

Each of the Military Departments has a variant of the 360 degree assessment tool in use or under development. The Army's 360 degree program is the most mature, while the Air Force instituted a general officer 360 degree program in 2013. The Navy uses a 360 degree instrument for new flag officers and for some two- and three-star officers. The Marines' program is in the initial development stage.

Character and standards of conduct are considered in each of the service officer and enlisted military performance evaluation processes, and service members receive feedback on their performance as part of those processes.

When a service member is a victim of reprisal for being a whistleblower, the service member may petition his or her Military Department's Board for Correction of Military (or Naval) Records for relief. The Boards consider each petition carefully, and have broad discretion to fashion relief appropriate to the circumstances of each case. Given the availability and robust nature of this remedy for whistleblowers who suffer reprisal, and the few cases where those service members who petition the Boards express disagreement with the resulting Board action; the Department currently has no plans to further review this issue. However, the Department will continue to monitor this issue, and will take action should doing so become appropriate.

Mr. KLINE. Does the DOD have a requirement to report to Congress when the Department or a specific service begins any investigation of an ethics lapse or widespread integrity violation issue?

Secretary HAGEL. DOD and the Military Departments Inspectors General initiate investigations into alleged ethics violations. However, there is no requirement for reporting to Congress on such initiation. Reporting such information before a thorough and objective investigation is completed risks harm to the investigative process, as well as to the individual's privacy, personal reputation, and right to impartial adjudication of the allegations. The DOD Inspector General provides Congress with a semi-annual report that summarizes its work, as well as the work of the audit and investigative agencies of the Military Departments. This report highlights, among other things, substantiated cases of senior official misconduct, criminal convictions, and suspensions and debarments of non-Federal entities.

Mr. KLINE. While the Department of Defense developed the FY15 budget request, did the Department of Defense review plans to consolidate Combatant Command HQ staff? If so, why did the Department not move forward with such a plan? How much money and manpower did the Department of Defense project would be saved by consolidation of Combatant Commands?

General DEMPSEY. DOD considered some options for consolidating Combatant Command HQ staffs as part of our annual budget development and review process. However, we did not move forward with any changes in this year's request. We believe the current structure of six geographic and three functional combatant commands remains the most effective construct to address today's global security environment and the Unified Command Plan reflects this assessment. However, in accordance with Secretary Hagel's QDR direction, we are proceeding with a 20 percent reduction in all command staffs to provide future cost savings consistent with the intent of sequestration.

Mr. KLINE. What does the Department of Defense plan to do to address the recent ethics and integrity issues?

General DEMPSEY. The Joint Staff and the Office of the Secretary of Defense staff (OSD) have been working a number of general and flag officer (G/FO) professional character initiatives since Spring 2013. The OSD-led initiatives focus primarily on the clarification and standardization of ethics rules and regulations concerning such

issues as the use of enlisted aides, personal security details, gifts, and spouse travel. The Joint Staff-led initiatives include the following:

- A character-focused 360 degree assessment for all Joint Staff and Combatant Command G/FOs is in development; testing of the assessment instrument is on track for Apr-May 2014
- Ethics staff assist visits to the ensure Combatant Command HQ compliance with ethics rules and regulations; as of 31 Mar 2014, visits have been completed at USSOUTHCOM, USEUCOM, USAFRICOM, USCENTCOM, and USSOCOM. The remaining CCMDs are scheduled for visits in the near term.
- Senior leader ethics continuing education will occur as a follow up to each of the staff assist visits at the combatant commands to provide feedback from those visits as well as an educational roundtable led by a Senior Fellow and ethics subject matter expert
- A handbook on standards of ethical conduct was created for joint G/FOs and their support staffs to aid them in issues related to ethics rules and regulations
- Annual senior leader ethics training has been updated to incorporate best practices for the Services, including interactive vignettes that focus on the application of judgment and self-awareness
- Ethics curriculum in Professional Military Education is being updated to ensure a greater focus on ethical decision making based on the shared values of the Profession of Arms

On 25 March, 2014, the Secretary of Defense appointed RADM Margaret "Peg" Klein as his Senior Advisor for Military Professionalism. RADM Klein will coordinate the actions of the Joint Staff, the Combatant Commands, and each of the military services—working directly with the Service Secretaries and the Service Chiefs—on the Department of Defense's (DOD) focus on ethics, character, and competence in all activities at every level of command with an uncompromising culture of accountability. This effort is in the very initial stages and the scope and functions of that office will be further developed by RADM Klein and her support staff in the Office of the Undersecretary of Defense for Personnel and Readiness.

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In addition, as one of the Chairman of the Joint Chiefs of Staff's general and flag officer professional character initiatives, the Office of the Secretary of Defense's Standards of Conduct Office established the Committee on the Standards of Conduct in Nov 2013 to review and clarify legal interpretations of issues related to ethics rules and regulations.

The Joint Staff is developing a 360 assessment focused on character for general and flag officers serving in joint assignments (e.g: On the Joint Staff and Combatant Commands.) Testing of the 360 assessment instrument is on track for Apr-May 2014. Once the 360 is implemented and fully vetted, the Joint Staff will look to expand it to Joint Staff and Combatant Command General and Flag officers, Senior Executive Service, military O6, and civilian GS15 personnel.

Each of the Services has various levels of 360 assessments in use or under development. The Army's 360 program is the most mature, while the Air Force instituted a general officer 360 program in 2013. The Navy uses a 360 instrument for new flag officers and some two- and three-star officers and the Marines' program is in the initial development stage.

QUESTIONS SUBMITTED BY MR. LOEBSACK

Mr. LOEBSACK. The 2014 Omnibus required the Army to workload the Army arsenals to efficient levels. How will you ensure sufficient workload is infused into the arsenals to keep them efficient, not just warm? Where will this workload come from? (the Army, Defense Logistics Agency, other Services, etc). When can we expect a full plan to implement this requirement to be released?

Secretary HAGEL. The Department is working in several aligned areas to assist the Army arsenals identify and obtain workload from a variety of sources.

There is an emerging policy framework, designed to identify sustaining workloads and critical arsenal manufacturing capabilities. This framework is currently being reviewed within the Department, with estimated publication early this summer.

Other on-going actions by the Office of the Secretary of Defense (OSD) and the Army include:

- Developing a more refined process to identify arsenal critical manufacturing capabilities and workloads necessary to sustain those capabilities.
- Implementing the web-centric Materiel Enterprise Capabilities Database. This tool is designed to showcase the arsenals' current capabilities and workforce skills to the full range of potential Military Service customers.
- Developing and implementing a framework that supports use of the arsenals to satisfy Defense Logistics Agency (DLA) and other service manufacturing requirements.
- Publishing an Army policy that encourages program managers (PMs) to utilize arsenals for manufacturing requirements.
- Encouraging the use of available legal authorities to derive workloads from sales outside the Department, increasing public-private partnering, and supporting foreign military sales.

The size of the arsenals coupled with the current period of declining resources, however, does challenge the Department's ability to identify sufficient workload to operate the Army arsenals as efficiently and effectively as both the Congress and the Department would like.

QUESTIONS SUBMITTED BY MS. TSONGAS

Ms. TSONGAS. As part of the negotiated FY2014 National Defense Authorization Act, Congress included report language requiring DLA to conduct a market survey to determine if and how many athletic footwear suppliers currently have or will have in the near future the ability to produce a 100% Berry compliant shoe that can be issued to enlisted recruits when they report for duty.

DLA issued another Sources Sought announcement in late January, 2014 calling for industry input by February 14, 2014. DLA is currently in the process of assessing the responses received to determine the capacity of domestic footwear suppliers to provide the quantity, quality and kind of footwear required within cost limits.

What were the results of the 2014 Sources Sought announcement insofar as the number, names, and capacities of the total number of respondents and of the total number of respondents, how many of the respondents did DLA determine to have the capability and capacity to produce Berry compliant athletic footwear?

Secretary HAGEL. Currently there is no known source of a fully domestic/Berry Amendment compliant athletic shoe being sold commercially in the marketplace. Four firms responded and indicated the capacity to produce a fully domestic/Berry Compliant shoe. These firms have also indicated that all component materials and subassemblies would be fully domestic in their product offering.

Ms. TSONGAS. Once the DLA has qualified a sufficient number of sources with the capability to produce a Berry compliant shoe, what is the Department's plan—to include anticipated quantities, costs, timelines and other acquisition metrics—regarding the pursuit of further procurement actions such as the issuance of a Request for Proposal for the acquisition of Berry compliant athletic footwear for initial entry recruits in FY2014?

Secretary HAGEL. On April 25, 2014, the Deputy Secretary of Defense issued a policy memorandum with respect to athletic shoes offered to recruits at basic training. Though at present time no footwear manufacturer sells Berry Amendment-compliant athletic shoes in the commercial marketplace, under this policy memo DOD recognizes the potential for such shoes to enter the market in the future and has an interest in having its recruits purchase domestically manufactured athletic shoes to the maximum extent practicable. Currently, DLA does not have a requirement from the Services to purchase Berry compliant athletic shoes and does not anticipate requirements in the near term. If DLA receives a requirement from the Serv-

ices to purchase athletic shoes, the procurement will be compliant with the restrictions of the Berry Amendment.

Ms. TSONGAS. What is the breakdown of resources the Department has allocated toward the implementation of the National Action Plan on Women, Peace, and Security?

Secretary HAGEL. The Department has not captured the entirety of the funding that supports the U.S. National Action Plan on Women, Peace, and Security (NAP) because the effort is incorporated into many ongoing activities of the Department, including integration of NAP objectives into key policy and strategic guidance, and training addressing NAP objectives. A copy of the "U.S. Department of Defense Annual Report on Implementation of Executive Order 13595 and the U.S. National Action Plan on Women, Peace, and Security" is attached. The report describes how instruction on Women, Peace, and Security issues, including the value of inclusive participation in conflict prevention, peace processes, and security initiatives; international human rights law and international humanitarian law; protection of civilians; prevention of sexual and gender-based violence; prevention of sexual exploitation and abuse; and combating trafficking in persons have become a part of the Department's internal employee and service member practices, and how NAP objectives are included in the Department's partner nation capacity building strategies.

[The report referred to can be found in the Appendix on page 103.]

Ms. TSONGAS. For the first time since the Afghanistan Security Forces Fund was established, money was explicitly authorized last year for recruitment and retention of women in the Afghan Security Forces. How will that money be directed to impact not only the number of women in the forces but also the institutional reforms required to ensure safe and equitable service of women?

General DEMPSEY. DOD has yet to finalize its 2014 financial activity plan for allocating the $25 million dollars set aside in the Afghanistan Security Forces Fund for women's issues. Initial discussions among the Office of the Secretary of Defense, State Department, Joint Staff, United States Central Command, United States Forces–Afghanistan and Combined Security Transition Command—Afghanistan, have focused on expanding and upgrading facilities for women in the Afghanistan National Security Forces as well as other gender-focused institutional reforms.

Ms. TSONGAS. What institutional reforms and programmatic interventions can be employed to reduce the incidence of sexual violence, harassment, and death threats against the women who serve in the Afghan National Security Forces?

General DEMPSEY. The implementation of a gender policy within Afghanistan's National Security Forces is a complex, long-term project, but there has been significant progress. DOD maintains a robust program dedicated to improving the recruitment, retention, and treatment of women in the ANSF. This program is centered on Gender Advisors working closely with their Afghan partners on various initiatives and programs to reduce sexual violence, harassment, and death threats to women serving in the ANSF. For example; on 25 November 2013, Afghanistan observed the International Day for the Elimination of Violence Against Women. This day also marked the beginning of a 16-day comprehensive campaign against gender-based violence. This campaign was heavily supported and funded by the United States.

The Afghan Ministry of Defense (MoD) Human Rights and Gender Integration (HR&GI) office lacks sufficient expertise and resources to implement female management policies. The HR&GI sought external support in order to increase training and education capacity for Afghanistan National Army on human rights and gender integration issues.

Under the leadership of Minister Daudzai, the Afghan Ministry of Interior (MoI) has shown significant support for women, and is taking steps to better protect and empower female police and staff. Shortly after taking office, Mintster Daudzai promoted COL Hekmat Shahi, director of the Gender, Human Rights, and Children's Rights Directorate (GHRCR) to Brigadier General and enhanced the status of GHRCR by moving it from and Office to a Directorate. In late 2013, the GHRCR Directorate and the Strategy and Policy Directorate developed a strategy for properly integrating females into the Afghanistan National Police and improving gender rights across Afghanistan.

The ANSF institutional reforms are a positive sign that, at all levels, the Afghan government leadership is dedicated to improving the treatment of women. Although there is much yet to be accomplished, DOD remains committed to using a portion of Afghanistan Security Force Funds to support these efforts.

Ms. TSONGAS. How do you intend to ensure attention to and oversight of DOD elements implementing the National Action Plan on Women, Peace and Security among the senior leadership of the Office of the Secretary of Defense and the Joint Staff?

General DEMPSEY. The Joint Staff worked closely with OSD to develop and approve implementation guidance for the U.S. National Action Plan (NAP) on Women, Peace, and Security (WPS). As a result, DOD now has an active WPS working group that shares best practices to identify and solve NAP implementation issues at the appropriate level.

Ms. TSONGAS. General Dempsey, you mentioned during the hearing that you are using new media to inform commanders and servicemembers about resources to prevent sexual assault. As I mentioned during the hearing, these tools only work if commanders and every servicemember under their command are aware that they exist. I am concerned about your efforts to make people aware of the availability of the Special Victims Counsel program. Can you elaborate on what specific steps you are taking to inform servicemembers of the special victims counsel program?

General DEMPSEY. I can assure you that the Special Victim's Counsel is well publicized and I personally use every opportunity to discuss how important it is that all leaders and service members are aware of the legal assistance available to victims of sexual assault. In addition to SVC information that is posted on Service Judge Advocate General and Sexual Assault Prevention and Response websites, each Military Department has launched an aggressive campaign to ensure widest dissemination of information on the Special Victims Counsel program.

Army: The Army publicized the program and services available to service members through Army-wide, national and local installation news media.

- SVCs have conducted numerous town halls at local installations.
- The Sexual Harassment/Assault Response and Prevention (SHARP) Program Office published a "STAND TO!" article on the SVC program which reached approximately 15,600 subscribers and was posted to the Department of Defense website, which reached an even more sizable audience.
- The SHARP program, in coordination with OTJAG, developed an original video vignette that highlights victim legal support. The video vignette is published on the SHARP website and is available for use by all Army Command SHARP program managers in communicating to their publics about SHARP victim support services.
- SVCs are directed to conduct outreach with installation stakeholders after attending their training course. Required stakeholders are Victim Advocates, SARCs, SHARP Program Managers, Medical Community, Senior Judge Advocates, Commanders. Navy: The Navy currently has 26 of 29 Victims' Legal Counsel (VLC) in place in 21 different locations around the Fleet.
- Numerous articles on the VLC program and services have appeared in Navy-wide publications and local base newspapers.
- As of 28 March 2014, attorneys in the program had conducted 389 outreach briefs to 9,001 attendees.
- A VLCP NAVADMIN (message) will be released and trigger the distribution of VLC posters and tri-folds (already prepared) to local commands to be placed on bulletin boards and other public areas around command spaces. The Navy plans to set up a blog once the NAVADMIN has been released.
- In addition to educating personnel outside the JAG Corps, the VLCP office has provided information on the standup and operation of the VLCP to JAG Corps leadership and Staff Judge Advocates stationed around the Fleet.
- The Navy VLC program has a link on the JAG Corps website which can be found at www.jag.navy.mil.

Air Force: The AF trained all personnel involved in the military justice process about the SVC program so they are knowledgeable and aware. The first official person to come in contact with the victim is required to notify the victim that they might be eligible for the service and can request SVC (SARC, OSI, VA, TC).

- Initially, the AF conducted a media blitz where many local bases ran stories on the SVC program in base papers. AF also conducted several national-level media interviews to get the message out and released a PSA to air on base commander channels.
- Leveraged formal gatherings and groups to further educate leadership around the force. For instance, the SVC program was also briefed to all wing commanders at the Chief's SAPR Summit and is also briefed during the new wing commander's orientation course.
- Conducts outreach by briefing at Commander's calls, Newcomer briefings, First Term Airman Center, and other org groups (Top 3, etc.).
- Designed posters that provide information about the SVC program and how to contact an SVC. The posters are distributed throughout the AF and located on unit bulletin boards. For bases without an SVC, SARCs include info about the program during their info briefings to the base.

- In addition to information about the SVC program on the JAGC public webpage, there is a JAGC Facebook page.

Marine Corps: The Marine Corps Victims' Legal Counsel Organization (VLCO) has fifteen active duty judge advocates located among the four regional Legal Services Support Sections (LSSS) and their outlying installations. These judge advocates, along with Headquarters Marine Corps, have ensured the widest dissemination of information about the availability of victim legal services for service members and military dependents.

- In October 2013, the Marine Corps published MARADMIN 583/13 to all service members to announce the establishment of VLCO and revised its Legal Administration Manual (LEGADMINMAN) for commanders. A VLCO public website has also been established.
- Between October 2013—February 2014, the VLCO Officer-in-Charge traveled extensively throughout the Marine Corps in all four regions to inform key personnel about VLCO services, including meetings and presentations with commanders, SARCs and victim advocates, Family Advocacy personnel, VWAP personnel, military criminal investigators, and judge advocates.
- Outreach efforts continue by Regional Victims' Legal Counsel (RVLC) based out of MCB Quantico (VA), Camp Lejeune (NC), Camp Pendleton (CA) and Camp Butler (Okinawa) spreading awareness of victim legal services via meetings and unit presentations.
- VLCO personnel have conducted several interviews with newspaper reporters to support articles published in national and local installation newspapers.

National Guard: The stand-up of the NG SVC program is pending a policy authorization from the Secretary of Army; such policy authorization is required based on the legislative implementation of a SVC program. Specifically, Section 1716 of NDAA FY 14 limits the SVC services to those individuals eligible for military assistance under 10 U.S.C. § 1044e. Under 10 U.S.C. § 1044e, NG members are not generally eligible for legal assistance unless they are serving on active duty, have retired, or have recently mobilized for more than 30 days. Currently requests for SVC representation are being handled on a case-by-case basis in coordination with the OTJAG.

QUESTIONS SUBMITTED BY MR. SHUSTER

Mr. SHUSTER. Within the QDR an emphasis is placed on innovation. Will the emphasis on innovation apply to the "new normal" challenges that deal with the violent extremists threats? Will this emphasis on innovation aid in the Train, Advise, and Assist mission in Afghanistan?

Secretary HAGEL. In pursuing the Department's objective to disrupt violent extremists who threaten the United States, national interests, and those of our allies and partners, are furthered by innovation and adaptation. The QDR report's emphasis on innovation includes our ongoing efforts to find new ways to maximize our partners' contributions to their own security and to coordinate planning on combined activities to pursue shared goals.

As stated in the QDR report, the Department will rebalance counterterrorism efforts toward a greater emphasis on building partner capacity, especially in fragile states. At the same time, we will be retaining our own robust capability for direct action, including pursuing innovation in the areas of intelligence, persistent surveillance, precision strike, and the use of Special Operations Forces. Combatant Commanders will also invigorate their efforts to adjust contingency planning to reflect more closely the changing strategic environment.

One aspect of innovation as envisioned in the QDR is drawn from the Department's experience in building both the Iraqi and Afghan Armed forces; both efforts yielded valuable lessons about how to build partner security capacity and train, advise, and assist (TAA) partner nation forces more effectively. These efforts included the use of U.S. general purpose forces (GPF) to do a large-scale TAA mission by partnering with host nation forces at the operational and tactical levels. In Afghanistan, this concept was refined by establishing and deploying Security Force Assistance Brigades (SFABs), which are combat units re-missioned to conduct TAA. In addition, significant amounts of funding were appropriated to the Department of Defense to train and equip Iraqi and Afghan military and police forces, and to enable those forces to assume security for their own country. This was a departure from using traditional Title 22 security assistance funding. Programs like the Afghanistan Security Forces Fund have afforded flexibility to implement a sizable program in a hostile environment. For the post-2014 TAA mission in Afghanistan, DOD will

seek continued funding for the Afghan National Security Forces (ANSF) so that they may continue to improve their capabilities in security in Afghanistan.

Mr. SHUSTER. As we decrease our military, budget China has increased theirs. How will the United States gain transparency of China's increase in applications?

Secretary HAGEL. [The information referred to is classified and retained in the committee files.]

QUESTIONS SUBMITTED BY MR. CONAWAY

Mr. CONAWAY. DOD financial management resources: Now more than ever, it makes sense for the DOD to be able to manage its books and failing to properly source the audit mission would be disastrous and a moral killer, effectively stunting progress and momentum, progress that cannot be restarted with the flip of a switch.

Does the Department have the necessary resources to ensure that the FIAR plan continues to move forward?

Secretary HAGEL. Yes. Despite recent challenges with the Defense budget, substantial funds have been set aside to support achievement of auditable financial statements. For Fiscal Year (FY) 2015, the Department budgeted over $600 million for audit readiness efforts, including retaining independent public accounting firms to conduct validations and audits and resolve financial system deficiencies. Congress can assist by continuing to focus on the Department's FIAR requirements and by ensuring that sufficient funds are available in a stable budget environment.

Resources also include people. The Department needs to hire more experienced and qualified employees to support audits. Attracting certified public accountants has been difficult, and ongoing hiring freezes exacerbate the problem. The Department has put in place a course-based financial management certification program. Additionally, the Department is delivering immediate, practical training on the importance of audit readiness to financial managers as well as others who play a role. Through these employee training initiatives and programs, the Department seeks to ensure that the financial management workforce has the knowledge, skills, and abilities necessary to meet DOD resourcing challenges and achieve auditable financial statements.

Mr. CONAWAY. Can you assure the committee that the FIAR plan will move ahead?

Secretary HAGEL. Yes, the FIAR plan will continue to guide the Department, moving forward. The goals and priorities laid out in the FIAR Plan Status Report are sound, and we are making progress. Further, the FIAR approach to achieving audit readiness is both sensible and cost-effective, and the Government Accountability Office and DOD Office of the Inspector General agree. Recently, the U.S. Marine Corps received an unmodified (favorable) audit opinion on its Schedule of Budgetary Activity, becoming the first military service in the Department to garner a favorable audit opinion. This significant accomplishment demonstrates that a military service can achieve audit readiness, and it validates the FIAR approach. Most of the Department, including the three remaining military services, plan to follow this model in FY 2015.

Mr. CONAWAY. Can you assure the committee that the audit mission will remain a priority for you and the leadership within the DOD?

Secretary HAGEL. Yes, the audit mission will continue to be a priority until we have institutionalized it as part of our routine business. The Department's senior leaders and I are closely monitoring progress, addressing challenges, and focusing people and resources on the work needed to accomplish audit readiness on the Schedule of Budgetary Activity by September 30, 2014, and full financial statements' audit readiness by September 30, 2017. I have made that commitment, and have been joined by senior leaders of the Services and other defense organizations. Including FIAR objectives in Senior Executive Service performance plans is helping to sustain that leadership commitment.

Mr. CONAWAY. Can you comment on what appears to be a lack of progress and the 4th estates' leadership's commitment to getting audit done?

Secretary HAGEL. A number of 4th Estate agencies have achieved a favorable audit opinion on their financial statements and are in sustainment. The remaining 4th Estate agencies are correcting deficiencies and enhancing internal controls with the goal of earning unqualified opinions. As with the military services, the 4th Estate has achieved audit readiness on appropriations received and is preparing for Schedule of Budgetary Activity (SBA) audits to begin in FY 2015. Organizations within the 4th Estate that are not already under audit have submitted their initial management assertions. Our financial audit team within the Office of the Under Secretary of Defense (Comptroller) is evaluating these submissions while also work-

ing to establish a common audit infrastructure to support future defense-wide SBA audits. Estate progress will be monitored within our ongoing governance process that includes engagement with agencies' senior leaders as well as leaders on my immediate staff. We are making progress and 4th Estate leaders are fully involved.

Mr. CONAWAY. Last year we discussed the U.S. response to the ongoing situation in Syria; to date there have been 126K deaths, there are currently 2.5M refugees, and 6.5M displaced people. As well, there are now an estimated 10K Sunni Jihadist foreign fighters operating in Syria, all of which has had a destabilizing effect in Jordan, Lebanon, and Iraq—where ISIS has conducted several prison breaks to source terrorist fighters. To date, our leadership in this conflict can account for only 4% of priority one and priority two chemicals that have been removed from Syria: 1) What has to happen—what is the threshold—for the U.S. to take a larger, more direct role in shaping the outcome in Syria? 2) If the Assad regime does not fully comply with the chemical weapons agreement, what policy tools, approach, and military posture will the U.S. employ to respond?

Secretary HAGEL. The U.S. approach to Syria involves the entire government; there is no U.S. military solution to this very complex, long-term problem, but we are operating three lines of effort. First, we are supporting our partners in the region, including Syria's neighbors, with border security as they face a variety of challenges stemming from the Syrian conflict. Second, we continue to work with the international community to provide humanitarian aid to the Syrian people. Third, we continue to support, along with the State Department and other U.S. departments and agencies, the moderate opposition in Syria as a means of countering both the Assad regime and the extremist groups. Any changes in U.S. policy on Syria would be forged through a whole-of-government approach.

Regarding the chemical weapons issue, as of March 6, 2014, 28.6 percent of the total chemicals slated for removal have been removed from Syria, which includes 18.9 percent of Priority 1 chemicals and 50.9 percent of Priority 2 chemicals. We expect the Syrian Government to fully comply with its responsibilities under UN Security Council Resolution 2118 and the relevant decisions of the Organization for the Prohibition of Chemical Weapons (OPCW) Executive Council. UN Security Council Resolution 2118 allows for regular review of Syria's progress, or lack thereof, and provides for referral of cases of non-compliance with OPCW decisions or UNSCR 2118 to the UN Security Council to consider imposition of measures under Chapter VII of the UN Charter.

Mr. CONAWAY. Important strategic air bases located in Qatar and United Arab Emirates provide the U.S. with the ability to project force, conduct Intelligence, reconnaissance, and surveillance (ISR) missions, and further reassure Gulf partners that the U.S. continues to be engaged in the region. These bases are financed through Overseas Contingency Operations (OCO) funds. 1) If OCO funds are cut from the FY15 budget due to the drawdown and subsequent end to the U.S. war in Afghanistan, how will you seek funding to continue operations from these bases, or will the U.S. terminate operations at these bases?

Secretary HAGEL. In September 2012, the Deputy Secretary of Defense published a memorandum detailing the global defense posture enduring location master list. This document defines locations, spread throughout the world, and their intended use. The Air Force bases in Qatar and the United Arab Emirate have been identified as enduring locations. Both locations are currently operating in an expanded capacity and are expected to be properly scoped upon the end of operations in Afghanistan. The Air Force will continue requesting OCO resources to support expanded operating functions until base operations are adjusted for the enduring mission.

QUESTIONS SUBMITTED BY MR. BARBER

Mr. BARBER. Is the Army planning on consolidating all or some of the Army Test and Evaluation Command (ATEC) mission sets? If so, what ATEC sites are currently being considered for consolidation, and where would the mission be moved?

Secretary HAGEL. ATEC is not planning to reorganize or consolidate mission sets. If future studies and analysis were to conclude the need to internally reorganize or consolidate subordinate commands within ATEC, the command would use the appropriate channels within the Department of the Army, the Department of Defense, and the Congress to properly inform all relevant stakeholders.

Mr. BARBER. If the Army were to relocate its developmental tester for C4ISR from the environmentally unique location at the Electronic Proving Ground at Fort Huachuca to a lab environment, how would this impact future research and development of C4ISR assets for the military?

Secretary HAGEL. Given the nature of command, control, communications, computers, intelligence, surveillance and reconnaissance (C4ISR) testing, the Army cannot relocate developmental testing to a purely lab-based environment. Effective developmental testing requires open air or field testing under operationally realistic conditions. The Army is not changing its developmental test protocols and plans to continue the balanced use of lab-based and open air or field testing.

Mr. BARBER. During the decisionmaking process to recommend divestiture of the A–10, did the Department consider Ground Commanders' input on the capabilities needed to best support troops on the ground when they request close air support. How did the Department get this input? What was the input from Ground Commanders and Combatant Commanders?

Secretary HAGEL. Ground Commanders' input was considered during the development of the FY15 budget. Services and Combatant Commanders were actively engaged during deliberations and decision making. While acknowledging the reliable performance of the A–10, Ground Commanders and Combatant Commanders are not wedded to a specific aircraft but require the Close Air Support (CAS) capability that the A–10 and other proven aircraft, such as the F–15E, F–16, B–1, and F/A–18, and in the near future, the F–35 provide. Since 2006, about 80% of CAS missions have been executed by platforms other than the A–10. With the A–10 divestiture, other multi-role aircraft provide a balanced capability across multiple mission sets for the Combatant Commanders, and the Department saves resources by divesting an entire weapon system.

Mr. BARBER. What factors did the Department of Defense analyze to determine its proposed slowdown of military compensation and benefits?

Secretary HAGEL. The Department's military and civilian leaders conducted a broad analysis to arrive at our proposed package of compensation adjustments. The Department took a holistic approach to this issue and carefully crafted the proposals to reform military compensation in a fair, responsible, and sustainable way. The Department considered the impact of these adjustments on military members and their families, recognizing that no one serving our nation in uniform is overpaid for what they do, but also that if we continue on the current course, the choices will only grow more difficult and painful. The Department considered how military compensation compares with private-sector compensation, both before and after the proposed changes. Military members currently receive a robust package of pay and benefits, and after the proposed changes, the package will remain robust and will continue to compare very favorably with the private sector. Finally, the Department considered the need to balance the member's quality of life and quality of service as well as the benefits of reinvesting the funds from slowing compensation growth into training and readiness. Overall, even after making these changes and slowing the growth in military compensation, the Department will still be able to recruit and retain a high-quality force and offer generous, competitive, and sustainable benefits.

Mr. BARBER. If there is a decrease in military compensation and benefits, what is the expected affect to retention and recruitment in our All-Volunteer Force?

Secretary HAGEL. The Department's military and civilian leaders conducted substantial analysis to arrive at our proposed package of compensation adjustments. The Department concluded that, even after making these changes and slowing the growth in military compensation, the Department will still be able to recruit and retain a high quality force and offer generous, competitive, and sustainable benefits.

Mr. BARBER. Has the Department of Defense, in concert with the Department of Veterans Affairs, considered other courses of action to decrease military healthcare spending rather than the TRICARE changes that were presented? If so, then what were those courses of action considered?

Secretary HAGEL. We actively work with the Department of Veterans Affairs to identify opportunities to provide quality care more efficiently, conveniently and at a lower overall cost to the Government. Examples of our successful initiatives include Joint Incentive Fund projects in which we jointly position resources to serve the largest population at the lowest cost and partnering to deliver cost effective, timely Integrated Disability Evaluation System physical exams that reduce the cost of disability exams to the Government and the complexity to the patient. In recent years, additional emphasis was placed on achieving savings and efficiencies within the operational environment of the Military Health System to complement our efforts with the VA. This has been a success story, with roughly $3 billion in savings per year achieved through programs like Federal Ceiling Pricing (a discount drug program) and implementing the Outpatient Prospective Payment system (a transition to more favorable Medicare rates for private hospitals).

The Department of Defense will continue to look for ways to operate more efficiently, and effectively, to better serve our service members and veterans.

Mr. BARBER. Has the Department of Defense done any economic analysis of how military personnel reductions and military weapon divestment will affect local economies surrounding DOD installations?

Secretary HAGEL. The Department has not conducted such an analysis. DOD's Office of Economic Adjustment has authority to assist states and localities to conduct such analysis as part of a broader economic adjustment response once a reduction is publicly announced and found to have a direct and significant adverse consequence on the local area.

Within this budget, the Department is balancing readiness, capability, and capacity—making sure that whatever size force we have, we can afford to keep our people properly trained, equipped, compensated and prepared to accomplish their mission. As significant force structure reductions take place, the excess infrastructure associated with that force structure must also be reduced. If not, readiness, modernization, and even more force structure will have to be cut. The most efficient and effective way to eliminate excess infrastructure is through the Base Realignment and Closure process—thus the Department's request for a 2017 round.

BRAC is the only fair, objective, and proven process for closing and realigning installations. BRAC provides a sound analytical process that places military value above all other considerations. Additionally, when the Department closes and realigns bases within the statutory BRAC process, the local community is a key participant. BRAC allows communities a role in re-use decisions for the property, provides them assistance in developing a redevelopment strategy and offers the community the opportunity to obtain the property at low cost or, in some cases, no cost provided their redevelopment plan creates jobs.

Mr. BARBER. The A–10 has recently been installed with advanced targeting pods, the latest in guided weapons, new electronics and new wings which will extend the life of the planes in a cost-effective way.

Considering we do not know the type of conflicts we may face in the coming decade, whether it be further insurgency or possibly more terrorism, an asymmetric war or another large land conflict with a growing super power.

We just don't know.

The point is, Mr. Secretary, should we not be prepared for all contingencies? Don't we owe that to our nation and our service members?

Should we not have the tools at hand to ably prosecute whatever we may face, especially a strong and capable tool such as the A–10 that has proven itself in war, performed different roles such as combat and rescue, received new modifications, and successfully protected thousands of ground troops?

Secretary HAGEL. The A–10 has received periodic upgrades as do all other aircraft in the DOD inventory. What is unique is that the A–10 was designed for a single mission in an era that cannot compare nor predict the proliferation of threats to the aircraft that we see today. The A–10 was optimized to fly low and slow in permissive environments in order to achieve the accuracy and effectiveness demanded by the supported ground forces. Unfortunately, in a fiscally-constrained environment, the Department no longer retains the luxury of operating and sustaining single-mission aircraft. Divesting the entire fleet provides significant savings that cannot be obtained by divesting only portions of a fleet because we are also able to eliminate the infrastructure associated with the fleet, including training units, test units, and development of future sustainability programs. During Desert Storm (1991), six of the thirteen USAF aircraft lost to enemy fire were A–10s. Infrared missiles, carried by enemy troops, were responsible for the greatest number of losses by any single platform during Desert Storm. Small arms fire and anti-aircraft artillery also damaged thirteen additional A–10s. The losses were substantial enough that commanders had to reconsider A–10 tasking against the formidable front-line Iraqi units.

With the uncertainty that lies in predicting future conflicts, we owe the nation flexible weapons systems that can perform and deliver in any future contested environment. Even today, the A–10 provides only a fraction of the Close Air Support (CAS) required in theater. The capabilities of the A–10 are replicated throughout the DOD TACAIR inventory. Aircraft other than the A–10 have effectively provided over 80% of the required CAS missions in our most recent conflicts. With modern sensors, communications, and precision-guided munitions, the air forces can now achieve the desired effects with speed and from higher altitudes, allowing us to do the job with more survivable aircraft and tactics, while simultaneously providing the Combatant Commander the options required in other mission sets. Finally, the Department has long planned to eventually replace the A–10C fleet with the F–35A Joint Strike Fighter. As we await the delivery of more F–35s, the F–15E, F–16, and F/A–18 have proven their ability to provide highly effective CAS.

Mr. BARBER. Secretary Hagel, you mentioned cyber security as an important priority for DOD and I could not agree more with your sentiment.

While we continue improving our cyber defense to meet the rapidly changing technology through research and development, it is important that we have the infrastructure to adequately test these technologies.

I want to bring to your attention an important aspect of this endeavor. In my district, we have Fort Huachuca's Electronic Proving Ground (EPG).

This installation is the Army's C5I (command, control, communications, computers, cyber and intelligence) Developmental Tester which uses its infrastructure and unique geographical location to provide the best real world tests.

This area has the most pristine electronic range with the most quiet electromagnetic spectrum and no over flights by aircraft. This ultimately allows realistic testing of important cyber assets that will improve DOD's mission. Mr. Secretary, would you agree that the Army should utilize all of its developmental testing assets for C5I? Would you also agree that it should use both its environmentally unique test ranges as well as its laboratories, so that we can best provide for the future research and development for DOD's important mission of cyber warfare?

Secretary HAGEL. The Department of the Army will continue to use all of its research and development and test and evaluation capabilities to support the maturation and development of current and future technologies in support of cybersecurity, cyberwarfare, and command, control, communications, computers, and intelligence system acquisition. These assets include laboratories, controlled ranges, and operationally realistic test environments.

Mr. BARBER. During the decisionmaking process to recommend divestiture of the A–10, did the Department consider Ground Commanders' input on the capabilities needed to best support troops on the ground when they request close air support. How did the Department get this input? What was the input from Ground Commanders and Combatant Commanders?

General DEMPSEY. Ground Commanders' input was considered during the development of the FY15 budget. Services and Combatant Commanders were actively engaged during deliberations and decision making. While acknowledging the reliable performance of the A–10, Ground Commanders and Combatant Commanders are not wedded to a specific aircraft but require the Close Air Support (CAS) capability that the A–10 and other proven aircraft, such as the F–15E, F–16, B–1, and F/A–18, and in the near future, the F–35 provide. Since 2006, about 80% of CAS missions have been executed by platforms other than the A–10. With the A–10 divestiture, other multi-role aircraft provide a balanced capability across multiple mission sets for the Combatant Commanders, and the Department saves resources by divesting an entire weapon system.

Mr. BARBER. What factors did the Department of Defense analyze to determine its proposed slowdown of military compensation and benefits?

General DEMPSEY. The Department's military and civilian leaders conducted substantial analysis to arrive at the proposed package of pay and compensation adjustments. The overarching factor that encompassed the Department's analysis was balance. Balance between force structure, readiness, and modernization is required to ensure the best possible training and equipment for our warriors heading into combat. Balance requires the ability to recruit and retain the all-volunteer force by providing a competitive package of pay and benefits. The Department determined that by making the proposed changes to slow the growth of military compensation, and reinvesting the savings into readiness and modernization, it would be able to recruit and retain a high quality, balanced force earning competitive and sustainable benefits.

Mr. BARBER. If there is a decrease in military compensation and benefits, what is the expected affect to retention and recruitment in our All-Volunteer Force?

General DEMPSEY. The Department's military and civilian leaders conducted substantial analysis to arrive at our proposed package of compensation adjustments. The Department concluded that, even after making these changes and slowing the growth in military compensation, the Department will still be able to recruit and retain a high-quality force and offer generous, competitive, and sustainable benefits.

Mr. BARBER. Has the Department of Defense done any economic analysis of how military personnel reductions and military weapon divestment will affect local economies surrounding DOD installations?

General DEMPSEY. The Department has not conducted such an analysis. DOD's Office of Economic Adjustment has authority to assist states and localities to conduct such analysis as part of a broader economic adjustment response once a reduction is publicly announced and found to have a direct and significant adverse consequence on the local area.

Mr. BARBER. I represent Davis-Monthan Air Force Base, home to the 355th Fighter Wing, operating the A–10 and training the next generation of close air support pilots.

The budget proposal you have put forward calls for the divestment of the A–10. Mr. Chairman, I understand the need to find budget savings, however, the A–10 plays a crucial role in protecting our service members on the ground—a role that cannot be suitably replicated in all aspects by any other aircraft in our inventory at this time.

I am a supporter of the F–35, I am a supporter of UAVs, I believe that other airframes can perform aspects of close air support, but none can take the place at this moment and perform like the A–10.

Admiral Locklear said "there are capabilities out there that will not parallel what the A–10 can offer".

General Austin said that he has seen A–10s perform wonderfully in Iraq and Afghanistan.

Major General Bill Hix made the crucial point that the A–10 serves as flying artillery when ground troops cannot request indirect fire support due to logistical issues.

Just seven months ago, General Welsh told me, quote: "until the Air Force has sufficient numbers of F–35s, the Air Force intends to keep the A–10 viable and combat ready". Mr. Chairman, from an Army Officer's perspective who has commanded ground troops, has the A–10 not provided a diverse close air support capability for our service members on the ground?

Is it truly not in our nation's interest to keep this proven workhorse up and running?

General DEMPSEY. Undoubtedly, the A–10 has served as a proven, reliable, and lethal Close Air Support (CAS) platform and become a popular workhorse for the Department. The decision to retire the A–10 is driven by both operational and budgetary considerations. Preparing for the future contested environment, in light of the current fiscal environment, demands difficult choices.

The future non-permissive environment, characterized by networked anti-access area denial (A2AD) threats requires both force modernization and prioritizing capable, multi-role aircraft over single mission, legacy aircraft whose effectiveness and survivability are significantly threatened by a non-permissive environment. While the A–10 is a CAS-centric aircraft, enabled by its focused capability in that mission, since 2006, about 80% of combat CAS missions have been effectively executed by other aircraft, including as the F–15E, F–16, B–1, and F/A–18. Enabling Combatant Commanders by prioritizing multi-role aircraft that are both proven to capably support our service members on the ground and more effectively operate in contested environments, and modernizing the force with strike platforms, such as the F–35 and Long Range Strike Bomber, will best posture the Department for the future.

A–10 fleet divestiture saves the Department over $3.5 billion and avoids cuts to capable, multi-role aircraft that ultimately provide the Combatant Commanders with comprehensive capabilities across the spectrum of conflict and required mission sets.

QUESTION SUBMITTED BY MR. COFFMAN

Mr. COFFMAN. Are there currently any provisions in U.S.C 2687 concerning BRAC that reports on excess capacity and overhead of Department of Defense facilities which are based overseas?

Secretary HAGEL. No, 10 U.S.C. 2687 only applies to military installations "located within any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, or Guam."

QUESTIONS SUBMITTED BY MR. ENYART

Mr. ENYART. The F/A–18 E and F Super-hornet and the E/A–18G Growler are made across the river from my district in St. Louis and employ thousands of folks from my region in Southern Illinois. Was the effect on the industrial base given thought to, when the budget was being constructed, not including funding for these two strategic platforms? Also, will we lose capabilities in the war fight by not having these fighters in production? What savings are being generated by not including the Super-hornet and Growler in DOD's budget?

Secretary HAGEL. The effect on the industrial base is an important consideration, which was factored into the Department's investment planning and budget preparation. However, budget reductions have and will continue to decrease research, devel-

opment, and production for many defense systems. For the tactical aircraft industrial base, I am most concerned about maintaining engineering design capabilities. To address this, the Department has initiated an Air Dominance Initiative led by the Defense Advanced Research Projects Agency with extensive participation from both the Navy and the Air Force partnered with major tactical aviation industry suppliers. Additionally, the Department continues to promote competition and innovation in aeronautics with investments in enabling technologies and programs, including the Unmanned Carrier Launched Airborne Surveillance and Strike aircraft and the Long-Range Strike Bomber. These should present opportunities for the engineering and manufacturing workforce to transition to new programs as the Department's requirements evolve.

In terms of capability, the Department is committed to achieving the best possible balance between affordability and capability in our carrier tactical aviation programs. The Navy has a validated requirement for 563 F/A–18E/F and 135 EA–18G aircraft, which will be met with delivery of the final EA–18G in 2016. The Navy successfully extended the life of over 100 F/A 18A–D with its high flight hour inspection program and is working to extend the life on another 100+ aircraft. The Navy estimates there is sufficient life and capabilities in its existing and planned strike fighter inventory to accomplish its warfighting missions.

The savings achieved in a single year by not procuring additional Super Hornet and Growler aircraft in DOD's budget could be approximated by the average procurement unit cost, which is $72.2 million for the F/A–18E/F (base year 2000 dollars) and $67.5 million for the EA 18G (base year 2004 dollars), multiplied by the quantity desired. This figure would exclude the far greater long term costs of manning, training, maintaining, and operating the additional platforms, which would offset other funding priorities.

Mr. ENYART. DOD is recommending reducing the end strength of the National Guard to at least 335,000 from a current end strength of 350,000. After 12 years of war, I am a firm believer that the Guard is a battle-tested, cost-effective force capable of providing the surge capacity we need in time of conflict. Should not we be increasing the end strength of the Guard in the face of fiscal constraints?

Secretary HAGEL. The National Guard continues to be a vital part of the National Security Enterprise. The last 12+ years of war have proven that the National Guard will always answer the call with distinction for the Nation. Going forward, the current Defense Strategy suggests the Department will not need as many ground forces in the future. That is due to the capabilities of our allies and advances in technology. As a result, the budget calls for reductions in ground forces. The proposed reduction is also informed by a fiscally constrained budget. The Department values the capabilities and cost effectiveness of the National Guard and Reserve. As a result, the Reserve component numbers will not be reduced as much as the Active component. The current Active component/Reserve component mix in the Army will be altered with Reserve components becoming a larger percentage of the force than ever before.

While the Reserve component preserves capability and capacity for times of crisis, cost is not the only consideration in determining end strength. Forces that are needed immediately in times of crisis will normally be in the Active component, with the National Guard providing depth in an extended conflict as well as forces to support Homeland Defense missions. In keeping with the 2014 Quadrennial Defense Review, the Department will continue efforts to achieve the appropriate end strength for all components to respond quickly and effectively, while not sizing the force for long-term stability operations.

Mr. ENYART. DOD is recommending that we transfer all of the Apaches from the Guard to the active component and rumor has it that some of these Apaches will be placed in idle status once transferred. How can we maintain an operational reserve force if they don't have the same equipment to train with as their brothers and sisters in the active component?

Secretary HAGEL. First, the Army will reduce the total number of AH–64 Apaches by more than 120 aircraft to meet the Army's new acquisition objective of 690. This is in keeping with the Army's Aviation Restructure Initiative that will rebalance aviation force structure in order to maintain readiness and modernization under the Budget Control Act spending caps. The Army must concentrate the low-density, high-demand Apache helicopter in the Active component where readiness and ability to deploy is greatest. The Apache helicopters that will transfer to the Active component will not be placed in idle status. Those aircraft will be repurposed to conduct the armed scout mission and replace the OH–58D Kiowa Warriors that are being divested of by the Army to save over $10 billion. The Army National Guard will maintain its entire fleet of CH–47 Chinook and UH–72A Lakota helicopters and will receive an additional 111 UH–60 Blackhawk helicopters.

Second, transferring the Apache helicopters will not relegate the National Guard to being a strategic reserve. The Army will continue to rely on the National Guard for its capability, to include command and control, and the strategic depth it provides. Contrary to some public claims, UH–60 Blackhawk and CH–47 Chinook helicopters are combat aircraft and are essential for combat operations, while the UH–60 medical evacuation aircraft and crews conduct heroic rescues on the front lines of combat. The experience and capability resident in the National Guard will continue to be essential to our Nation's defense at home and overseas, especially with our Regular force shouldering disproportionate reductions to its aviation forces.

The differing organizational structure of each component is driven by the strategic and operational warplans and homeland defense requirements. The National Guard does not, and will not, look identical to the Active component, yet it is, and will remain, an effective fighting force. The Army National Guard will continue to be optimized with "dual use" equipment and formations that are capable of supporting States and Governors as well as Combatant Commanders when mobilized. The Apache helicopter does not have a role in Title 32 missions. By contrast, the Blackhawk helicopter is vital to homeland missions such as disaster response and has flown more than any other combat aircraft in Iraq and Afghanistan.

Mr. ENYART. The F/A–18 E and F Super-hornet and the E/A–18G Growler are made across the river from my district in St. Louis and employ thousands of folks from my region in Southern Illinois. Was the effect on the industrial base given thought to, when the budget was being constructed, not including funding for these two strategic platforms? Also, will we lose capabilities in the war fight by not having these fighters in production? What savings are being generated by not including the Super-hornet and Growler in DOD's budget?

General DEMPSEY. Budget cuts will decrease production and R&D for many defense systems. For the tactical aircraft industrial base, the biggest concern is maintaining engineering design capabilities. To address this, the Department has initiated an Air Dominance Initiative (ADI) led by DARPA, with extensive participation from both the Navy and Air Force partnered with major tactical aviation industry suppliers. This ADI team is exploring concepts for the next generation of air dominance and undertaking prototyping efforts based on the results of concept exploration.

We will not lose future capabilities based on a decrease in production. The Navy continues to manage its strike fighter inventory to ensure it meets future requirements. To mitigate delays in the F–35 program, the Navy increased its procurement objective of F/A–18E/F from 462 aircraft to 563 aircraft. Also, the Navy successfully extended the life of over 100 F/A–18A–D with its High Flight Hour Inspection program and is working to extend the life on another 100+ aircraft. Due to the additional F/A–18E/F inventory and extended service life on the F/A–18A–D, the Navy believes there is sufficient life in its existing strike fighter inventory making any projected shortfall manageable until F–35 reaches full operational capability. Therefore, the Navy does not have a requirement to procure additional F/A–18E/F aircraft at this time.

The Department determined that buying 24 additional Super Hornets would cost the Navy approximately $1.96 billion, and 22 additional Growlers would cost about $2.1 billion. When balanced against other higher priority programs with decreasing budgets, the Department cannot afford to procure additional F–18 E and F and EA–18G aircraft.

Mr. ENYART. DOD is recommending reducing the end strength of the National Guard to at least 335,000 from a current end strength of 350,000. After 12 years of war, I am a firm believer that the Guard is a battle-tested, cost-effective force capable of providing the surge capacity we need in time of conflict. Should not we be increasing the end strength of the Guard in the face of fiscal constraints?

General DEMPSEY. Our National Guard has certainly proven itself as a capable and effective force. However, growing any part of the force, in this budgetary environment, is simply not feasible. We intend to maintain the Reserve Components as a full spectrum force capable of supporting their homeland defense and other important missions and balanced against COCOM requirements. We carefully weighed warfighting requirements to meet operational plans to help determine the right mix of active and reserve component forces as well as those missions best suited for each component.

Mr. ENYART. DOD is recommending that we transfer all of the Apaches from the Guard to the active component and rumor has it that some of these Apaches will be placed in idle status once transferred. How can we maintain an operational reserve force if they don't have the same equipment to train with as their brothers and sisters in the active component?

General DEMPSEY. The full details pertaining to the Army's Aviation Restructuring Initiative have not been finalized by the Department of the Army. Currently, no aircraft have been transferred from the National Guard to the Active Army under this proposal. Any transfers of aircraft that do ultimately occur will be done so in a way that best positions the Total Army to meet both its state and federal mission requirements.

QUESTIONS SUBMITTED BY MR. PALAZZO

Mr. PALAZZO. Mr. Secretary, it wasn't too long ago that I had someone, a senior civilian official in the Department of Defense, tell me that they believe the Department of Defense was (strongly) committed to another round of BRAC, would you agree with that statement?

Secretary HAGEL. Yes, I am strongly committed to another round of BRAC; this is why it is included in the budget request. Decreasing budgets underscore the requirement to eliminate excess infrastructure to avoid wasting resources maintaining unnecessary facilities—resources that could be much better spent on readiness and modernization. The overhead cost to operate, maintain, and protect bases is substantial. In recent years, the Department has spent about $23 billion a year on facilities construction, sustainment and recapitalization. Other costs associated with operating military installations (e.g., utilities, custodial and refuse collection, environmental services, logistics, religious services and programs, payroll support, personnel management, morale, welfare and recreation services, and physical security) have averaged about $28 billion a year.

The Department is significantly reducing force structure because of funding constraints. The Department needs to also reduce the overhead associated with that force structure. If the Department does not do this, readiness, modernization, and even more force structure will have to be cut.

The projection is that the Department can achieve recurring savings on the order of $2 billion/year with another round. The Department expects to save enough during the 6-year implementation period that it would balance out during that timeframe. Programmatically, what is at stake is approximately $2 billion/year starting in 2024.

Mr. PALAZZO. That same individual told me that they knew that the Department of Defense was going to continue to take painful cuts from the military until BRAC was viewed as the lesser of two evils, would you agree with that statement?

Secretary HAGEL. Let me address that question from two perspectives. First, without BRAC and other efficiency initiatives, the Department will certainly have to take "painful cuts" elsewhere in the budget. Funding constraints are driving reductions in force structure, investment accounts and readiness. Without rationalizing infrastructure to force structure, the Department is forced to pay to maintain unneeded facilities.

Second, without a BRAC, bases will face increasingly difficult challenges. Force structure reductions will result in reduced loading and emptier bases. Strained facilities sustainment budgets will worsen facility conditions, exacerbated by the need to maintain excess facilities. In essence, without BRAC or any other initiative to reduce infrastructure, bases will be increasingly hollowed out. Local communities will see economic benefits from all bases decrease to varying degrees. The Department must explore ways to address this situation, but without BRAC the options are far more limited.

It makes the most sense to embark upon an analytical, transparent, apolitical process such as BRAC. BRAC will ensure the Department is fully utilizing the bases it keeps, and will turn over excess infrastructure to local communities for economic development.

Mr. PALAZZO. In your best judgment, and as a former Senator familiar with the mandatory spending accounts, how would you compare the rate of growth between mandatory spending and what we currently spend on our nation's defense? Would you say those are comparable?

Secretary HAGEL. Between Fiscal Years (FY) 2013 and 2021, which are the years impacted by the Budget Control Act (BCA), the President's Budget for FY 2015 proposes discretionary spending for base budget Defense programs, which results in outlays that grow at an average annual rate of approximately 1.5 percent. Outlays for mandatory programs grow at an average annual rate of approximately 6 percent over the same period.

The modest annual growth for the Defense discretionary base budget under the President's Budget is bolstered by the President's Budget being approximately $150 billion above sequestration levels between FY 2016 and FY 2021. This additional

funding, combined with the relief from full sequestration provided in FY 2013, 2014, and 2015, is helpful in supporting military readiness and some modernization efforts; however, the Department could still see up to 80 percent of the original Budget Control Act sequestration level reductions of over $900 billion, compared to the President's Budget FY 2012, if nothing is done to eliminate sequestration in FY 2016 and beyond.

QUESTIONS SUBMITTED BY MR. VEASEY

Mr. VEASEY. Secretary Hagel, thank you for being here today and thank you for your service to our country. I am concerned about the balance of forces between our Active Duty Army, Guard, and Reserve Components. Specifically, the data from the Army is using authorized end strength numbers for the Army National Guard. For the Active Component, why is the Army using the wartime surge number of 570,000 instead of the authorized end strength number of 490,000?

Secretary HAGEL. The numbers used in calculating the percentage of reductions in end strength were taken directly from the authorized end strength in the National Defense Authorization Act for Fiscal Year 2011.

The downsizing of the Army began in Fiscal Year 2011, at which time the congressionally authorized end strengths were 569,400 Regular, 358,200 Guard, and 205,000 Reserve. The President's Fiscal Year 2015 budget request supports force levels of 440,000–450,000 Regular, 335,000 Guard, and 195,000 Reserve by the end of Fiscal Year 2017. From a Fiscal Year 2011 baseline, those force levels represent force reductions of about 120,000–130,000 Regular (−21 to 23 percent), 23,000 Guard (−6 percent), and 10,000 Reserve (−5 percent).

In comparison to pre-war levels the National Defense Authorization Act for Fiscal Year 2000 authorized Army force levels of 480,000 Regular, 350,000 Guard, and 205,000 Reserve. If Fiscal Year 2000 authorized end strengths were to be used as the baseline for Army force reductions associated with the President's Fiscal Year 2015 budget request, military personnel reductions would be 30,000–40,000 Regular (−6 to 8 percent), 15,000 Guard (−4 percent), and 10,000 Reserve (−5 percent) by the end of Fiscal Year 2017.

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