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S. HRG. 113–108, PT. 1

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2014 AND THE FUTURE YEARS DEFENSE PROGRAM

HEARINGS

BEFORE THE

COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE

ONE HUNDRED THIRTEENTH CONGRESS

FIRST SESSION

ON

S. 1197

TO AUTHORIZE APPROPRIATIONS FOR FISCAL YEAR 2014 FOR MILITARY ACTIVITIES OF THE DEPARTMENT OF DEFENSE, FOR MILITARY CONSTRUCTION, AND FOR DEFENSE ACTIVITIES OF THE DEPARTMENT OF ENERGY, TO PRESCRIBE MILITARY PERSONNEL STRENGTHS FOR SUCH FISCAL YEAR, AND FOR OTHER PURPOSES

PART 1

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

MARCH 5, 7, 12, 19; APRIL 9, 17, 23, 25; MAY 7, 2013

Printed for the use of the Committee on Armed Services

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DEPARTMENT OF DEFENSE AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 2014 AND THE FUTURE YEARS DEFENSE PROGRAM

TUESDAY, MARCH 5, 2013

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

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

The committee met, pursuant to notice, at 9:37 a.m. in room SH–216, Hart Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Reed, Nelson, McCaskill, Hagan, Manchin, Shaheen, Gillibrand, Blumenthal, Donnelly, Hirono, Kaine, King, Inhofe, McCain, Wicker, Ayotte, Fischer, Graham, Blunt, and Lee.

Committee staff members present: Peter K. Levine, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Richard W. Fieldhouse, professional staff member; Michael J. Kuiken, professional staff member; Jason W. Maroney, counsel; and Michael J. Noblet, professional staff member.

Minority staff members present: John A. Bonsell, minority staff director; Adam J. Barker, professional staff member; and Thomas W. Goffus, professional staff member.

Staff assistants present: Jennifer R. Knowles, Kathleen A. Kulenkampff, and Lauren M. Gillis.

Committee members' assistants present: Carolyn Chuhta, assistant to Senator Reed; Jeff Fatora, assistant to Senator Nelson; Jason Rauch, assistant to Senator McCaskill; Christopher Cannon, assistant to Senator Hagan; Mara Boggs, assistant to Senator Manchin; Chad Kreikemeier, assistant to Senator Shaheen; Elana Broitman, assistant to Senator Gillibrand; Marta McLellan Ross, assistant to Senator Donnelly; Nick Ikeda, assistant to Senator Hirono; Karen Courington, assistant to Senator Kaine; Steve Smith, assistant to Senator King; Christian Brose and Paul C. Hutton IV, assistants to Senator McCain; Lenwood Landrum, assistant to Senator Sessions; Brandon Bell, assistant to Senator Chambliss; Joseph Lai, assistant to Senator Wicker; Brad Bowman, assistant to Senator Ayotte; Peter Schirtzinger, assistant to Senator Fischer;

Craig Abele, assistant to Senator Graham; Charles Prosch, assistant to Senator Blunt; and Peter Blair, assistant to Senator Lee.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Good morning, everybody. This morning's hearing is the first in our annual series of posture hearings with the combatant commanders to receive testimony on the military strategy and operational requirements in their areas of responsibility (AOR). Our witnesses are two extraordinary military leaders: General James N. Mattis, USMC, Commander, U.S. Central Command (CENTCOM); and Admiral William H. McRaven, USN, Commander, U.S. Special Operations Command (SOCOM).

On behalf of our members, please pass along to the men and women serving in both CENTCOM and SOCOM for their dedication and their sacrifices; and we also thank their families, whose support is so essential to the well-being of their loved ones and to the well-being of our Nation.

General Mattis, this is your third and your last posture hearing before this committee. This committee has favorably reported out your successor, General Lloyd J. Austin III, USA, to the full Senate. General, we want to thank you for your more than 40 years of military service and your distinguished leadership of our Armed Forces.

This year's posture hearings with the combatant commanders are being held under the specter of budget sequestration, which threatens to impose arbitrary cuts on our military forces unrelated to our national security requirements. Already, sequestration is having an operational impact in the CENTCOM area, with the Department of Defense's (DOD) postponement of the deployment of the USS *Harry S. Truman* aircraft carrier to the Persian Gulf. I hope that General Mattis and Admiral McRaven will address the impacts and risks associated with sequestration and with the expiration of the Continuing Resolution (CR).

Our transition strategy in Afghanistan is entering a critical phase in the coming months. Afghan forces will move into the lead for security throughout Afghanistan beginning this spring. This transition has been underway for some time and Afghan forces are already in charge of security for more than 85 percent of the Afghan people.

This shift to an Afghan security lead is exemplified by the statistic that in 2012 Afghan forces for the first time suffered more casualties than coalition forces. As Afghan National Security Forces (ANSF) are stepping up, coalition forces are shifting to a support role, deploying security force assistance teams to advise and assist Afghan units throughout the end of 2014, when the International Security Assistance Force (ISAF) mission ends. ISAF casualties are down and during a 1-month stretch from mid-January to mid-February of this year ISAF forces suffered no fatalities.

But it seems the bad news out of Afghanistan is splashed across the headlines, while good news barely makes a ripple. The press gave wide coverage in December to the DOD report that found only 1 of 23 Afghan brigades was rated as independent by ISAF. Yet when Senator Reed and I visited Afghanistan in January and talked to our regional commanders, we learned that Afghan forces

in the volatile and critical East Region have been successfully conducting over 85 percent of the operations unilaterally, without coalition forces even being present.

Afghans want their own forces providing for their security and they have confidence in those forces. General Mattis, the committee would be interested in your assessment of whether our mission in Afghanistan is succeeding, whether our transition plan is on track, and whether the Afghan forces will be ready this spring to assume the lead for protecting the Afghan people throughout the country.

Last month, President Obama announced plans for withdrawing, by February of next year, 34,000 of the 66,000 U.S. troops in Afghanistan. As important as the size of the cuts in U.S. troop levels over the coming year is, the pace of those reductions is also important. The President has previously stated that cuts in U.S. Forces would continue at a steady pace after the recovery of the U.S. surge force at the end of last summer. It's now being reported that the bulk of the withdrawal of the 34,000 troops is likely to occur next winter, after the 2013 fighting season. We need to understand what the pace of U.S. troop withdrawal will look like and how it fits with the overall transition strategy.

Looking ahead, significant challenges in Afghanistan remain. Fundamental to the country's stability will be a demonstrated commitment by the United States and the international community to an enduring relationship with Afghanistan. I am encouraged by reports that the North Atlantic Treaty Organization (NATO) defense ministers recently reconsidered plans to cut ANSF by a third after 2014 and are now considering maintaining those forces at 352,000 at least through 2018. That sends an important signal of commitment to the Afghan people, to the Taliban, and to Afghanistan's neighbors.

Pakistan needs to recognize that an unstable Afghanistan is not in its interests, and Pakistan's continuing failure to address the safe havens for insurgents conducting cross-border attacks into Afghanistan will make it impossible for the United States to have a normal relationship with Pakistan.

In addition, the Government of Afghanistan needs to address its failure to deliver services and also the rampant corruption that undermine the Afghan people's faith in their government's institutions.

The CENTCOM AOR also presents other vexing challenges. Iran's continued pursuit of its nuclear program is one of the most significant national security issues of this day. I believe most of the members of this committee share President Obama's view that all options, including military options, need to remain on the table and that preventing Iran from acquiring a nuclear weapon is not only our policy, but that we are determined to achieve that policy goal.

Iran is also actively expanding their threat network that has promoted violence across the region in Yemen, Gaza, Sudan, Syria, Iraq, and elsewhere. Iran continues to provide financial and material support through the Revolutionary Guard and Lebanese Hezbollah to groups seeking to overthrow or undermine governments or terrorize innocent civilians.

General Mattis and Admiral McRaven, you are the two commanders most involved in confronting these current challenges and

planning for contingencies involving Iran. We look forward to hearing your views on these matters.

In Syria, the death toll continues to rise daily. The mass atrocities committed by the Assad regime over the past 2 years have solidified the commitment of all but a few in the international community that the required outcome in Syria is that Assad must go. The United States is the largest contributor of non-lethal and humanitarian aid to the international response efforts, but these contributions have not been enough. General Mattis, the committee looks forward to hearing your views on the situation in Syria and to learn of what our closest allies in the region say about the possibility of extending additional aid to the opposition.

The committee is also interested in our commanders' reactions to recent reports about U.S. counterterrorism operations and whether more of these counterterrorism operations should be conducted under title 10 authorities. For example, Secretary Panetta said recently, "The advantage to it is that it becomes much more transparent in terms of what we're doing." He's referring, of course, to more counterterrorism operations being conducted under title 10 authorities rather than title 50.

John Brennan in his recent confirmation hearing to be Director of the Central Intelligence Agency (CIA) stated that: "The CIA should not be doing traditional military activities and operations," and noted that "On the counterterrorism front, there are things the Agency has been involved in since September 11 that, in fact, have been a bit of an aberration from its traditional role."

Beyond the current conflict in Afghanistan and the fight against al Qaeda and its affiliates elsewhere, Admiral McRaven has spent significant time developing his vision for the future of Special Operations Forces (SOF). In light of the continuing high demand for SOF throughout the world and the focus of last year's Defense Strategic Guidance (DSG) on "innovative, low-cost, and small-footprint approaches" to achieve national security objectives, Admiral McRaven has rightly focused on the need to develop greater capabilities within our SOF to engage with partner nation forces, with the goal of confronting mutual security challenges before they become threats to the United States or our interests overseas, what the Admiral calls "enhancing the global special operations network." Admiral McRaven, the committee looks forward to hearing more about any changes to existing authorities that you believe would help you be more effective in these areas.

Our special operations personnel and their families continue to face the highest operational tempo in their history. I understand SOCOM has documented the negative impact of these repeated high-stress deployments, including an increase in marital problems, substance abuse, and suicides, and now has a standing task force dedicated to helping special operators and their families deal with these issues.

Admiral, the committee would appreciate your assessment on the state of your forces and the adequacy of the support provided by the Military Services and SOCOM to address the unique challenges in the special operations community.

Senator Inhofe.

STATEMENT OF SENATOR JAMES M. INHOFE

Senator INHOFE. Thank you, Mr. Chairman. Mr. Chairman, there are a lot of the things you've covered that I was going to, so I'll just paraphrase some of the concerns.

First of all, I appreciated the opportunity to meet with both of you, and I also appreciate your long years of service. But I think you'd have to agree, as we discussed, that you probably have not faced the situation that you're facing today. With the cuts that we've already sustained and then with sequestration coming up, with the CR problems that are there, it is, in fact, unprecedented.

Anticipating that this might be a possibility, about 6 weeks ago we introduced legislation that would allow the Service Chiefs to make determinations, as opposed to just the straight cut that would come with sequestration. I called all five Service Chiefs, including the Guard, and asked them, if we were in a position where, taking the same top line, the cuts that we are mandated for the military, if you could take that and operate within that and make the determinations as to where those cuts would be, would that be less devastating than if you just went ahead and did it with the straight-line cuts? They all said yes.

Then the second question I asked them was: Do you have time to do that between now and the next 6 weeks, as we approach the 1st of March? They assured me that they did. So we're looking at that right now. I'm hoping we'll be able to pass this and give that added ability to make determinations within the same amount of money, that would be less devastating.

General Mattis, I think as we look at CENTCOM one of the biggest problems there, as we've talked about, is Iran. This influence continues to spread across the Middle East, into Africa, Europe, and the Pacific. They're developing more complex anti-access and anti-denial weapons. We all know that our unclassified intelligence said way back in 2007 that they are gaining nuclear capability, and they should have it, that along with a delivery system, by 2015. They're having a lot of influence over the surrounding areas. Assad in Syria is getting a lot of his stuff from Iran. The flow of Syrian refugees into Jordan and Lebanon will probably exceed more than 1 million as quickly as June of this year.

So all these problems that are out there, and we've talked about these and we know how serious it is, it is unprecedented.

Admiral McRaven, as Commander of SOCOM you play an instrumental role in shaping our global counterterrorism campaign. Despite our successes in the battlefield, al Qaeda and affiliated terrorist organizations remain resilient and have developed sophisticated networks that transcend national borders.

You both have your work cut out for you. I can't think of two better people to take on this huge responsibility right now than the two of you. I appreciate very much your service and what you're going to be rendering that addresses our problems today.

Thank you, Mr. Chairman.

[The prepared statement of Senator Inhofe follows:]

PREPARED STATEMENT BY SENATOR JAMES M. INHOFE

Thank you, Mr. Chairman. General Mattis and Admiral McRaven: Thank you for your many years of faithful service to our Nation, and on behalf of our entire com-

mittee, please convey to the brave men and women you lead how grateful we are for their sacrifice, and that of their families.

This hearing comes at a critical time for our Nation's security. Our military has already endured significant budget cuts and now stands to lose significantly more under sequestration. These cuts will directly impact the readiness and capabilities of our force, particularly at a time when they are confronted with a global security environment that is as tumultuous and dangerous as any time in recent history—a fact that is particularly true within the U.S. Central Command (CENTCOM) area of responsibility (AOR).

The reality of these cuts and the pain of operating under continuing resolutions mean that you will have declining resources and reduced flexibility to address increasing threats. You will be forced to accept greater strategic risk. As I have said many times before, due to the nature of military operations: risk equals lives. As we accept greater risk, like we did by under-resourcing U.S. Africa Command (AFRICOM) prior to the terrorist attacks in Benghazi, we must understand that it will result in greater loss of life. That is why last month Senator Toomey and I introduced a bill to give the department the flexibility it needs to operate within these severe budgetary constraints, and to mitigate risk. Although the amount of the cuts to the top line would remain the same, the Department would have maneuvering room to decide where to take them. I talked to all of the Service Chiefs about this topic, and all of them agreed that this flexibility would provide significant relief and help to reduce risk.

I look to our witnesses to provide the committee with their assessment of how the ongoing budget crisis will impact their ability to effectively address the challenges within their areas of responsibility and whether the current strategies that they are operating under are still executable given the budget realities.

General Mattis, in CENTCOM, the threats you deal with on a daily basis are staggering. One of the most vexing challenges we face is Iran. Their malign influence continues to spread across the Middle East and into Africa, Europe and the Pacific through their proxy network of terrorist organizations, such as Hezbollah. Additionally, Iran is developing more complex anti-access and area-denial weapons while simultaneously pursuing ballistic missile and nuclear weapon capabilities. I'm greatly concerned that our ongoing economic and diplomatic efforts to halt Iran's acquisition of a nuclear weapon have been ineffective and we risk arriving at a similar outcome as we now see in North Korea.

In Afghanistan, we are entering a new consequential chapter. The President recently announced a reduction of 34,000 U.S. troops over the next year and discussions are ongoing about what a post-2014 residual presence should look like. We must ensure that decisions about the future of our mission are based on sound strategy and the facts on the ground rather than domestic political calculations. I worry that we will repeat our mistakes in Iraq and draw down too many troops too fast, resulting in a security vacuum that allows the resurgence of al Qaeda and other terrorist organizations. We must listen to the commanders on the ground, to you General Mattis and Admiral McRaven, and your best professional military advice on what it will take to preserve our hard fought security gains and prevent Afghanistan from returning to a breeding ground for terrorists determined to strike at the American homeland.

In Syria, the country's civil war has entered its second year and has now claimed the lives of nearly 70,000. As the conflict drags on, we see Syria increasingly becoming the front lines of a protracted global struggle between Sunni and Shia terrorist groups that threatens broader regional stability. Iran continues to support to the Assad regime through their Hezbollah proxy and more directly through arms shipments that overfly Iraq. Despite numerous requests from the United States, Iraq continues to allow these flights which is damaging the relationship between the United States and Iraq.

The flow of Syrian refugees into Jordan and Lebanon will likely exceed more than 10 percent of their respective populations and top over 1 million as quickly as June of this year. The overwhelming influx of refugees could rapidly exceed the capacity of these small countries to absorb massive humanitarian and economic burdens. If we are not careful, these conditions will foster and fuel further instability, which much like we've seen in North Africa, could serve as a breeding ground for terrorism.

Admiral McRaven, as Commander of U.S. Special Operations Command (SOCOM), you play an instrumental role in shaping our global counterterrorism campaign. As we have seen in recent years, despite our many successes on the battlefield, al Qaeda and affiliated terrorist organizations remain remarkably resilient. They have developed sophisticated illicit and operational networks that transcend national borders. I'm concerned that to date, though, our strategy has been ad-hoc

and focused primarily on a country-by-country approach. We must confront this threat by developing a strategy that is truly global in nature. I understand that you have taken steps to this end and I look forward to you updating the committee on these efforts.

Admiral, I am also interested in your ongoing efforts to support your most important asset-the men and women serving under your command. Your predecessor, Admiral Eric Olson, made headlines when he stated 2 years ago that after a decade of combat operations, the force was beginning to "fray around the edges." As a result, Admiral Olson began a comprehensive assessment of the force and their families and instituted a number of programs to address these stressors. I know you have continued these vital efforts and I look forward to your update on their status.

Thank you again for appearing before us today and I look forward to your testimony.

Chairman LEVIN. Thank you so much, Senator Inhofe.

General Mattis, let's start with you.

STATEMENT OF GEN. JAMES N. MATTIS, USMC, COMMANDER, U.S. CENTRAL COMMAND

General MATTIS. Mr. Chairman and Ranking Member Inhofe, members of the committee: Thank you for the opportunity to testify. I have submitted a written statement and request it be accepted for the record.

Chairman LEVIN. It will be.

General MATTIS. It's my privilege to appear alongside stalwart shipmate and friend, Admiral Bill McRaven. We have worked together for many years and continue to do so.

In the Middle East, we confront what is a significant risk to our interests in the region, specifically a perceived lack of an enduring U.S. commitment. To counter this misperception, we must clearly communicate our intent and demonstrate our support through tangible actions.

In Afghanistan, we are conducting a steady and deliberate transition. U.S. leadership among 50 nations fighting together in the largest wartime coalition in modern history provide continued support of the ANSF as they set conditions for their long-term success.

Iran remains the single most significant regional threat to stability and prosperity. Reckless behavior and bellicose rhetoric characterize a leadership that cannot win the affection of its own people or the respect of any responsible nation in the region. Iran's continued support to the murderous Assad regime in Syria, coupled with its malign activities in Iraq, Afghanistan, Lebanon, Bahrain, Yemen, and Gaza, and globally in Sudan, Turkey, Azerbaijan, Thailand, India, Georgia, Bulgaria, Nigeria, and even here in Washington, DC, in an attempt to kill the Saudi Ambassador, and elsewhere in the world, as well as in the cyber domain, raise the risk of Iranian miscalculation that could spark a disastrous conflict.

As we address the very real challenges we collectively face, I am confident CENTCOM will continue working by, with, and through our regional partners to ensure a measure of stability in the region. Our military-to-military engagements, security cooperation efforts, exercise programs, and information operations will continue to need your support, including innovative and flexible authorities and the necessary funds, so we can continue doing what is required to protect U.S. national security interests.

As our Nation confronts a period of fiscal austerity, our ability to adapt our ways and means to continue to meet our operational objectives is impacted by three key factors: first, my need for budget certainty. Right now I do not have any budget certainty. Second, my need for time to adapt to reduced budgets and take the cuts smartly. Specifically, my third request is for flexibility to determine where to shift available funds in a manner that reduces risks and consistent with the intent of Congress, and of course, much of that flexibility must be granted to the Service Chiefs.

With your support and with the continued devotion to duty of our troops and the commitment of our military families, we will stand by our friends to maintain a measure of regional stability in defense of our values and our interests.

I look forward, Mr. Chairman, to answering your questions.

[The prepared statement of General Mattis follows:]

PREPARED STATEMENT BY GEN. JAMES N. MATTIS, USMC

INTRODUCTION

We are in the midst of a transition in the U.S. Central Command (CENTCOM) Area of Responsibility (AOR). With volatility a defining feature of the region, CENTCOM remains a command postured to respond to military crises while at the same time working in tandem with regional partners and American diplomats to carry out U.S. strategy in the region. In Afghanistan, U.S. Forces continue to support the largest coalition campaign in modern history to ensure it will not again become a haven from which violent extremist organizations can plan, rehearse and execute terrorist attacks. We also work with international partners, and across U.S. Government and combatant command lines, to share information and posture our forces to inhibit the spread of these radical and violent organizations and rapidly respond to protect U.S. interests. CENTCOM works closely with our fellow combatant commands to mitigate risk collaboratively across COCOM boundaries.

As we transition to Afghan-lead in accordance with NATO's Lisbon and Chicago agreements, each of the other 19 countries that comprise CENTCOM's AOR across the Middle East and Central Asian States present both challenges and opportunities for our military-to-military relationships. The ongoing events of the Arab Awakening, blatant brutality by the Iranian-backed Syrian regime and the spillover effects of refugees and violence into neighboring countries, coupled with Iran's flagrant violation of United Nations Security Council Resolutions, bellicose rhetoric and pursuit of a nuclear weapons capability, and the persistent threat from both Shia (Iranian supported) and Sunni (al Qaeda and its affiliates) violent extremists demand international attention.

These factors, compounded by the lack of forward progress on Middle East Peace and the movement toward a sustainable two-state solution and the serious economic challenges many nations in the region confront, require us to remain vigilant and be ready for turmoil in the months ahead. In fact, we are now at a point where a re-energized Middle East Peace effort could pay significant dividends in terms of regional security since the status quo benefits no one and violent extremists use the issue for their own purposes. It is essential that we maintain the viability of the Palestinian Authority as a partner for peace and security, and preserve the two-state solution.

As we look to the future direction of American foreign policy, three enduring factors will keep U.S. attention anchored in this region: the U.S. relationship with Israel and our other partner nations; oil and energy resources that fuel the global economy; and the persistent threat from violent extremist organizations. U.S. Central Command's approach—working in tandem with the State Department and other agencies through a whole-of-government approach—is to protect our interests using fewer military resources in an era of fiscal restraint and political change.

OPERATING ENVIRONMENT

Significant factors are currently shaping and changing the region. The Arab Awakening will bring years of political and social changes as the demographic challenges of a burgeoning youth bulge collide with struggling economies. There will be additional pressure on governments to respond to popular interests. We recognize

the Awakening is what it is and not necessarily what we hope it will be: it is first a flight from repression and may or may not result in an embrace of democratic principles. The future is not foreseeable, but one thing is clear: America must remain deeply engaged in the region and fully utilize all tools of national power as a force for stability and prosperity.

Traditional regimes that held power for decades have been swept aside or are under siege, adding to the region's uncertain future. Modern communications and social media have the potential to both empower and endanger people. While they can enable users to better understand their social circumstances and provide ways to organize to improve them, they can also make people more vulnerable to manipulation by malevolent actors. The increasing role of our adversaries in cyberspace necessitates additional emphasis and urgency on a targeted expansion of our presence, influence, capabilities and the authorities necessary to maintain an advantage in cyberspace. Threat networks including those maintained by Iran are adjusting opportunistically, and are emboldened by regional developments—to include the Arab Spring and events such as those in Benghazi and Syria. These networks pursue a range of destabilizing activities that include but are not limited to the transfer of illicit arms, as well as the provision of financial, lethal, and material aid support to a range of malign actors seeking to undermine regional security. In our efforts to counter destabilizing extremists, our international and regional partnerships remain one of our greatest strengths, and most potent tools. Addressing these activities will require our continued engagement, reassurance and commitment to work with other nations against extremists' violent activities.

U.S. Central Command's operating environment is also influenced by the major and emerging powers bordering our region, by the increasing Sunni-Shia polarization, and by Iran's malign influence. U.S. Government efforts led by State Department to develop more militarily capable and confident partners in the region are advancing, and contributing significantly to enhancing our robust regional security architecture. There is also widespread attention on how the United States and NATO will remain involved in Afghanistan post-2014 to prevent its regression, and whether the United States will continue to remain resolute in the face of a growing Iranian threat. Finally, the threat of weapons of mass destruction is prevalent in the region, with both Syria and Iran possessing chemical weapons or the capability to produce them and Iran advancing its nuclear program. Pakistan has a fast growing nuclear arsenal and violent extremists continue to profess a desire to obtain and use weapons of mass destruction. This danger has our full attention.

Each country in my assigned region has its own unique history, culture, religions and ethnicities and we treat each country on its own merits. The value of American military-to-military relationships is evident when you compare the transition in Egypt with events in Libya and the ongoing brutality in Syria. Under immense pressure both internally and externally, the Supreme Council of the Armed Forces in Egypt oversaw the transition and transferred power to an elected government. Egyptian military leaders did not attempt to protect the old regime from its accountability to the people or seize power for themselves. Moreover, they demonstrated restraint and steady performance through difficult transition milestones including the appointment of new military leadership and the political upheaval following President Morsi's December constitutional decree. First and foremost, the military sees itself as the upholder of Egypt's sovereignty and national security. It has maintained its professionalism and validated our longstanding investment in strong military ties, sustaining the trust of the Egyptian people through a most tumultuous period. As this critically important country experiences significant political change and confronts a dire economic situation, CENTCOM will remain actively engaged with Egypt's military leadership.

STRATEGIC RISKS TO U.S. INTERESTS

The most serious strategic risks to U.S. national security interests in the Central region are:

Malign Iranian influence

Despite significant economic sanctions and increased diplomatic isolation within the global community, Iran continues to export instability and violence across the region and beyond. There are five main threats Iran continues to develop: the potential nuclear threat; counter maritime threat; theater ballistic missile threat; the Iranian Threat Network to include the Qods Force and its regional surrogates and proxies; and cyber-attack capabilities.

• Potential nuclear threat. Iran continues to expand its nuclear enrichment capabilities, which enable Iran to quickly produce weapons-grade nuclear material, should Tehran make that decision.
• Counter Maritime threat. Iran is improving its counter maritime capabilities (mines, small boats, cruise missiles, submarines) to threaten sea-lanes vital to the global economy. The occasionally provocative behavior of the Revolutionary Guard Navy is an issue with which we deal and we refine our operational approaches in sustaining our stabilizing maritime presence in the Persian Gulf.
• Theater Ballistic Missiles. Iran has the largest and most diverse ballistic missile arsenal in the Middle East and is increasing medium and short range ballistic missile inventories and capability with ranges up to about 2,000 kilometers, sufficient to strike targets with increasing precision throughout the region. While Iran has previously exaggerated its capabilities, there is consensus that Tehran has creatively adapted foreign technology to increase the quality and quantity of its arsenal.
• Iranian Threat Network. Malign influence and activities (illicit weapons, financial aid, trained personnel and training) in Syria, Iraq, Afghanistan, Sudan, Gaza, Lebanon and Yemen along with the 2011 attempt here in Washington to assassinate the Ambassador of the Kingdom of Saudi Arabia, indicate a long-term trend that has clear potential for murderous miscalculation that could spark a disastrous regional conflict. Iran continues to seek to establish nodes throughout the region through which to advance its destabilizing agenda.
• Cyber. Given Iran's growing capabilities in this sensitive domain, the United States must recognize and adapt now to defend against malicious cyber activity.

Violent Extremist Organizations (VEOs)

The focus of our military efforts over the past decade has largely been on al Qaeda, its adherents and affiliates (AQAA), and we have achieved measurable successes in combating them. The AQAA "franchise" remains a threat however. An equally concerning long-term threat continues to emanate from the Iran-sponsored Shia brand of extremism wielded by groups such as Lebanese Hezbollah. In addition to the threat from these terrorists with which we are already familiar, a clash brought on by these two brands of extremism could pour fuel on the simmering Sunni-Shia tensions we observe from Baluchistan to Syria and incite a worsening cycle of violence.

State Security and Weapons of Mass Destruction (WMD)

WMD proliferation and the potential loss of control of WMD by regional governments, for example the potential loss of control of Syrian chemical weapons, pose a significant risk to the region and our most vital national security interests. The potential for WMD in the hands of non-state actors and extremist organizations cannot be addressed by traditional Cold War deterrence methods and presents a clear threat to our regional partners, innocent populations, and our forces and bases.

Afghanistan Stability and Security

While progress in Afghanistan is undeniable, progress and violence coexist. In accordance with NATO/ISAF's campaign plan, our sustained training, advising and assistance have led to a counterinsurgency-focused Afghan National Security Force (ANSF) that has now achieved full strength in numbers. Keeping our campaign on track requires close collaboration and reassurance to our Allies and Afghan partners to maintain the confidence of the largest wartime alliance in modern history and the Afghan people. That message of commitment will also reassure the Central Asian States, which are understandably sharply focused on 2014 and beyond. The present drawdown rate leaves the campaign on a sound footing for the Afghan forces to assume the lead with our advisory support and training.

Regional Instability

As savagery increases in Syria's civil war, the number of refugees fleeing the fighting continues to grow. The impacts on Turkey, Jordan and Lebanon are severe, with media reports of over 4 million internally displaced persons and the U.N. estimating over 900,000 refugees in neighboring countries. Refugees into Jordan alone continue to increase by more than 50,000 monthly since the New Year. The potential destabilizing impact is clear and there is a growing likelihood of unpredictable longer-term effects on regional stability. Refugee camps are not a permanent solution, they have not proven to be economically viable, nor do they give hope to younger generations.

Perceived Lack of U.S. Commitment

Perhaps the greatest risk to U.S. interests in the region is a perceived lack of an enduring U.S. commitment to collective interests and the security of our regional partners. This impression, if not actively and often countered, and any lack of clarity regarding U.S. intentions in the region, particularly with respect to Afghanistan's future, Middle East Peace, and shaping an acceptable outcome in Syria, could reduce our partners' commitment to stand with us and leave space for other actors to assume less benign leadership roles. If we seek to influence events, we must listen to partner concerns and continue to demonstrate our support through tangible actions. Our regional partners want to share the security burden with us, and we should actively enable them to do so, especially as we face our own fiscal realities.

CENTCOM'S APPROACH

All of U.S. Central Command's military activities are firmly nested in four main drivers of U.S. foreign policy. First is security, and in particular, meeting the urgent challenges posed by Iran's reckless behavior across a wide front and being prepared to respond to a range of regional contingencies, as well as the related imperative of accelerating a transition to the new leadership which the Syrian people so deeply deserve. The second driver is our continued support for political openness, democratic reforms and successful post-revolutionary transitions. Third, no political transition or democratic reform process can succeed without a sense of economic opportunity. Fourth and finally, a re-energized effort is needed to resolve persistent regional conflicts, and especially for renewing hope for a two-state solution between Israelis and Palestinians. Within this framework, CENTCOM stands firmly alongside our friends and supports regional security, territorial integrity of sovereign nations, and the free flow of commerce.

CENTCOM's approach to protect the Nation's interests in the Middle East is to work BY, WITH, and THROUGH key regional partners to bolster regional security and promote stability, while minimizing a permanent U.S. military footprint. In so doing, we can build our partners' capacity to enable them to share in the security costs for the region.

CENTCOM uses four principal levers as we engage in the region:

- Military to Military Engagements: These lay the foundation for and bolster our broader diplomatic relationships. Much of this work is ongoing, but as resources decrease and American forward presence in the region declines, mil-to-mil engagements and working by, with, and through our partners will become increasingly important. This type of forward engagement is often the bedrock of our most important relationships and builds the trust necessary to work closely together.
- Plans and Operations: CENTCOM develops and executes plans and operations in close collaboration with our fellow combatant commands, interagency organizations, and international partners as necessary to address developing contingencies and crises. While providing military options for the Commander in Chief, these plans are designed from the outset to be inclusive of regional and traditional partners.
- Security Cooperation Programs: Building partner capacity is the responsible way to reduce U.S. military presence and maintain the health of our force by partnering with regional nations to distribute more of the security burden. In order to build partner effectiveness, we must be more responsive to their capability needs while strategically aligning acquisition and training plans with regional collective security requirements. Combined training, multilateral exercises (resourced by the Office of the Secretary of Defense's (OSD) Combatant Commanders' Exercise Engagement and Training Transformation program), defense reviews and expanded professional military education exchanges are cost-effective means to enhance trust and interoperability while encouraging progress on rule of law and human rights issues. Once fully implemented, the Global Security Contingency Fund will offer us opportunities to respond to emerging security cooperation, assistance and requirements.
- Posture and Presence: A tailored, lighter footprint supported by access to infrastructure that enables rapid reinforcement is the foundational concept for future military posture in the region. The CENTCOM military presence will continue to become more maritime in character, supported by expeditionary land forces and have strong air enablers. I anticipate the need to sustain maritime defense, anti-fast attack craft capabilities, amphibious ships and mine-countermeasure capability and Intelligence Surveillance and Reconnaissance capabilities. I see the need for growth in our Counter

Intelligence and Human Intelligence (HUMINT) capacities across the region. In summary, we will need strong strategic relationships with our partners to enable the presence required to deter adversaries and reassure our friends.

AROUND THE REGION

The Department of Defense carefully shapes military presence (United States and partners) in the Middle East to protect the global free flow of critical natural resources and to provide a counterbalance to Iran—a balanced force presence ready to respond to a variety of contingencies, and to deter Iranian aggression. To maintain a right-sized American security footprint in the Gulf, the United States promotes close teamwork with the Gulf Cooperation Council (GCC) states. By deepening strategic ties with the Gulf and improving the capability of the GCC states through multilateral exercises, security assistance and training, regional stability is appropriately shown to be an international responsibility. The United States will continue to promote the capabilities of GCC partners in such missions as missile defense, maritime security, critical infrastructure protection and development of a common operating picture that allows us to work smoothly together when necessary.

During the past year, we have seen significant progress in our military relationship with countries of the GCC. In support of the efforts of the Secretary of State and Secretary of Defense and the U.S.-GCC Strategic Cooperation Forum, we have worked to enhance and deepen Ballistic Missile Defense cooperation in response to the proliferation of these weapons. We continue to emphasize U.S.-GCC multilateral exercises, such as our successful International Mine Countermeasure Exercise, which included participants from over 30 countries from 5 continents in 2012, and our Proliferation Security Initiative (PSI) exercise Leading Edge 2013 ably hosted by UAE. The Gulf States have demonstrated the willingness to work with one another and with international partners to counter malign influence in the region and ensure freedom of commerce—a critical international issue in terms of the global economy. Interoperability in this framework improves U.S. defense-in-depth and our own capabilities become more robust by supporting partner capacity and working by, with and through the GCC.

For decades, security cooperation has been a cornerstone of our relationship with the Kingdom of Saudi Arabia. As we face ever more sophisticated regional challenges in the Middle East, helping to enable the upgrade of Saudi Arabia's defense capabilities sustains our strong military-to-military relations, improves operational interoperability, helps the Kingdom prepare to meet regional threats and safeguards the world's largest oil reserves. In difficult times, the Kingdom has demonstrated its willingness and capability to use its military forces to fight as part of a coalition against regional threats. Sustaining the Saudi military capability deters hostile actors, increases U.S.-Saudi military interoperability and positively impacts the stability of the global economy. Working with Department of State, CENTCOM helped establish the first interagency security assistance program to build the capabilities of the Ministry of Interior Security Forces that protect Saudi Arabia's critical infrastructure. This is a long-term $1 billion FMS Interagency Technical Cooperation Agreement, which has shown remarkable progress.

A long-term and strong ally in the region, Kuwait continues to build upon a long bi-lateral military relationship with its critical support for U.S. troops and equipment. Kuwait remains a valued partner and is steadily reconciling its long-standing issues with Iraq and supporting the region's stability. We enjoy excellent relations with the Kuwaiti military built on many years of trust between us since the liberation in 1991.

The United Arab Emirates (UAE) has been a valued partner through Operations Desert Shield/Desert Storm, Bosnia, Kosovo, Somalia, Afghanistan and Libya. The Emirates participated in Operation Unified Protector in Libya, flying as part of NATO's effort and the Emiratis have increased the number of their troops and aircraft deployed to Afghanistan even as other nations are drawing down. The UAE is also a leader in the Gulf for air and missile defense capabilities. Their Foreign Military Sales purchases total $18.1 billion and include the Theater High Altitude Area Defense (THAAD) system, valued at approximately $3.5 billion, a highly capable and wholly defensive system that will contribute to regional stability and our interoperability. The UAE was the first foreign government to purchase this system. Their many contributions to collective defense and their close military ties over decades mark UAE as one of our strongest friends within the region, deserving of our continued close engagement and tangible FMS support.

Qatar is taking an increasingly active role within the region, supporting operations in Libya with both military and humanitarian aid. Qatar continues to dem-

onstrate leadership in its foreign policy, including spearheading an Arab League resolution suspending Syria's membership. Qatar has placed wide-ranging sanctions on Syria in response to the Assad regime's violence against its own citizens and has played a leading role in helping the Syrian opposition to improve its organization and capabilities. We enjoy excellent military relations with this country that has generously hosted several of our forward headquarters and facilities.

Home to our sole main naval operating base in the Middle East, Bahrain has been an important friend and partner for many decades, and provides key support for U.S. interests by hosting U.S. Navy's Fifth Fleet and providing facilities for other U.S. Forces engaged in regional security. The strong U.S.-Bahrain relationship is particularly critical in the face of the threat Iran poses to regional stability. Over the past several years, Bahrain has faced internal challenges. CENTCOM works closely with others in the U.S. Government to advance a message of support for dialogue and reform in Bahrain, which will be key to ensuring the country's stability and security. The United States supports Bahrain's National Dialogue and the government's ongoing efforts to implement recommendations from the Bahrain Independent Commission of Inquiry report. We will continue to be a strong partner of Bahrain and the Bahraini people in the years ahead.

Oman is strategically located along the Strait of Hormuz and the Indian Ocean and has played a steadying role and been a voice of moderation in the region for many years. We have a shared appreciation of the situation in the Gulf and Oman provides valued perspective for maintaining regional stability. We enjoy trusted military relations with the professional Omani Armed Forces and we are enhancing interoperability through exercises and Foreign Military Sales.

In the face of intense regional pressure and internal economic crisis, Jordan endures as one of our most dependable allies in the region. Political reform is clearly occurring even as the spillover of Syrian refugees severely impacts a challenging economic situation. Always a leader in the region, King Abdullah II continues to press forward with many political changes to strengthen Jordan's democratic processes. On the international front, he advocates for re-energizing the Middle East Peace. The Jordanian Armed Forces (JAF) continue to provide strong leadership and perform admirably and professionally while stretched thin, and while continuing to deploy troops in support of ISAF in Afghanistan. The JAF provides protection and humanitarian relief to the tens of thousands of Syrian refugees who have fled to Jordan over the last 2 years. Our continued support for Jordan, including building the capacity of the JAF, has never been more critical. A stable and secure Jordan is a needed bulwark now more than ever.

Iraq remains at the geo-strategic center of the Middle East. Iraq is also the fourth largest Foreign Military Sales (FMS) partner in the region, and ninth in the world. As we work to develop a new strategic relationship with the Iraqi government, our desired end state is a sustained U.S.-Iraqi partnership in which Iraq becomes a proactive security partner with their neighbors in the region. A shared border with Iran is a reality as is the spillover of Syria's civil war that can reignite sectarian violence in Iraq. Our military-to-military relationship forged in recent years is the foundation for developing the desired strategic partnership. U.S. security assistance and FMS are key tools for building and shaping Iraq's defense capabilities and integrating Iraqi security forces into the region, anchored by U.S. materiel and training. Recently convened Defense and Security Joint Coordination Committees have helped in this regard and CENTCOM continues expanding security cooperation activities that deepen our military-to-military ties with Iraq, to include opening doors for Iraqis to participate in our regional exercises. Internally today, the security environment in Iraq continues to present significant challenges, and the United States is supporting the Government of Iraq's efforts to confront these threats. The imperfect political processes still keep most of the tensions from creating havoc. However, persistent Arab-Kurd tensions and increasing Sunni discontent—exacerbated by events in Syria and a sustained violent AQI threat—diminish their regional leadership potential as well as their internal stability. Now the world's third largest producer of oil and desirous of the needed stability for exporting its oil, Iraq's long term interests align more closely with its Arab neighbors in the GCC than with Iran. With our persistent efforts over time, Iraq could become a partner that is both a consumer and provider of security in the region.

Egypt remains one of the most important partners in the pursuit of regional peace and stability in CENTCOM's theater of operations. They continue to support our over-flight permissions and Suez Canal transit courtesies and maintain a field hospital in Afghanistan in support of the NATO campaign. The Egyptian military is also deploying peacekeeping troops in Darfur, Sudan. The ceasefire agreement with Israel is holding and Israeli military leaders have noted that Gaza is quieter today than it has been in years. In the Sinai, the Egyptians are taking steps to improve

security by relocating border detection equipment to counter smuggling activities and establishing a National Agency for Development and Reconstruction. Further, their military has created quick response forces to improve security for the Multinational Force and Observers Force stationed in the Sinai, which includes around 600 U.S. troops. The political situation remains fluid thus heightening the potential for further changes, and this dynamic could place strains on the network of relations between Egypt and its neighbors that have historically been critical to the anticipation and mitigation of emergent crises. Additionally, the dire state of the Egyptian economy remains a cause of concern and a driver of internal dissent. Our relationship with the Egyptian senior military leadership remains on a firm footing characterized by candid and professional discussions. Our military assistance plays a major role in protecting our interests and is crucial to the modernization and interoperability of the Egyptian Armed Forces and CENTCOM endorses its continued support without conditionality.

As the sole multi-confessional security institution in Lebanon, the Lebanese Armed Forces (LAF) is a unifying force and the principal governmental organization viewed positively by the Lebanese from all sectarian groups. In light of the ongoing situation in Syria, our various forms of aid to the LAF are vital to maintaining Lebanon's internal stability and helping to guard against the spillover violence from across the Syrian border. Our program providing military training and material support to the LAF has enabled them to be a more effective counter-balance to violent extremists within Lebanon. Our shared goal is to support the Lebanese Government to be responsive to the peoples' needs while allowing the LAF to build into the principal security force in a country long abused by extremists and externally supported militias.

In Yemen, President Hadi has made important progress implementing the GCC-sponsored political transition agreement. He continues to exhibit sound leadership and a strong commitment to reform. To support the Yemeni Government's implementation of the agreement, we are working closely with the Ministry of Defense to restructure and professionalize the military and security apparatus to effectively deal with critical national security threats. The economic situation, already degraded by a long period of unrest, remains vulnerable and poses a significant threat to stability. The security situation remains fragile due to the threats posed by al Qaeda in the Arabian Peninsula (AQAP) and Iran's destabilizing activities. We continue our support to the national unity government to reduce the opportunity for violent extremists to hold terrain, challenge the elected government, or conduct operations against U.S. interests in the region or the homeland.

As the crisis in Syria enters its third year, there is little evidence to suggest the conflict's end is imminent. Russia and China's regrettable vetoes in the U.N. and Iran and Hezbollah's full support have helped the Asad regime to remain defiant in the face of international condemnation. The regime has shown a growing willingness to escalate violence in pursuit of its goal to retain power at all costs. The regime's use of ballistic missiles since December 2012 perhaps best illustrates this point: Over 80 of these largely inaccurate but highly destructive weapons have been launched thus far, with little regard for collateral civilian population casualties. The regime has used almost every conventional weapon in its arsenal and we maintain a constant watch for any employment of its chemical and biological weapons (CBW). As the conflict spreads, potentially threatening the security of the regime's CBW stockpile, it will be increasingly difficult to track the vulnerability and status of these weapons.

The conflict has already resulted in an unprecedented level of violence, with the United Nations assessing more than 70,000 dead and nearly 1 million refugees fleeing the bloodshed (as of mid-Feb 2013). Despite tangible gains by the opposition, the Syrian military maintains its core capabilities—including ground forces, special operations forces, air forces, integrated air defense systems (IADS), and theater ballistic missiles (TBMs). Moreover, while the opposition has inflicted significant losses on Syria's military and eroded Asad's control over many parts of the country, the regime has responded with paramilitary operations assisted by sustained Iranian financial and lethal support. Hezbollah is now heavily committed as a critical partner of the Syrian regime, providing training and oversight to the Shabiha militia in conjunction with Iranian support. This cooperation between Syria, Iran and Hezbollah stands in contrast to the relative disunity of the Syrian Opposition – which is further encumbered by the malign influence of Al Nusrah/AQ-related groups.

In Pakistan we face a confluence of issues that challenge the Pakistan government and our ability to provide assistance. The political and security environment in Pakistan is impacted by terrorist attacks and ethno-sectarianism and a civilian government with tenuous control in parts of the country, radicalization of segments of the population, overstretched military, strained relationships with neighbors, and

dealing with frequent natural disasters. The United States has a vested interest in Pakistan's sustainability as a nation and despite challenges in the U.S.-Pakistan relationship, they are an important regional partner that has sacrificed greatly in the war on terror. They must play a constructive role if Afghanistan is to achieve long-term stability.

The U.S.-Pakistan relationship in 2012 began at a low point as Pakistan maintained the closure of the U.S./ISAF ground lines of communication (GLOC) to Afghanistan in response to the tragic November 2011 incident at Salala. The relationship has steadily improved since the GLOC reopened in July 2012 when we resumed security cooperation with Pakistan's Army and concluded an agreement that permits two-way flow on the GLOC. We also concluded a tripartite U.S.-Pakistan-Afghanistan agreement to facilitate better coordination and complementary operations on both sides of the border that disrupt the enemies' freedom of movement and help prevent another fratricide incident. In December, we held our first high-level bilateral Defense Consultative Group in more than 18 months. We resumed strategic-level talks and committed to implement a framework for defense cooperation that promotes peace and stability within the region, based on areas of converging interests and principles of mutual respect and transparency. Subsequently, we have held operational level talks, including through the recent Defense Resourcing Conference and Military Consultative Committee, which focused on synchronization of our efforts to build Pakistan's capabilities to achieve our common objectives. Continued support for Foreign Military Financing, International Military Education and Training, and the Coalition Support Fund will provide the necessary tools to keep our military-to-military relationship on a solid footing.

In Afghanistan, ISAF operations and an increasingly capable ANSF have degraded the enemy's capability. The counterinsurgency campaign has made gains and created space for the Afghan government to continue to make progress toward long-term stability after 30-plus years of war. Transition of security responsibilities from ISAF to the ANSF continues. Tranche 4 has been announced and will soon move into the Transition Phase, after which 87 percent of the population will be in areas secured by the ANSF. To that end, ANSF units are demonstrating increasing confidence and capability. As the ANSF assumes full security lead, the Coalition will continue its transition to a security force assistance (SFA) role. These SFA Teams (SFATs) will focus not only on the Afghan National Army (ANA) maneuver units and the Afghan Uniformed Police (AUP), but will also work to develop a greater level of autonomy for key higher headquarters, district and provincial level components within the ANSF. With sustained U.S. and international support, in accordance with NATO's Lisbon and Chicago decisions, the ANSF will have the capability to prevent the return of terrorist safe havens and prevent a Taliban re-emergence as a dominant force.

However, our mission is not yet complete and our hard-fought gains must be strengthened. As the final tranches of security transition are implemented, Afghanistan will undergo three critical transitions: the assumption of full security lead by the ANSF, elections in the spring of 2014 with the transfer of authority to a new Afghan administration, and the redeployment of the majority of ISAF forces. The success of these transitions relies on continued financial support from the international community, particularly for training, advising and equipping the ANSF. In the current context of global fiscal austerity, demonstrated U.S. leadership through continued support of Afghanistan will be critical to maintaining Coalition cohesion. I greatly appreciate your support for the Afghan Security Forces Fund, which will continue to be a necessity through 2018. Not supporting the ANSF will greatly limit our ability to prevent the return of terrorist safe havens and a Taliban resurgence that threatens the Afghan Government. Our enemies are hedging and contemplating whether the opportunity will arise for them to pursue their agendas. Specific tools such as the Commander's Emergency Response Program, Lift and Sustain, Coalition Support Funds, Coalition Readiness Support Program and the Afghanistan Infrastructure Fund need your support if we are to achieve a successful transition.

The Central Asian States remain key supporting partners for our Afghanistan Strategic Partnership and are concerned about U.S. long-term engagement with the region. They share our priority to maintain security in the region after the transition in Afghanistan. As we transition, maintaining access to the Northern Distribution Network (NDN) for logistical resupply of the Afghan campaign and retrograde operations is of particular importance as we seek to promote stability and assure our partners of our continued commitment to the region. The development of the NDN has been a critical investment to that end and cooperation with our Central Asian partners will continue post-2014. Solidifying international support for the New Silk Road initiative, now and after the drawdown in Afghanistan, will increase economic development, contribute to stability across Central Asia, and may help

mitigate the impact of a potential economic vacuum that illicit industries might otherwise fill. Coupled with our NDN efforts, CENTCOM will continue to provide military assistance focused on building partner capacity and capabilities to combat terrorists and counter illegal trafficking in all its forms. In addition, we will work closely with several of our willing partners who are committed to developing deployable peacekeeping units. Programs and authorities such as Section 1206 (Global Train and Equip Fund) and the new Global Security Contingency Fund, together with the National Guard's State Partnership Program (SPP) represent cost-effective means for the United States to respond to emerging opportunities for building partner capacity.

Our relationship with Kazakhstan continues to mature from one of security assistance to a security partnership. In November 2012, we signed a Five-Year Military Cooperation Plan (2013–2017) and a Three-Year Plan of Cooperation in support of Kazakhstan's Partnership for Peace Training Center. Both agreements will assist Kazakhstan in realizing its objective to deploy a company-sized unit in support of a United Nations peacekeeping operation by 2015. Towards this end, Kazakhstan will undergo a NATO peacekeeping evaluation and certification process at Steppe Eagle, a peacekeeping exercise co-sponsored by Kazakhstan and the U.S. scheduled for August 2013. Kazakhstan remains a force for stability within the region and supports our efforts in Afghanistan through facilitation of the NDN.

Kyrgyzstan continues to be a key partner for U.S. efforts in Afghanistan and the region. Our military relationship continues to improve, particularly in the areas of regional security and military security cooperation. Kyrgyzstan aims to deploy a U.S.-trained peacekeeping mission within the next 2 years. The Kyrgyz provision of general access and over flight and use of the Manas Transit Center remain key factors for successful operations in Afghanistan.

For Tajikistan, building and maintaining counterterrorism, border security and counter-narcotics capability to protect our mutual interests from the threat of VEOs are important for regional stability. In concert with our counterterrorism efforts, we are working with Tajikistan to improve disaster response capabilities. Tajikistan is committed to deploying their U.S.-trained peacekeeping battalion on a United Nations peacekeeping mission in 2014. We continue to use the transit routes along the Kyrgyzstan, Kazakhstan, and Tajikistan (KKT) route of the NDN and explore options to facilitate the transit of goods and access in the event of a crisis.

Turkmenistan's policy of positive neutrality governs the shape and pace of our security assistance relationship. This is illustrated in their preference for non-military, non-alliance exchanges, such as those hosted by the George C. Marshall Center and Near East Asia Center for Strategic Studies on broad, multilateral topics. Our bilateral security assistance relationship has seen modest growth focused on building their Caspian Sea and border security capacity.

Our relationship with Uzbekistan continues to improve in a deliberate, balanced way driven by our common regional security concerns and expansion of the NDN. Security cooperation provides increased opportunity for engagement. The bilateral agreements signed in 2012 are now being implemented and are beginning to produce important capabilities that support our campaign in Afghanistan. In November 2012, we conducted our first Bilateral Defense Consultations, serving to focus and strengthen our military cooperation toward security threats of mutual concern. We expect cooperation with Uzbekistan to continue to progress.

REQUIRED CAPABILITIES

America faces hard fiscal realities and the Defense Department is undergoing a period of transition adapting to decreased budgets. U.S. Central Command, along with the rest of DOD and the interagency, will do less with less, but we will not do it less well. CENTCOM will remain tenacious stewards of taxpayer resources as we seek to develop and employ innovative ways and means to achieve our ends.

It is vitally important to invest in relationship development and expand the capacity and capability of our regional partners. To accomplish this, we must adapt CENTCOM's presence and Regional Security Cooperation through strategic reposturing of our forces and by providing these forces with the necessary support. We also work to maintain access and presence that provide both crisis response and prepositioning of critical combat assets and equipment should the need for reinforcements arise. Finally, we need to maintain robust international training opportunities in U.S. schools for their officers as well as multinational exercises as we work to promote regional security and stability by, with and through our partners.

As the war in Afghanistan draws down and our presence reduces, it becomes increasingly important to cultivate strategic partnerships that enable sustained stability. We will need to continue to leverage combined training with our partners and

build coalition integration for long-term security in the region. CENTCOM's exercise and engagement program will enable critical mission rehearsals with partners across the entire military spectrum of operations—reducing the risk of denied access while enhancing interoperability with our partners and creating mutual awareness. This approach will build confidence and enable lower cost mil-to-mil engagement and training activities.

Reposturing for the future, our enduring locations and projects support both a steady state and surge basing capacity, air-refueling, air operations, command and control, and special operations missions to preserve freedom of movement and strategic reach. Our presence also serves to demonstrate U.S. commitment to our allies, partners and foes. Our partners, in turn, provide locations that support critical access for current and future contingency operations while improving their forces and building interoperability with CENTCOM.

The Iranian Threat Network and Ballistic Missile capability continue to pose a great threat in the region. These threats are expanding in quantity and quality and our focus on the nuclear threat will not divert our attention from the larger issues related to Iran's malign influence, as demonstrated through Lebanese Hezbollah and others of their ilk who are working with Iran's support to destabilize the region. Given Iran's intent to drive us out of the region, to undercut our partners, and its stated threats to disrupt international oil trade, our commitment and reassurance to our regional partners and allies have become the lynchpins to regional security and stability. Our efforts to advance regional integrated air and missile defense help foster U.S. and GCC coordination and advances GCC capabilities in this area. This also reduces risk to U.S. and partner deterrence and response capabilities and preserves freedom of movement. Iran's bombastic threats against the Strait of Hormuz, support for violent proxies and demonstrated military capabilities make the goal of enhancing GCC-wide missile defense capabilities and strengthening collaboration with our forces all the more important.

Improvised explosive devices (IEDs) continue to be the most persistent and lethal weapon confronting our forces, those of our partner nations, and local populaces throughout the area of responsibility with an average of 172 incidents per month over the past 2 years, principally but not solely in Afghanistan. We continue to execute a comprehensive program with the keenly focused Joint Improvised Explosive Device Defeat Organization to deter and defeat the IED threat in the region and we appreciate Congress' counter-homemade explosives legislation provision.

Our strategic communications and information operations programs provide nonlethal tools to disrupt terrorist recruitment and propaganda within the region. In terms of both outcomes and cost, these programs are highly-effective complementary activities vital to our strategy in the region: they allow us to exert presence, even while our combat forces in the region are reducing. They provide the human sociocultural data, media analysis, internet video products, and multi-media campaign that include attributable social media and the Regional Web Interaction program to counter current and future threats. They also enable the dissemination of regionally focused information that counters violent extremist ideology and propaganda, amplifies moderate voices within the region, and degrades adversary dominance of the information domain.

These relatively inexpensive activities support interagency efforts to counter violent extremist ideology and diminish the drivers of violence that al Qaeda and other terrorists exploit. To make this supportable across the Defense enterprise requires an enduring funding mechanism that DOD and our partners can rely on. Episodic engagement is inefficient and has the potential to create animosity due to unmet expectations by the governments and populations we are trying to support. Over the long-run, these proactive activities reduce strategic risk, protect American lives, and reduce the need for expensive responses to terrorist attacks. We seek your support to sustain and expand these efforts.

As I travel throughout the AOR and see the promise of new initiatives and the risk posed by numerous challenges, I receive requests from military leaders across the region to increase intelligence sharing between our militaries. Many show determination to make tough decisions and prioritize limited resources to oppose antagonists seeking to destabilize their countries or use them to plan and stage attacks against the U.S. Homeland. With this in mind, and in order to demonstrate our commitment, I requested the Intelligence Community to begin drafting releasable products for our most trusted partners in the Levant, on the Arabian Peninsula, in the Central Asian States, and in South Asia as a standard practice rather than the exception.

I am encouraged by the personal attention the Office of the Director of National Intelligence is giving these matters. Director Clapper's strong emphasis and encouragement for the Intelligence Community to produce intelligence in a manner that

eases our ability to responsibly share information with our military counterparts creates a stronger, more focused front against our common enemies and builds our partner nations' confidence. We are grateful for the nimble manner in which our Intelligence Community has strengthened our efforts to checkmate more of our enemy's designs.

CONCLUSION

Thank you for your continued support to U.S. Central Command and to our troops engaged across the region. I recognize the difficult choices you must make as we confront fiscal realities. We continue to prioritize our needs based on our most critical requirements as we rebalance our approach to work by, with and through our partners while continuing to build partner capacity and reduce our expenditures.

As a geographic combatant commander, the negative impact of a year-long continuing resolution and/or sequestration would severely undercut the coherence of our efforts. As conveyed in recent testimony by Deputy Secretary of Defense Carter before this committee, "The consequences of sequestration and lowering of discretionary caps are serious and far-reaching. In the near-term, reductions would create [are creating] an immediate crisis in military readiness, especially if coupled with an extension of the Continuing Resolution under which we currently operate. In the long-term, failure to replace large arbitrary budget cuts with sensible and balanced deficit reduction require this nation to change its defense strategy." The Department continues to protect operations and priority activities in high threat areas, which will result in less initial impact on my current operations. However, impacts on readiness, investments and the civilian workforce are certain as well as other areas that are necessary to support our national security strategy and maintain options for the President. CENTCOM will weather the challenges we face in the short term. We absorbed reductions in fiscal year 2012 and will do our part to reduce spending this year as well. We prioritize our needs based on our most critical requirements as we balance our approach to work by, with and through our partners. Looking ahead, CENTCOM will do its best to do what is required to protect U.S. national security interests in a region undergoing social and political change and in the face of declining resources for our own defense.

Chairman LEVIN. Thank you very much, General.

Admiral McRaven.

STATEMENT OF ADM WILLIAM H. MCRAVEN, USN, COMMANDER, U.S. SPECIAL OPERATIONS COMMAND

Admiral MCRAVEN. Good morning. Mr. Chairman, Ranking Member Inhofe, distinguished members of the committee: I also appreciate the opportunity to address the committee today and talk about the magnificent work being accomplished around the globe by the men and women of the SOCOM. Sir, I have also submitted a statement for the record.

Chairman LEVIN. Thank you.

Admiral MCRAVEN. Sir, before I begin, however, I would like to recognize my colleague, my mentor, and my friend, General Jim Mattis. In the coming months, sir, General Mattis will be completing a 41-year career in the service of our country. During that time he has fought in every major conflict in his era. He has led soldiers, sailors, airmen, and marines with a degree of caring, passion, and professionalism that would make every American proud.

General Mattis has always been known for two things, his incredible operational acumen and his candor. I know of no other general who is as well-versed in the art of war and no other man who speaks his mind the way Jim Mattis does. Every warrior who has ever served by his side feels honored and privileged to have done so. I count myself in that group.

Jim, you have been particularly supportive of the men and women of SOCOM and on behalf of all those great warriors and Americans everywhere, I salute you for your service and your sac-

rifice to this Nation. It has been my distinct honor to have served with you.

Mr. Chairman, this is my second opportunity to address this committee since I took command in the summer of 2011. Since that time, I'm proud to say we have continued the great work initiated by my predecessor, Admiral Eric Olson, and at the same time we have adapted to the changing strategic and fiscal environment to keep SOF relevant now and in the future.

In Afghanistan, we helped establish a new SOF command structure which brought the various NATO and U.S. SOF elements into alignment under a two-star headquarters. This has allowed the SOF to have a common view of the enemy and synchronize our SOF to achieve a common end-state. It has made SOF even more effective than ever before.

Partnered with our Afghan SOF, we have continued to attrite the enemy leadership, while at the same time building and training ANSF so they can stand on their own against this determined threat.

In addition to Afghanistan, SOF are in 78 countries around the world. At the request of those nations, we are helping to build their SOF capacity and strengthen our partnership and allied networks to deal with the unpredictable and complex threat we face today.

In the 2012 DSG, former Secretary of Defense Panetta wrote: "We are shaping a joint force for the future that will be smaller and leaner, but will be agile, flexible, ready, and technologically advanced. It will have cutting edge capabilities, exploiting our technology, joint and networked advantage. It will be led by the highest quality, battle-tested professionals. It will have a global presence, strengthening alliances and partnerships across all regions."

I believe the Secretary's words speak to the core capabilities of SOF and therefore SOCOM is working with the Joint Chiefs and the Office of the Secretary of Defense (OSD) to ensure we are postured now and into the future to meet the objectives of the strategy.

Finally, I have made the caring for our force and their families my top priority. In the past year, my command sergeant major and I have met with the soldiers and their families from around the SOCOM enterprise. We have listened to their concerns and, with the support of the Services, we are aggressively implementing programs and plans to help with the physical, mental, and spiritual well-being of the force. We have a professional and moral obligation to take care of our warriors and their families, and we greatly appreciate the support of this committee and other Members on the Hill in our efforts to take care of these men and women.

Thank you again for your commitment to the soldiers, sailors, airmen, marines, and civilians of DOD, and specifically those great warriors who make up SOCOM. I look forward to your questions.

[The prepared statement of Admiral McRaven follows:]

PREPARED STATEMENT BY ADM WILLIAM H. MCRAVEN, USN

Mr. Chairman and distinguished members of the committee, thank you for this opportunity to address this committee, the second in my tenure as the 9th commander of U.S. Special Operations Command (SOCOM).

SOCOM is one of nine Unified Combatant Commands, yet it is distinct in that it exercises numerous Service, military department, and defense agency-like respon-

sibilities. Under title 10, U.S.C., sections 164 and 167, it is my legal responsibility to organize, train and equip my force; to build a strategy that supports the goals and objectives of the Defense Strategic Guidance; and to provide combat ready forces to the President and the Secretary of Defense to meet the challenges of today's security environment.

SOCOM STRATEGY-SOF 2020

In January 2012, the Secretary of Defense issued his Defense Strategic Guidance (DSG) and the Chairman followed with his Capstone Concept for Joint Operations (CCJO). The DSG describes the Joint Force of the future as "agile, flexible, ready" and possessing global reach, thereby directing "the joint force to capitalize on networks and interdependency to maximize effectiveness in deterrence and evolving war." Building on this imperative, the CCJO envisions a "globally postured Joint Force ... that quickly combine[s] capabilities with itself and mission partners across domains, echelons, geographic boundaries, and organizational affiliations." Special Operations Forces are uniquely suited to implement the guidance outlined in these documents. Specifically, SOF are "rapidly deployable ... have operational reach ... [are] persistent ... and do not constitute an irreversible policy commitment." General Dempsey concluded his Capstone Document with the statement that military success in today's environment is "about building a stronger network to defeat the networks that confront us."

We live in a world in which the threats have become increasingly networked and pose complex and dynamic risks to U.S. interests around the world. These networks are diversifying their activities, resulting in the convergence of threats that were once linear. In today's environment, this convergence can have explosive and destabilizing effects—there is no such thing as a local problem. In the words of former Secretary of State Hillary Clinton, "Extremist networks squeezed in one country migrate to others. Terrorist propaganda from a cell in Yemen can incite attacks as far away as Detroit or Delhi. A flu virus in Macao can become an epidemic in Miami. Technology and globalization have made our countries and our communities interdependent and interconnected. Today's threats have become so complex, fast-moving, and cross-cutting that no one nation could ever hope to solve them alone."

To address these problems, we must adopt a global perspective. With SOF deployed in over 75 countries on a daily basis, I can provide a global view of the problem and help link and synchronize global effects across geographic boundaries. However, as the SOCOM Commander, with some unique exceptions, I do not command and control any forces in combat or crisis. I am a "supporting commander" to the geographic combatant commanders and the Chiefs of Mission (COMs). It is my job to provide them the best Special Operations Force in the world. It is their job, to employ those forces in support of U.S. policy. Special Operations Forces do nothing, absolutely nothing, without the approval of the President, the Secretary of Defense, the geographic combatant commanders and the Chiefs of Mission—nothing. To best serve the interest of the GCCs and the Chiefs of Mission, SOCOM is developing a plan to enhance its already global force by networking with our U.S. interagency counterparts, and our foreign allies and partners around the globe. We aim to provide GCCs and Chiefs of Mission with improved special operations capacity and are aligning structures, processes, and authorities that enable the network.

THE GLOBAL SOF NETWORK

Given strategic guidance, increasing fiscal constraints, and the networked and dispersed nature of conflict, SOF will play an increasingly critical role in the Joint Force of the future. Although SOF usually only garner attention for high-stakes raids and rescues, direct action missions are only a small part of what we do, albeit a very important part. SOCOM will continue to ensure our Nation has the best precision strike force in the world. We will not let up on that front. However, I'd like to emphasize that, in fact, on any given day SOF are working with our allies around the world, helping build indigenous special operations capacity so that our partners can effectively deal with the threat of violent extremist groups, insurgents, and narco-terrorists—themselves. Indeed, SOF focuses intently on building partner capacity and security force assistance so that local and regional threats do not become global and thus more costly—both in blood and treasure.

Accordingly, with the support of the GCCs and Chiefs of Mission, SOCOM is enhancing its global network of SOF to support our interagency and international partners in order to gain expanded situational awareness of emerging threats and opportunities. The network enables small, persistent presence in critical locations, and facilitates engagement where necessary or appropriate—all under the authority of the GCC and COM.

Through civil-military support elements and support to public diplomacy, SOF directly support interagency efforts to counter violent extremist ideology and diminish the drivers of violence that al Qaeda and other terrorists exploit. These efforts to prevent terrorist radicalization, recruitment, and mobilization are critical to defeating this dangerous ideology in the future; neither we nor our partners can kill our way to victory in this fight. These efforts require continuity and perseverance. Episodic engagement is inefficient and has the potential to create animosity due to unmet expectations by the governments and populations we are trying to support. Over the long-run, these proactive activities reduce strategic risk, protect American lives, and reduce the need for expensive response to terrorist attacks.

To this end, using already programmed force structure, SOCOM is methodically enhancing the capabilities of the Theater Special Operations Commands (TSOCs) based on a multi-year deliberate process supported by detailed analysis and war gaming. The goal is to increase the capacity and capabilities of the TSOC and their assigned forces to the GCCs to conduct full spectrum special operations—ranging from building partner capacity (particularly in austere, high-risk or sensitive environments) to irregular warfare and counterterrorism.

In partnership with the GCCs, COM, TSOCs, other U.S. Government agencies and partner nations, SOCOM is working to develop opportunities to improve our partnership with regional Special Operations Forces. This approach was very successful in NATO, with the establishment of the NATO SOF Headquarters which allowed U.S. and partner nations to share information, improve interoperability and, when necessary, work together abroad. While the NATO construct is unique in the world, we believe there are other low-key opportunities that may present themselves in other regions of the world.

In addition to the SOF capacity inherent in all GCCs through the TSOCs, SOCOM also employs Special Operations Liaison Officers (SOLOs) in key U.S. embassies around the world. SOLOs are in-country SOF advisors to the U.S. Country Team. They advise and assist partner nation SOF and help to synchronize activities with the host nation. Currently, there are SOLOs in Australia, Canada, United Kingdom, Jordan, Poland, Colombia, France, Turkey, Kenya, and Italy.

Similarly, as part of the global SOF network here at home, one-to-three person Special Operations Support Teams (SOSTs) work with our interagency partners in the National Capital Region (NCR). They comprise the SOF liaison network that assists in synchronizing DOD planning for training, exercises and operations. Currently, we have SOSTs working within 19 U.S. Government departments and agencies.

Given the importance of interagency collaboration, SOCOM is placing greater emphasis on its presence in the National Capital Region (NCR) to better support coordination and decision making with interagency partners. Thus, SOCOM began to consolidate its presence in the NCR in early 2012. This is not a duplication of effort. We are focused instead on consolidating SOCOM elements in the Washington, DC, region under the leadership of the SOCOM Vice Commander—who resides in Washington. Specifically, SOCOM–NCR ensures that the perspectives and capabilities of interagency and international mission partners are incorporated into all phases of SOF planning efforts. The SOCOM NCR also conducts outreach to academia, nongovernmental organizations, industry and other private sector organizations to get their perspective on complex issues affecting SOF.

At the SOCOM headquarters in Tampa, the staff will serve as the focal point for coordinating information that supports SOCOM warfighters. It is here that SOCOM will maintain the global perspective on all SOF activities in support of the GCCs and U.S. Chiefs of Mission. As such, SOCOM will support operations, intelligence, logistics, planning, communications, and provide critical information to enable forward deployed SOF to meet mission requirements. SOCOM will monitor SOF supporting campaigns, ensure that the Command is satisfying GCC theater requirements, maintain the global common operating picture for the SOF network, and monitor the readiness and availability of all U.S. SOF capabilities. The entire network will be enabled by the existing communications infrastructure. However, communication and information sharing must facilitate interconnectedness beyond the U.S.-only realm, and improve partner-nation capacity, interagency coordination, and stakeholder situational awareness by providing information technology infrastructure and communications services to unite U.S. and partner-nation SOF, plus other mission partners. This communications infrastructure will leverage existing networks and systems to avoid duplication of effort.

As a whole, the SOF network represents a way to improve the support to the GCCs and Chiefs of Mission and to empower a global effort with capable allies and partners. Recognizing that we have much to learn from each other, working with

partner SOF will build mutual trust, foster enduring relationships, and provide new opportunities to affect shared challenges.

To this end, the Secretary of Defense's authority to support foreign forces, irregular forces, and groups or individuals who support or facilitate ongoing military operations to combat terrorism—namely section 1208 of the NDAA for Fiscal Year 2005—remains critical to Special Operations. The drawdown of forces in Afghanistan will not diminish the need for 1208 authority. In fact, GCCs' demand for 1208 authority has increased, and the authority's utility is recognized as mission essential in winning their current fight.

PRESERVE THE FORCE AND FAMILIES

A SOF Universal Truth is that "people are more important than hardware." We recognize that none of the efforts described in preceding paragraphs are possible without having the dedicated, professional SOF warriors to bring them to fruition. Hence, it is imperative that we do all that we can to preserve the force and care for their families. Therefore, to lessen the strain, we are seeking improvements in the predictability of SOF schedules—training, education, deployment, and rest.

SOCOM must ensure our SOF warriors and their families are properly cared for and that we work to help them reduce the stress they face related to high operational tempos. Difficulty also occurs as forces reconnect and reintegrate into garrison and family activities. DOD provides preventive and responsive counseling, medical, psychological, and rehabilitative care to institutionalize the resiliency of our SOF warriors and their families.

Everyone in the fight has been significantly changed by their experiences. Providing the treatment our troops need and reducing the stigma associated with asking for help is a top priority for all SOCOM leaders. For our servicemembers and their families, we are implementing programs identified as best practices and aggressively institutionalizing education for our Chaplains and Mental Health professionals to emphasize prevention-oriented care. Through human performance improvement, readiness, and spiritual growth, we hope to preserve our forces for the duration of their careers. Recognizing that the readiness of many of our servicemembers is inextricably tied to the well-being and happiness of their families, we have sought to bolster the care afforded to them. Additionally, to increase the predictability of servicemembers' time, SOCOM will redouble our efforts to reach out to families by opening up communication channels at all levels of the command through innovative use of varied media. We are committed to sustaining our force and families and will not break faith with our SOF family.

Maximizing SOF readiness also requires an enhanced capacity to anticipate and proactively preserve and manage the future force. I am implementing an enterprise-wide PERSTEMPO capability that will provide commanders increased visibility, fidelity, and ability to manage SOF readiness down to the individual servicemember level. Once fully implemented throughout the command by fiscal year 2014, SOF commanders from the O–5 level and above will have a near real-time common operating picture of SOF readiness. This new capability further enhances commanders' force management decision making, improves the quality of life for the SOF force, and offers promise for maximizing force readiness through improved recruitment, retention, and protection of investments in SOF personnel and the resources that enable them.

ACQUISITION EXCELLENCE

Mobility, lethality, intelligence, surveillance, reconnaissance, and survivability remain critical SOF enablers for the full spectrum of SOF operations. SOCOM's unique acquisition authorities remain critical to meeting the rapid, information sensitive and operationally peculiar demands of Special Operations. Specifically, SOCOM employs rapid and tailored acquisition strategies to modify Service-common equipment, enhance commercial items, or—when required—develop, procure and field SOF-peculiar equipment and services to respond to global requirements.

SOCOM will continue its emphasis on equipping SOF operators as a system. Development, procurement and fielding of the SOF individual equipment system (i.e. individual protection, visual augmentation systems, weapons and sights) needs to suit the wide variety of SOF tasks and environments. The Tactical Combat Casualty Care system and use of Freeze Dried Plasma will combine to help care for wounded operators in remote and challenging environments, often at great distance from primary care facilities.

To meet the wide range of SOF missions, SOCOM employs platforms that are both versatile and agile. For example, current acquisition efforts focus on equipping both manned and unmanned fixed wing assets with intelligence, surveillance, and

reconnaissance (ISR) capabilities suitable for diverse global requirements. The Non-Standard Aviation fleet of aircraft supports SOF intra-theater mobility, Aviation Foreign Internal Defense, and manned ISR. The SOF fleet of Remotely Piloted Aircraft (RPA)—ranging from the manportable RQ–20A Puma to the medium altitude MQ–9 Reaper—provides essential ISR capabilities and cutting edge sensor and communication technologies. SOCOM's ability to efficiently modify service common ISR assets with capabilities such as high definition (HD) full motion video provides game-changing, operational effects at relatively small investment.

SOCOM is continuing to execute programs to modernize its rotary wing and maritime mobility fleets, replacing legacy equipment such as the MH–60 K/L, Mark V Naval Special Warfare Rigid Hull Inflatable boat (RHIB), and SEAL Delivery Vehicle in the coming years. On the ground, SOCOM will maintain a family of special operations tactical combat vehicles with customizable, mission-specific payloads. A Non-Standard Commercial Vehicle (NSCV) capability enables SOF operators to maintain a low profile among indigenous populations while providing necessary mobility and protection.

Global SOF rely on the SOF Information Environment (SIE) to achieve full operational potential. Within the SIE, SOCOM will continue to incorporate a SOF Deployable Node (SDN), a family of Wide Band SATCOM systems, and increased access to SIE voice, data and video services to deployed headquarters and operational elements. Simultaneously, SOCOM will continue its efforts to downsize system profiles and footprint through engineering efficiencies of common and scalable components amongst SDN variants, provide SIE access to tactical wireless users through SDN, and focus current efforts on providing SIE access to maritime and ground mobility platforms.

SOCOM's Science and Technology (S&T) Directorate continues to pursue technology innovation, and utilizes a Special Operations Advanced Technology collaborative process for SOF-centric, S&T development. This process allows better synchronization of SOF-related technology initiatives with the Department of Defense and other government agencies to leverage external capital opportunities that address SOF capability gaps. S&T's near-term technology development efforts are focused on providing SOF operators with all-digital, multi-spectral visual augmentation systems and advanced novel materials to improve protection and survivability for personnel and platforms.

RESPONSIBLE RESOURCING AND SERVICE SUPPORT

Despite an increase in operational commitments over the last decade, we have been able to sustain our obligation to appropriately organize, train, and equip the warriors from whom we ask so much. We are aware of current budget uncertainties, and are therefore committed to only prudent use of resources provided to us by the taxpayers. I am committed to exercising common-sense steps to cost-cutting and cost-avoidance. The Command has begun to restructure and realign resources to support the SOF 2020 vision which reflects the Nation's strategic priorities. Currently, we are able to execute the vision I have outlined in this document without any increase in either civilian or military manpower outside of current programmed growth or additional funding. I will continue to manage cost-growth in acquisition programs, and implement requirements of the combatant commanders, Executive order mandates, and DOD auditability guidance.

SOCOM has successfully used the Rapid Acquisition Authority to source a validated Joint Urgent Operational Needs Statement for Intelligence, Surveillance, and Reconnaissance activities. SOCOM will rely more heavily on this authority within the future fiscal environment.

The Command's ability to execute rapid acquisition of its materiel and service programs is essential to deliver and field critical requirements and new technologies. SOCOM's capacity to maintain a competitive advantage on the battlefield depends on out-thinking and outpacing the enemy in speed, technology, equipment, and maneuverability. SOF capabilities are directly related to investments we make through our procurement budget.

SOCOM, like the Services, has seen an extraordinary increase in operational tempo. Through advanced technologies, the battlefield has become smaller, highlighting a need for continued interoperability among the Services and SOF. SOF's reliance on the Services for institutional training, installation services and support—particularly in forward deployed locations where SOF can only sustain itself for short periods of time—remains critical. The Services' support for SOF's global persistent presence and annual deployments to over 100 countries is both vital and very much appreciated.

CONCLUSION

Budget uncertainties which face the Department of Defense and SOCOM are of great concern in fiscal year 2013. The SOF network, as a vital tool to support the President and Secretary of Defense's national defense strategy, seeks a strong and flexible global network of SOF, U.S. Government partners, and partner nations. We are working tirelessly to provide SOF capabilities and capacity to GCCs and Chiefs of Mission; capabilities and capacities that are supported by the required structures, processes, and authorities necessary for success. In the immediate future, and as stated by Chairman Dempsey, the "Joint Force 2020 must protect . . . against threats that routinely span regional boundaries." Notably, as presented by former Secretary Clinton at the International Special Operations Forces Week in May of last year, "Special Operations Forces exemplify the ethic of smart power—fast and flexible, constantly adapting, learning new languages and cultures, dedicated to forming partnerships where we can work together." Your support will ensure SOCOM's continued ability to successfully address the most challenging security demands of our Nation.

Chairman LEVIN. Thank you so much, Admiral.

We're going to have a 7-minute first round.

Admiral, let me start with you. Relative to Afghanistan, we read frequently that only 1 of 23 Afghan brigades was rated by ISAF as being at the highest capability level, and that's independent with advisers. Now, at the same time we also know and have read—Senator Reed and I went to Afghanistan, so we know firsthand—that 70 to 80 percent of the operations that take place in many regions, including the toughest regions of Afghanistan, are taking place with not just the leadership, but with totally Afghan involvement.

Now, those reports seem to be inconsistent. Can you tell us in your judgment whether or not, is our mission succeeding in Afghanistan? But second, can you tell us about the capabilities of the ANSF and whether they are on track for where we expected them to be at this point in the campaign plan, with a little over 20 months to go before the end of the ISAF mission?

Admiral MCRAVEN. Thank you, Mr. Chairman. I'll defer to General Mattis——

Chairman LEVIN. I thought I would start with General Mattis on this.

Admiral MCRAVEN. Yes, sir.

Chairman LEVIN. Did I say you, Admiral? I'm sorry.

General MATTIS. Mr. Chairman, our mission is succeeding. The Afghan campaign is on track. It is obviously a combination of progress and violence, but I would say when it comes down to the ANSF, they are proving themselves capable. Obviously, when we were looking at the drawdown numbers there was a certain amount of forecasting that the Afghan forces would be capable.

Let me just give you some statistics that take this beyond simply my evaluation. Since the 1st of January, we have lost four U.S. troops, four of our wonderful troops killed in action. In the same period, the ANSF have lost 198 killed. There can be no longer any doubt. It's not opinion; it's now a fact: The Afghans are doing the bulk of the fighting, and they are doing it with our support.

As a result, I need to go back and look at these statistics and how we're evaluating forces that are proving themselves in combat, when on the other hand we're saying only one is capable of independent operations with our advisers. I think we may have to relook at how we're measuring them, since obviously in the field

they're measuring themselves against the enemy and they are proving themselves there.

As far as the ANSF itself, we are continuing to see them mature and, with our advisers, many of them from the Special Forces, but also from our conventional forces, as confidence builders, as bringing American air power to bear, that enabling function, we are seeing that these lads are willing to take it to the enemy, and I think the Taliban has very little reason for comfort right now.

Chairman LEVIN. General, do you support the decision of the President relative to the reduction plan that he's announced in our troops, as well as the pace of those reductions? Do you support that decision?

General MATTIS. The second part of your question makes it——

Chairman LEVIN. The numbers and pace.

General MATTIS. Yes, sir. The pace is what makes it possible for me to support it fully. The pace, by not bringing the American forces down until after this year's fighting season, and with what we're seeing of the ANSF, gives me a lot of confidence we're on track. I support the pace and I support the number.

Chairman LEVIN. When you say what we're seeing of the Afghan forces, you're talking about a positive trend in the capability of those forces as well as the size?

General MATTIS. Absolutely. They are getting better each day, and with 87 percent of the country now under their lead and them proving themselves in combat, yes, sir, I support it.

Chairman LEVIN. There's been a decision made to reconsider any reduction in the size of the Afghan troops. There was a NATO decision some months ago that the goal was to reduce them by 2015, I believe, by about a third, and now that's going to be reconsidered. Do you agree that we should keep them at their current level, which is much higher than 250,000? It's about 350,000, I believe.

General MATTIS. Yes, Mr. Chairman, it's 352,000, and I completely support that. That's the way to do it as we draw our forces down, to make certain the enemy does not see an opportunity there.

Chairman LEVIN. Now, relative to Iran, I think most of us agree with the position of the President, as I said, that military options need to be kept on the table, if necessary, to prevent Iran from moving to nuclear weapons. Are those military option plans being developed? Are they developed now?

General MATTIS. Those plans are fully developed, Mr. Chairman.

Chairman LEVIN. Thank you.

This question relates to arming the opposition in Syria. Should we now provide lethal assistance to the Syrian opposition, and—well, let me start with that. Should we now move to providing lethal assistance?

General MATTIS. Mr. Chairman, the situation is so complex that I have to get some degree of confidence that the weapons that we would be arming them with are not going to people who are our enemies. That would be the one caveat that I would put on any military advice to go forward along those lines. We don't want to inadvertently, with the best of intentions, arm people who are basically sworn enemies.

Chairman LEVIN. You say you would have to get some degree of confidence in order to make that recommendation. As of this time, do you have that level of confidence yet?

General MATTIS. I do not, Mr. Chairman. But I have not been tasked with this mission, I have not looked deeply into this yet, either.

Chairman LEVIN. Thank you.

General, there's a real threat of violence to the Christian communities in Iraq. My question to you is whether or not in your judgment the Iraqi security forces are taking the threat of violence against those Christian communities seriously and whether, if not—and I believe that they are not—what can we do to make sure that they do it?

General MATTIS. Mr. Chairman, Iraq itself is in a post-combat but prereconciliation situation, I believe. They are still working out how they settle their differences politically. So far they are imperfectly working without resorting to violence. Al Qaeda is conducting most of the violence.

So long as they continue to try to work these issues out politically, I believe that in the long run it's the rule of law and the political resolution of challenges that provide for all minorities in Iraq the best opportunity to live safely. The military itself, when I see them in action trying to work it out the Kurdish situation to the north, appear to be willing to negotiate, to talk, not to go to arms. I see them doing the same thing pretty much with the Sunni troubles they're having out west. That's the role I think of a military, to try and buttress law and the rule of law and not to try to provide security as the sole solution to that problem.

Chairman LEVIN. I do hope that you and your successor will look for ways that we can press the Iraqis to do what they committed to do, which is to protect minorities inside of Iraq.

General MATTIS. Yes, sir.

Chairman LEVIN. Thank you.

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

In my opening statement I talked about what we did in—right now it's Senator Toomey and I headed up the effort to allow more flexibility if the chiefs—and I mentioned to you that I talked to the chiefs about this and they responded pretty strongly that, yes, in the same top line, operating with the same amount of money, would we be—to reduce the devastation, I guess is the best way to put it.

Would each one of you agree with the chiefs' comments? Any comments you'd like to make about what type of thing we could do under that arrangement that we couldn't do with the straight cuts?

General MATTIS. Senator, I believe that if we got some degree of budget certainty through an appropriations bill that provides us as much as the CR does now, so we know for certain what we're dealing with, then, like any household or business in America, we can make some wise choices. The flexibility you're talking about for the Service Chiefs would be critical to those choices, obviously consistent with the congressional intent. But yes, sir, we need that.

Senator INHOFE. I would say this. Written into the draft is the assurance that we're going to follow the legislative intent of this

committee. So it has that level of discipline. It also has the level of discipline that they're going to be able to have some type of a congressional oversight or veto power over decisions that might be made if they were to be influenced in the wrong way.

Do you have any comments about that, Admiral McRaven?

Admiral MCRAVEN. Sir, I absolutely concur with the Service Chiefs. We at SOCOM have obviously the same dilemma. I have a budget—I have Service-like responsibilities as well as combatant commander responsibilities. Under that, my ability to manage the cuts, the way they are aligned now, is difficult. It's an across-the-board cut, as you mentioned.

So any flexibility in dealing with those cuts would be tremendously helpful to me and my staff.

Senator INHOFE. I appreciate that very much.

Chairman Levin mentioned, I guess to both of you about supporting arming the opposition in Syria. Of course, you gave your answer, but I would like to ask you, closely connected to that, what is your assessment of how long the Assad regime can hold onto the power in at least the sub-region, a sub-region of Syria?

It's my understanding along the coast and then perhaps the hockey stick going up to Damascus might be the area where he would have most control. But the other area, what's your assessment as to how long he'd be able to hold onto power in that area?

General MATTIS. We're dealing with a fundamentally unpredictable situation. However, his power base is eroding. The geographic area he controls is eroding daily. You see him using ballistic missiles in order to try to impact those areas he's lost control of. Notice how the increased use of those missiles over the last month or 2 has been evident.

So he is losing ground. I really don't have the ability to forecast this well, Senator. I'd hate to give you some kind of certainty that I don't sense right now.

Senator INHOFE. He's losing ground, but at the same time there's more stuff that's coming out of Iran to fortify him. It's a tough area over there, more so than it's ever been before.

Admiral McRaven, as we discussed during our meeting last week, we're seeing that al Qaeda and other terrorist groups are developing operational networks that are increasingly complex. I think you are the one who had stated that we can no longer go after terrorist groups in an ad hoc, country-by-country basis if we hope to be successful. Yet, I'm very concerned that's exactly what we've been doing.

Do you believe that our current counterterrorism strategy has kept pace with the increasing globalization in the nature of al Qaeda and affiliated terrorist networks?

Admiral MCRAVEN. Senator, I certainly think we understand the complexity of the al Qaeda network. If you look in Africa as an example, you have al Qaeda in the Islamic Maghreb (AQIM), and we know that they are partnered or linked with Boko Haram out of Nigeria. So you certainly cannot isolate a single organization, whether it's AQIM or Boko Haram, and expect to be able to solve the problem either locally by going after that problem in a particular country or by individual entity. If you deal with AQIM, you probably have to deal with Boko Haram.

Senator INHOFE. You mentioned Africa. Most people think the problem is just North Africa or up around the Horn of Africa, when, in fact, there's now evidence throughout Africa. I know if you talk to General Ham, he'll tell you the evidence that he has now of the presence of these terrorist groups in other parts of Africa. So I think it is widespread.

Last question I have. In your professional opinion, are the current diplomatic and economic efforts to stop Iran from obtaining nuclear weapons capability, are they working?

General MATTIS. No, sir.

Senator INHOFE. Let's assume that they obtain nuclear weapons and that capability, which our intelligence says they're going to obtain. How do you think their behavior would change after that?

General MATTIS. Senator, you know what our policy is, but I believe the reason for that policy is they would be more emboldened to act more like a revolutionary cause vice a responsible country.

Senator INHOFE. I think so, too. I think it's important that we understand that this thing that we've talked about since 2007, with their emerging capabilities, nuclear capabilities, delivery systems, it's getting worse all the time. I just think we need to keep talking about that. Do you agree with that, Admiral McRaven?

Admiral MCRAVEN. I do, yes, sir.

Senator INHOFE. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you so much, Senator Inhofe.

Senator Reed.

Senator REED. Thank you, Mr. Chairman.

I want to add my commendations, General Mattis, along with your colleague and my colleagues for your extraordinary service to the Nation and to your marines. Thank you, sir, very much.

Let me begin by asking a specific question about Afghanistan to both of you. Recently, President Karzai declared that SOF couldn't operate in a certain province south of Kabul. Does that affect the short- or long-run plans to deploy SOF as part of our withdrawal? Is it something that you can cope with in one instance, but if it develops to a wider scale it would interfere dramatically with your operations and our withdrawal?

General MATTIS. I just spoke with General Dunford a short time ago. That issue is being worked right now. It is not operant right now, that decision that you've heard about. So we're working this out as we speak.

Obviously, we'd be reluctant to see our forces unable to operate there. But at the same time, I think this is being worked at the appropriate level with the responsible people working with the President.

Senator REED. So you at this juncture feel you can reverse what appeared to be a final decision. Going forward, though, I presume from your answer is that the need to operate rather freely throughout Afghanistan by SOF is essential to the withdrawal plans?

General MATTIS. Senator Reed, I think the decision was not taken, it's not just reversing it; it's crafting how best we operate in Wardak Province, which is a key route into Kabul. So I think it's still in place, sir. I can get back to you once the decision's made.

Senator REED. The larger issue here is, to the extent—implicit in your plans for a phasedown of American forces, I always assumed was a robust special operations capacity that could operate throughout the country. Is that still central to your plan? Is that something that's still viable?

General MATTIS. It is, sir. Two purposes. One is counterterrorism; the other is advise, train, and assist the Afghans in their counterterrorism effort. So it's a twofold effort.

Senator REED. Admiral McRaven, do you have any comments?

Admiral MCRAVEN. Sir, the SOF that we have in Afghanistan are partnered with our Afghan SOF. So as you look at SOF, nowadays you can't look independently at U.S. or NATO forces alone. We have Commando Kandaks that we have built. We have Afghan SOF that are out there. So there is a network of SOF that is being applied across the area of operations that deal with the threat.

Senator REED. Let me ask another question about going forward. There's an issue of size of the force. There's also an issue of the pace of the force. But there's an issue also of the role of the force. There's been some discussion, and I don't know how far along, that these residual forces could be institutional-based trainers only, not embedded with Afghan forces, ANSF.

Is your vision that you will have embedded forces with them or is it simply going to be institutional trainers in bases?

General MATTIS. Senator, we're going to have to watch how the Afghan forces mature. I anticipate there will be some embedding going on, whether it be with their special forces or their conventional forces. But at the current rate of maturation, they are actually becoming quite impressive in their ability to operate against this enemy.

So we have some time yet, a year and a half to go, as we get them up on the step for when we will draw down to the enduring force. During this period we'll figure out what level of embedding has to be there and what level NATO forces are willing to commit to.

Senator REED. A final question on this area, Admiral McRaven. You still retain the capability of striking anywhere in that region if there is a high-value target as you go forward in terms of whether or not there's access to certain bases in Afghanistan or other parts of the world. You can do that from aerial platforms, from sea-based platforms, or from alternate land-based platforms. That capacity or capability exists?

Admiral MCRAVEN. It does, Senator.

Senator REED. Thank you.

Let me turn quickly to the issue of Syria. As many people assume, the Assad regime is deteriorating rapidly. So let's just assume at some point it fails. What planning is going on, General Mattis, for any type of stability operations internationally to prevent a descent into anarchy there that would be disruptive for the whole region?

General MATTIS. Senator, we have some quiet planning going on with regional partners and with other partners, to see what level of ambition and what regional leadership could take on this mission. Clearly, it would be something best accomplished with a regional leader, regional organization. After the Russians' regrettable

veto in the United Nations (U.N.), we probably have fewer options in terms of a U.N.-led effort or U.N.-sanctioned effort. But at the same time, there are regional organizations—the Arab League, the Gulf Cooperation Council—that may be able to take this on.

We are doing some planning with the regional militaries and getting basically a framework for what this would look like, sir.

Senator REED. Let me ask a follow-on question. What do you think the reactions of the Iranians would be to a collapse of the Assad government?

General MATTIS. The collapse of the Assad regime, sir, would be the biggest strategic setback for Iran in 25 years. I believe they will arm militias inside the country to try to create a Lebanese Hezbollah-type effect, and they would redouble their efforts vis a vis Iraq, Bahrain, Yemen, and elsewhere. I think that's on a strategic plane what we would see as far as their shift.

Senator REED. Part of our reaction would be to plan for that contingency explicitly?

General MATTIS. We are, Senator.

Senator REED. Thank you very much.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Reed.

Senator Wicker.

Senator WICKER. Thank you very much.

General Mattis, I appreciate your service and good luck in your retirement.

I notice the map that you passed around about the AOR for the Commander of CENTCOM. It ranges all the way from Kazakhstan to the north, down to Yemen in the south, and over to Egypt. About half the Arab world, half the population of the Arab world, lives in Egypt, is that correct, General Mattis?

[The information referred to follows:]

General MATTIS. I think it's well over a third anyway, yes, sir.

Senator WICKER. A good portion.

We just had an amendment a few weeks ago offered to a storm relief bill on the floor of the Senate. It would have prohibited our sale of F–16 aircraft from the United States to the Egyptian military. Did you follow that issue, General Mattis?

General MATTIS. Yes, sir, I did.

Senator WICKER. As a matter of fact, Senator McCain took the point on that on the Senate floor and made an impassioned plea for us not to abandon the chance of improved relationships with the Egyptian military. I just wonder, was Senator McCain correct? I voted with him on that, to not abandon our sale of F–16s to Egypt.

What advice would you give us going forward, because we may have to take further votes on that? What advice would you give? What effect would the termination of that sale be on our relationship and our chances of having any kind of meaningful relationship with the Egyptian military?

General MATTIS. Sir, I strongly endorse the administration's position and Senator McCain's position. I will tell you that I was just in Cairo a short time ago and our Ambassador, one of the best ambassadors we have in the Foreign Service, Ambassador Anne Patterson, also endorsed it.

The bottom line is, Senator, that the Egyptian military through a very difficult period has maintained and even built trust with the

Egyptian people. They have made clear their expectation that Egypt will maintain its international treaties. That includes the one with peace with Israel. They are the people that provide extra security when my ships go through the Suez Canal. The Gaza area has probably not been this quiet in 10 years, and in no small part the Egyptian military is doing quiet operations in the Sinai to help keep it that way.

I think anything right now that we do that would undercut the trust between the U.S. military and the Egyptian military would be extremely unhelpful.

Senator WICKER. Now, what do you think the advice of the Israeli Government would be to policymakers such as us with regard to that F–16 sale? Because I'll tell you, I've gotten a lot of mail and a lot of emails from people in Mississippi very supportive of the Nation of Israel, and they say, "how could you agree to the sale of these F–16s to Egypt when that could be so harmful to Israel?" What would your answer be to that?

General MATTIS. Sir, I won't speak for what Israel thinks about this. I can't do that. But I would tell you that the Chief of Defense of Israel was in my office a week ago and this issue did not come up.

Second, as far as how to respond to your constituents, it is the Egyptian military right now, sir, that is the bulwark in the Sinai against the threats, the extremist threats against Israel, against Egypt, against all of us. So the Egyptian military is the organization committed, alongside as part of their government, but certainly have been very outspoken about maintaining the peace treaty, the international treaty. So it should not be seen as an enemy. It should be seen as a stabilizing force in the region, unlike, I might add, the military in Libya that fought alongside Qadafi or directed by Qadafi, unlike the military in Syria. We have a military that did not act that way when Egypt went through its transition.

Senator WICKER. Thank you.

General MATTIS. So it's a stabilizing force.

Senator WICKER. That's very helpful information.

Let me just switch to something. I had to step out of the room to go meet with a very distinguished group of four retired admirals and generals representing the U.S. Global Leadership Coalition. Are you at all familiar with this coalition, General Mattis?

General MATTIS. Only very little. I've heard about them.

Senator WICKER. Let me tell you. They are a group of more than 120 retired three- and four-star generals and admirals, and they are coming to the Hill today to meet with Members of Congress, not about the military budget, but about the international affairs budget, in other words, what we call in shorthand, foreign aid. Their message to me was what to some people might be a surprising message: We need to be very careful about cuts in foreign aid. They view it, General, as working hand-in-glove with our security operations that you two gentlemen are involved in.

So, I just wondered if you would comment on that. Have you observed that the international development budget is helpful to us in providing national defense for our country?

General MATTIS. Yes, sir. I would start with the Department of State budget. Frankly, they need to be as fully funded as Congress

believes appropriate, because if you don't fund the State Department fully then I need to buy more ammunition ultimately. So I think it's a cost-benefit ratio. The more that we put into the State Department's diplomacy, hopefully the less we have to put into a military budget as we deal with the outcome of an apparent American withdrawal from the international scene.

Senator WICKER. I see. To both of you: As I say, I had to step out and I understand a question was asked with regard to sequestration and the CR and the advice, I think, that you have for us is we at least need to go ahead with the full appropriations bill for the entire fiscal year.

But let me just make sure I get this answer. Would flexibility help you two gentlemen in getting through the sequestration issue? In other words, if Congress gave you, not the meat axe across-the-board arbitrary cuts, but the ability to pick and choose; would you be better off in performing your missions?

General MATTIS. From CENTCOM's point of view, sir, I'd just tell you that the full appropriations bill would give us the predictability, the flexibility you refer to. It would be critical to the Service Chiefs to carry out their responsibilities and lower the risk of less money available to us.

Admiral MCRAVEN. Sir, I think the flexibility would certainly allow us to manage our money towards those areas that are at most high-risk right now. So certainly having the ability to manage our own budget, recognizing the cuts that are coming, would be very beneficial to us.

Senator WICKER. Thank you very much. Thank you both for your service.

Chairman LEVIN. Thank you, Senator Wicker.

Senator Nelson.

Senator NELSON. Thank you, gentlemen, for your service.

Recently the Navy announced that it was going to delay the deployment of an aircraft carrier over into the CENTCOM AOR because of the sequestration threat. Can you speak to that?

General MATTIS. Sir, ships are expensive articles to operate. We all know that. She will be maintained at an enhanced readiness level. I was on board USS *Harry S. Truman* and spoke with Admiral Kevin Sweeney about 2 weeks ago, and he assures me his air wing and his ship will be ready to deploy on short notice.

I still have one carrier out there, and I would just caution any enemy that might look at it as an opportunity to take advantage of this situation that that would be very ill-advised. If the President orders us into action, I have what it takes to make it the enemy's longest day and their worst day, and we'll get the other carrier out there quickly to reinforce.

Senator NELSON. If the President decided that the second carrier needed to be out there, what is the transit time from the time that he would give the order?

General MATTIS. Sir, the carrier, just knowing the U.S. Navy, would deploy faster than it's required to. Right now it's on 21-day ready-to-deploy orders. I believe they would be out of port faster than that, and would take probably about 14 days to get her into theater.

Senator NELSON. So even if you cut the 21 days in half, say down to 10 days, plus 14, you're talking a total of 24 days before it could be on station?

General MATTIS. That's correct, Senator. I can buy the time.

Senator NELSON. When was the *Harry S. Truman* scheduled to depart?

General MATTIS. It was about 2 weeks ago, Senator. I don't have the specific date.

Senator NELSON. I ask the questions for the obvious reasons, that here is a good example of what you had planned in the way of readiness, because of some ridiculous budgetary ultimate decision is causing you not to have that second carrier out there on station.

Would that carrier have the opportunity to be diverted into the Mediterranean instead of going to the Persian Gulf region?

General MATTIS. Sir, that would, of course, be up to the Secretary of Defense, which combatant commander gets her. But I've always thought most combatant commanders end up just forwarding personnel and ships for my use, so I'm pretty sure I could get her.

Senator NELSON. Coming back to Syria, which is in your AOR, and that's why I ask about sending it to the Mediterranean as opposed to the Persian Gulf. It seems that on the one hand, we have Assad, and on the other hand, we have a group that's fighting Assad that increasingly—al Nasra, which is in bed with al Qaeda—is trying to take over. That doesn't give us much of a choice between those two.

Do you have any reason for optimism that the anti-Assad forces are going to win out that are more amenable to us than al Nasra?

General MATTIS. Senator, the al Nasra, they have a good propaganda campaign. They're using humanitarian aid, they're using their weaponry and their skilled foreign fighters to dig their roots into this. But at the same time, they have a philosophy that is not admired by a lot of the people who are fighting Assad. So there's nothing certain about them coming out on top in this, but it could be very messy.

The regional powers that are supporting the anti-Assad forces obviously have no trust with al Nasra and I think that you'll see more support continued for non-al Nasra elements. But it is the intertwining that concerns me.

Senator NELSON. Admiral, you want to characterize for the committee any effects of sequestration on your ability to deploy SOF troops anywhere where there might be a flare-up?

Admiral MCRAVEN. Thank you, Senator. Obviously, we have the perfect storm here, with the CR and sequestration. Right now, the CR actually hurts us more than sequestration does at this point. The CR for me is about $1.5 billion, but, getting back to Senator Wicker's point, I'm unable to manage some of the issues in terms of the military construction and new starts and some of the adjustments that need to be made.

So the CR not only precludes me from spending at the fiscal year 2013 level, as you know, pushing me back to fiscal year 2012, but it also limits what I can do there. Then you add on top of that sequestration for me, which is about $900 million, and again unable

to manage that money. It's about a 23 percent cut in SOCOM's available resources.

So what does that equate to? For me it is a function of readiness, but not necessarily readiness forward deployed. We are managing the forward-deployed readiness, but frankly that's coming at the expense of our training base back in the continental United States (CONUS). So my concern, sir, is not for the immediate future.

I think I can manage that with the resources we have. But we are beginning to create a readiness problem if we don't resolve the CR and/or have an opportunity to manage the sequestration money, because I'm already cutting 60 percent of my flying hours back in CONUS. I'm reducing also some of my deployments, about 20 percent of my deployments, going forward.

So again, a perfect storm of fiscal problems for us, sir.

Senator NELSON. I want to ask you something down in the weeds. Last year the DOD transitioned the Defense Human Intelligence Service to the Defense Clandestine Service (DCS). How do you anticipate that this is going to affect SOCOM's operations?

Admiral MCRAVEN. Sir, we've been working with the Defense Intelligence Agency (DIA) and the Intelligence Community to help support the movement forward of the DCS. I'd prefer to talk in closed session on some of the details of that, but in total, we think it's a very good plan. We like the direction and the initiative of the DCS. It puts SOCOM in a position to have more collectors supporting the DIA. So I'm very much behind it, sir.

Senator NELSON. In the past, specifically you and the CIA have gotten along so well, and yet there is some concern about the two stepping on each other as you're moving forward with this DCS.

Admiral MCRAVEN. Yes, sir. We're working very closely with the CIA on this and I think we each understand our lanes in the road. The DCS is really about military intelligence and obviously CIA has a different mandate in that term. So I'm pretty comfortable and I think the senior leadership of the agency would tell you that they're pretty comfortable with the direction we're heading on DCS.

Senator NELSON. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Nelson.

Senator Ayotte.

Senator AYOTTE. Thank you, Mr. Chairman.

I want to thank both of our witnesses for their distinguished service to our country. General Mattis, we will certainly miss you, and thank you for everything that you've done for our country.

I wanted to follow up. Senator Inhofe had asked you, General Mattis, about your professional opinion on whether current diplomatic and economic efforts will stop Iran from obtaining nuclear weapons capability, and I believe you said no. So if that is the case, right now as I understand it the economic sanctions that we have imposed on Iran are having a very significant negative impact on their economy and their currency, correct?

General MATTIS. Yes, ma'am, they are.

Senator AYOTTE. So if current diplomatic and economic sanctions will not stop them, in your opinion, from obtaining nuclear weapons capability, what do you think that they are doing now with negotiations? Are they trying to delay us again and continuing to enrich?

General MATTIS. Ma'am, just to be clear, I fully support the economic sanctions. I fully support the diplomatic isolation and accruing the international community's support to try to stop this. I believe they are trying to buy time with the negotiations, but that should not be in any way construed as we should not try to negotiate. I still support the direction we're taking. I'm paid to take a rather dim view of the Iranians, frankly.

Senator AYOTTE. It's understandable why you would be taking a dim view, how you describe their activities around the world in Syria, Iraq, Afghanistan, Sudan, Gaza, Lebanon, Yemen. I dare say that we can't think of another country that is doing more damage in terms of terrorism around the world and hurting our interests and those of our allies. Would you agree?

General MATTIS. I would agree strongly with what you just said, ma'am.

Senator AYOTTE. What is their history, by the way, in terms of using negotiations to delay and continuing to enrich? Do they have a history of doing that?

General MATTIS. They have a history of denial and deceit, ma'am.

Senator AYOTTE. So in the recent P5 Plus 1 negotiations we offered, the group offered, basically that we would back off on some of the sanctions if they agreed to keep enrichment levels at 20 percent. Iran as I understand it—we were not able to come to an agreement there. Is that right, General Mattis?

General MATTIS. I believe they agreed to meet again, Senator. But again, I think this was negotiations. There's nothing final about it. This is a give and take.

Senator AYOTTE. Here's our problem. If they have a history of using negotiations as a dilatory tactic while they're continuing to enrich and march toward nuclear weapons and we know how dangerous that they are, how do we stop this pattern to make sure that they know that we are serious that we will not accept them having a nuclear weapon?

General MATTIS. Senator, I think that the more that we can accommodate a larger coalition against them—I believe that in some ways we have to recognize Iran's legitimate security interests so they are not put in a position to use illegitimate means such as we're observing to address their legitimate security interests. I think that we continue everything we're doing right now, but, as the President has said, he's taken no option off the table and my role is to provide him military options.

Senator AYOTTE. How important is it that we stop Iran from obtaining a nuclear weapon?

General MATTIS. I would just echo the President's words. The Commander in Chief has said it's unacceptable, and I believe it's absolutely important.

Senator AYOTTE. In your view, based on your position, on a scale of 1 to 10 in terms of danger to the world and to our country, where would you put them obtaining a nuclear weapon, 10 being the highest danger?

General MATTIS. Ma'am, it would be dangerous because it would enable Iran to continue to act like a revolutionary cause vice a responsible country, and they would sense fewer limitations and

more invulnerability to conducting the kind of attacks to kill Israeli tourists in Bulgaria, provide Man-Portable Air Defense Systems to Yemen, which they were just caught at. I believe we would see more of this irresponsible, reckless behavior.

Senator AYOTTE. Given the fact that they use negotiations to delay and continuing to enrich, why wouldn't we consider just cutting off negotiations and saying: "here's the bottom line, Iran, otherwise, we're going to act," because I fear that if they continue to use negotiations to delay that we will be at a point where they have nuclear weapons capability and then it's too late, is it not, sir?

General MATTIS. It would certainly be too late for our stated policy that they are not to achieve a nuclear weapons capability. But I believe negotiations are critical as we build an international consensus against them and sustain that. I think that at some point they are going to have to confront the unproductive aspects of what they're doing for their own interests.

Senator AYOTTE. But one thing I just can't get my hands around here. We have pressed their economy. We have pressed them dramatically. We have negotiated with them in good faith. They have continued to enrich. They have used negotiations as a delay tactic. At some point you have to get to a position where you say insanity is the definition of doing the same thing over and over again and expecting a different result, from a regime that obviously continues to flout us and our allies and also to be a danger to the world in terms of their terrorism activities.

So that's the thing I worry about, General Mattis. So how do we address that?

General MATTIS. Ma'am, what I do, I provide the Commander in Chief military options, working with some very strong friends, partners in the region. They are creating in their minds as a revolutionary cause a resistance economy. They are trying to raise a sense of martyrdom as a nation. That's a very dangerous type of self-view if they were to get a nuclear weapon.

But I don't believe that we should stop negotiations, because they do not prevent us from doing other things at the same time. For example, while negotiating I have requested and received additional forces in the Gulf by the decision of the Secretary of Defense to ensure that we are ready to reassure our friends that we mean business and temper the Iranians' designs.

Senator AYOTTE. I thank you very much, General Mattis. I think we all share the concern, and particularly the Senate. We voted on a resolution saying that containment is not the policy of the United States of America. This is an overwhelming bipartisan issue and Iran needs to understand that we will not accept them having a nuclear weapon. But I worry that they are using negotiations to delay and I hope the administration will make sure that they are not able to use those negotiations to further their aims at getting nuclear weapons capability.

I thank you so much for what you're doing. I want to ask you a brief question on another topic on no contracting with the enemy, that was incorporated in the National Defense Authorization Act for Fiscal Year 2013, section 841, on work that Senator Scott Brown and I did together. Senator Richard Blumenthal and I recently visited, along with Senators McCain and Graham, Afghani-

stan in January, talked to Major General Longo about the impact of those provisions. He indicated that it would be helpful—the provisions have been very helpful in cutting off funds to those, our enemy, when contractors are contracting to those that we don't want taxpayers' dollars to go to.

Senator Blumenthal and I are working on an effort to extend those provisions beyond Afghanistan to other combatant commands and also to think about extending it to other agencies, including the State Department and the U.S. Agency for International Development (USAID). I wanted to get your opinion on that, General Mattis.

General MATTIS. Very quickly, Senator, I fully support both the letter and the spirit of what was in there. We did have to look more deeply at the subcontractors. That's where we found the problem. It was not with the contractors. But then we followed the money down and we found some things that were disappointing. I can just tell you from CENTCOM's point of view it's been very helpful to focus us in that area.

Senator AYOTTE. Thank you, General.

Chairman LEVIN. Thank you, Senator Ayotte.

Senator McCaskill.

Senator MCCASKILL. Thank you.

Thank you both for being here today. Following up on my colleague's question, I know that I have some specific questions I probably won't have time for today about the Afghanistan Infrastructure Fund and the notion that it's very hard to build infrastructure inside of a contingency by our military without some money getting to the enemy, because of the huge costs of security. One of the reasons the enemy got money is because we were trying to pay off the enemy to not kill our contractors.

So the problem here is not just contracting with the enemy. As the war contracting provisions that we have now passed into law embrace, it is also about whether or not the counterinsurgency strategy should, in fact, include infrastructure. Should it include major projects? I'm going to have some specific questions about metrics being produced around the counterinsurgency strategy to support the notion that it is an effective part of counterinsurgency efforts.

I want to take advantage of your years of service, General Mattis, and ask you something that is not directly related to CENTCOM. My background includes handling dozens and dozens of jury trials as a prosecutor of very difficult sexual assault and rape cases. I think I have taken an acute interest, along with many of my colleagues, on the pervasive problem of prosecuting sexual assault in the military.

I feel a sense of urgency today because of what happened last week. A colonel, James Wilkerson, was convicted by a military jury of sexual assault that occurred at Aviano, Italy. He was sentenced to dismissal, forfeiture of pay, and 1 year in jail. With a stroke of a pen last week, a general dismissed those charges against him, a general with no legal training, a general that had not sat in the courtroom. This general did it against the advice of his legal counsel.

Now, my heart is beating fast right now, I am so upset about this. As we are trying to send a signal to women—now, the victim in this case wasn't a member of our military. I question now whether that unit that that man returns to, whether there's any chance a woman who is sexually assaulted in that unit would ever say a word, because what that general just said is that jury's decision didn't matter.

The rules actually say that the convening authority not only has complete discretion as to whether or not a case is brought, without any legal training required; the convening authority, also has the right to either reduce punishment or dismiss the cases for "any reason or no reason at all."

Now, I ask you, General Mattis, isn't it time, as we understand that the majority of homeless women in this country are veterans and that the majority of them had some form of sexual assault, that we look at the Uniform Code of Military Justice (UCMJ) and decide that we need to have something other than the arbitrary decision of one general, without any other supervising authority, any other procedure that is necessary, to actually overturn the very difficult decision that the jury came to?

General MATTIS. Senator, I do not know the specifics of this case and I've always been reluctant to comment on something where I don't know it. Some of you are aware of the high-visibility court cases I've superintended. I've read as many as 9,500 pages of investigations before I made certain decisions.

But let me assure you, Senator, that the Supreme Court has upheld what Congress has passed for the UCMJ, recognizing the unique aspects of the military. In this case, there are more rights provided to defendants in the military, because no court system is more subject to being characterized as a kangaroo court than one where military officers who are in command also initiate it.

In this case, I cannot speak to the specifics, but I can assure you that justice is overwhelmingly served by the currently constituted UCMJ. I say that because as a commander I was not just responsible for prosecution, I was also responsible for defense, and commanders must balance both of those if we're to have a fair system.

I don't know the specifics of this case, so I do not want that to be drawn in as support for something that I really can't address. I'm sorry.

Senator MCCASKILL. Let's just set aside the specifics of this case.

General MATTIS. Okay.

Senator MCCASKILL. Do you really think that after a jury has found someone guilty and dismissed someone from the military for sexual assault, that one person, over the advice of their legal counselor, should be able to say, never mind? Don't you think that someone up the chain should have an opportunity to look at that if they're going to dismiss it, a jury conviction?

I understand that the military is not the civilian system. But I'm trying to envision here the ability of a prosecutor or a defense lawyer or the person who they both work for—and that's a weird concept for me to get my arms around, the notion that they could unilaterally, without having to have any justification, for no reason at all, just say, never mind.

I think that is something that most—especially when you realize how serious this problem is. I may not be able to talk you out of the position that you just stated, but I think that the military needs to understand that this could be a tipping point, I think, for the American people to rise up, particularly the women, and say: "I don't think one general should be able to overturn a jury."

General MATTIS. Senator, the commanders, including women commanders, have this authority for a reason, for a vested reason. I would just tell you that I would look beyond one case.

Senator MCCASKILL. Unfortunately, General, I think I could bring you a lot of cases. I think I could bring you a lot where cases were not brought, where victims were not taken seriously. I think there's a culture issue that's going to have to be addressed here, and what this decision did was underline and put an exclamation point behind the notion that if you are sexually assaulted in the military, good luck.

General MATTIS. Ma'am, I would just tell you that my troops generally know what I stand for, but they also have no doubt what I won't tolerate. I would just tell you that I'm not unique in this. You show us someone who conducts themself in a criminal manner along these lines and I am dry-eyed when I put my beloved troops in jail the rest of their life for all I care.

Senator MCCASKILL. Believe me, in some ways I am sad that this occurred right before this hearing and that my time with you today is covering this subject matter, because I have great respect for the leadership of the military and particularly for your service, General Mattis. So please don't misinterpret this as anything other than a high degree of frustration as to a system that appears unaccountable to the thousands of victims who are struggling for a piece of justice under these circumstances.

Thank you very much, General.

General MATTIS. I respect that, Senator, and I just assure you there is accountability for every general under my command.

Senator MCCASKILL. General Welsh is going to be hearing from me about this particular general. I think it's also interesting that both of these people are fighter pilots, they both have served together, and that adds more appearance of impropriety to this particular decision. I'm going to ask General Welsh some very difficult questions.

Thank you very much, General Mattis.

Chairman LEVIN. Thank you very much, Senator McCaskill. There's going to be a sexual assault hearing that Senator Gillibrand is chairing——

Senator MCCASKILL. March 13.

Chairman LEVIN.—as the chair of our Personnel Subcommittee. I would think that, even though the issue you raise is broader than sexual assaults—it has to do with the power of the convening authority, period, sexual assault cases and any case—nonetheless, that may be an appropriate time to raise it.

We will ask the General Counsel for DOD, Bob Taylor, who's Acting General Counsel, to address this issue, if this is okay and consistent with what you have in mind, Senator McCaskill. I think it's important that we start getting the General Counsel of DOD aware of the issue of the "no reason at all" language which apparently is

in the UCMJ, and to give this committee for starters an opinion as to the source of that language and to whether or not it is credible to maintain that kind of authority, that "no reason at all" language in the UCMJ.

So I don't want to in any way move in a different direction than you want to go, but I think that would be helpful, to ask the Acting General Counsel that question, and we will do that.

Thanks to Senator Fischer, Senator McCain is next.

Senator MCCAIN. I thank Senator Fischer for her indulgence, unlike our colleague from New Hampshire. I appreciate it.

Thank you, Mr. Chairman.

General Mattis, let's be clear about this cut and the, "flexibility." We're still looking at $43 billion in cuts, is that right?

General MATTIS. Yes, sir.

Senator MCCAIN. Still, no matter whether you have the flexibility or not, isn't this, in the words of Secretary Panetta, "we're shooting ourselves in the foot," in the head and not in the foot?

General MATTIS. Yes, sir. We're going to have to change our strategy. We cannot maintain the same end state.

Senator MCCAIN. The $43 billion is still a devastating blow whether you have the flexibility or not; is that correct?

General MATTIS. It is, Senator, but I don't want the enemy to feel brave right now. I can still deal with them in my region.

Senator MCCAIN. But to somehow say that this problem goes away because you are given flexibility is not accurate, is that true?

General MATTIS. That's correct, sir.

Senator MCCAIN. First of all, I want to say, thank you. Thank you for your service. Thank you for the inspiration you've provided to the men and women who serve under you. I have met so many of them who have the highest admiration for you. Thank you for your service to the country, and you speak truth to power. I wish more of your colleagues did that as well.

On the issue of Syria, we're now over a million refugees. We're now at 70,000 people at least who have been massacred. The risk of spillover into Lebanon and Jordan is obvious. The events of yesterday, 42 Syrian soldiers being murdered or killed in Iraq. Everything that we worried about if we intervened has taken place because we didn't intervene. Would you buy that argument?

General MATTIS. Senator McCain, I'm not certain even by intervening into this, this cauldron, we could have prevented all of it.

Senator MCCAIN. Have we seen a worst-case scenario?

General MATTIS. Not yet.

Senator MCCAIN. Not yet, because that's chemical weapons, right?

General MATTIS. It's also the further fragmentation of the country into ethnic and sectarian militias.

Senator MCCAIN. I say with respect, that's already happened.

You're saying you want to make sure that we get the weapons to the right people if you were to support such a move, is that correct, your previous answer?

General MATTIS. Yes, sir.

Senator MCCAIN. So isn't the best way to do that to give them a sanctuary area, a no-fly zone, and let them establish themselves

as the Libyans did in Benghazi, so that we can make sure the weapons do get to the right people?

General MATTIS. If I was given that mission, yes, sir, that would be a way to do it.

Senator MCCAIN. Without that, it's pretty obvious that the flow of jihadists into the country continues unabated?

General MATTIS. Yes, sir.

Senator MCCAIN. The Iranian Revolutionary Guard is on the ground.

General MATTIS. They are both on the ground and bringing in other foreign fighters.

Senator MCCAIN. The Russians continue to supply weapons to Bashar Assad and veto resolutions in the Security Council.

General MATTIS. Yes, sir.

Senator MCCAIN. Wouldn't you call that an unfair fight?

General MATTIS. I've never been in a fair fight. Always one side has the advantage, and right now Assad has——

Senator MCCAIN. Yes, but the other side has the advantage because we refuse to do something which would make it a fair fight.

General MATTIS. There are regional partners that we have that are taking action.

Senator MCCAIN. Many of those weapons are going to the wrong people, as we know, some of our partners that are giving the weapons to the wrong people.

General MATTIS. Yes, sir.

Senator MCCAIN. Let me switch very quickly to Afghanistan, if I could. What was your recommendation as to the troop levels that should remain behind in Afghanistan?

General MATTIS. Sir, we did not use numbers. We said we wanted to know what missions are we expected to do. Based on that, we got to the 34,000, which I support, the reduction by 34,000, so long as the pace left them there through this fighting season as the ANSF proved themselves.

Senator MCCAIN. Did that happen?

General MATTIS. It did.

Senator MCCAIN. What about the residual force?

General MATTIS. The post-2014 force, Senator, that decision I know has not been made yet. It's still under consideration. I have made my recommendation.

Senator MCCAIN. Which is?

General MATTIS. That recommendation is for 13,600 U.S. Forces, sir.

Senator MCCAIN. How many NATO?

General MATTIS. Not something I control, but——

Senator MCCAIN. Right.

General MATTIS. —I assume it would probably be around 50 percent of what we provide.

Senator MCCAIN. Back to Iraq for a moment, aren't you concerned about the unraveling of Iraq, with the schisms between the Kurds, Barzani, and Maliki, the continued terrorist attacks that take place, and the increasing polarization of the Sunni-Shia situation, particularly in places like Mosul, where you have Kurds, Shia, you have everybody, Turkoman, you have everybody there? In ret-

rospect, do you think that the situation would have been better if we had left a residual force there?

General MATTIS. Hard to say if it would have been better, Senator McCain. I share the concerns about the Kurdish schism with the country, with the Sunni-Shia situation. Al Qaeda is continuing its campaign. I would add one more point: The Iranian-backed militia shelling the capital city, the MEK camp, shows that the Iranians are not even now above going back and to work their own way.

However, Senator, imperfectly as it is, they are still—the various parts of the body politic there in Iraq are talking with each other. So it still probably has a level of violence, Senator, that is slightly below what it was when we were there overall. Not a good answer.

Senator MCCAIN. Let me just say with respect, Barzani told me he had not spoken to Maliki in over a year, and to my knowledge they're still not. But that's beside the point.

Back to Syria a second. We could take out the air assets of Bashar Assad with cruise missiles, take them out on the ground?

General MATTIS. Not all of them, Senator, because they have a number of mobile systems. I'd have to do a pretty——

Senator MCCAIN. We can take out a fair amount?

General MATTIS. —we could take out a fair amount, yes, sir.

Senator MCCAIN. The Patriots could defend a no-fly zone?

General MATTIS. They could—they're a point defense weapon. They could certainly help put together a no-fly zone.

Senator MCCAIN. You would agree that in a topography and a situation like that, air power is a really decisive and important factor in Bashar Assad's being able to hang on?

Finally, I'm concerned about this withdrawal to the coast, the Alawite enclave. I wonder what you think of the likelihood of that might be?

General MATTIS. Sir, it is an economically unsustainable enclave if they go there. So it's not going to be a long-term thing. But it could certainly create a longevity for the regime if they were to lose Damascus, that right now, I think, is something we have to consider. In other words, you'll see a two-step. As Damascus starts to fall, they'll try to get over. I believe the Iranians are helping them to get established there.

Senator MCCAIN. Again, General Mattis, I've had the great honor of being associated with some outstanding military leaders and I know you will continue to contribute to our Nation's security. I thank you.

General MATTIS. Thank you.

Chairman LEVIN. Thank you very much, Senator McCain.

Here's the order of battle for us now. On the Democratic side it's Hagan, Manchin, Shaheen, Blumenthal. On the Republican side it's Lee, Fischer, Blunt, Graham.

Senator MCCASKILL. Mr. Chairman.

Chairman LEVIN. Yes?

Senator MCCASKILL. I notice that our colleagues, Senator Kaine and Senator Donnelly, while they are new here, they're upset that they were not mentioned. They're afraid that you've forgotten they're there.

Chairman LEVIN. I have not. I should have said the next four.

Senator MCCASKILL. Oh, okay. All right. They looked panicked for a minute. I used to sit way down there at the end, so I'm feeling for them.

Chairman LEVIN. Thank you.

Number five and six and seven and eight on the Democratic side are Donnelly, Hirono, Kaine, and King. I should have said the next four.

Since Senator Hagan is not here, it is Senator Manchin.

Senator MANCHIN. Thank you, Mr. Chairman.

To General Mattis and Admiral McRaven, thank you for being here. Congratulations on your retirement. I'm sure you're going to enjoy it.

With that being said, General Mattis, I know there's been a lot going back and forth—if you'd have had the flexibility, knowing from the get-go that you'd have had flexibility, but had to do the cuts, the $42.5 billion cut, would you have been able to deploy the *Harry S. Truman* on time?

General MATTIS. Sir, I'd have to know better what the Navy confronts, but I suspect that we could have, yes, sir.

Senator MANCHIN. So much said about the amount of money that we spend in DOD versus other countries. Do you have, either one of you, just a quick scenario, an oversight, on the difference of our cost versus—they tell me the next 10 or 15 developing nations of the world combined doesn't spend as much as we do. What is the high cost of ours so much differently?

General MATTIS. Senator, I think part of it is we're the gold standard. We set the standard, from weaponry and technology to the training and certainly to the coherence of our force, the cohesion of our force, that also believes that they're the best in the world because of the support of the Hill.

We also have global responsibilities, and those—I was born into this time. Others made those decisions. But I am often impressed when I walk into offices where even at this rank overseas I say "Sir" or "Your Highness" or "Mr. President" or "Mr. Prime Minister" or "Sultan," at just how much other nations look to us to reassure them that they can follow their better instincts and not have to accommodate some pretty ugly situations in their region.

Senator MANCHIN. Admiral McRaven, I find it troubling that the military is losing many of its talented people to private contractors. I talk to an awful lot of the SOF, and they're being lured away by the higher salaries. Is that not troubling to you, sir?

Admiral MCRAVEN. Sir, statistically, that was true back at the beginning of the war, I think, when we saw, certainly around 2001 as the wars began to ramp up and the contract base began to build, we were losing a number of our senior noncommissioned officers (NCO). Sir, that has tapered off considerably and right now, frankly, our accessions rate into our training pipelines are as good or better than they've ever been and our retention is equally high.

Senator MANCHIN. Are we reducing our amount of dependency on contractors then? Is that what you're saying?

Admiral MCRAVEN. Sir, we are, yes, sir.

Senator MANCHIN. Okay. Either one of you could speak to this one, if you compare Pakistan's actions by them having the nuclear weapon and how we are working with them as supposedly an

ally—I can only imagine what your thoughts may be if Iran is able to achieve the same status of nuclear weapons. I'm sure if you had it to do over again, we'd probably look at that differently with Pakistan. But your greatest fear is Iran, I would assume, having this nuclear arsenal, right?

General MATTIS. I think that would be the most destabilizing event that we could imagine for the Middle East, sir.

Senator MANCHIN. Another question I have is one that—I came out of the Vietnam era, so I remember that war came to a close much quicker than this war. Here we are in 2013. In 2001 if anyone would have, I think, anticipated that we'd still be going at this 13 years, the amount of money and time—so I think it brings up the question just for discussion: Have you thought about, with all the budget cuts and different things that we can do and staffing and all that, of the draft, a combined hybrid of the draft with the professional services that we have now? I know for a fact that we would not be in a war 13 years if moms and dads had the input that they had back then.

General MATTIS. Senator, I won't take issue with what you just said. We in the military are concerned that the All-Volunteer Force has drawn us a little apart from our body politic. But, that said, this threat is real. I've dealt with it since 1979. The Shia side declared war on us in the 1980s, blew up our peacekeeper barracks in Beirut. They continue with Lebanese Hezbollah today. The Sunni side of the extremists—al Qaeda is how you know them—they tried to take down the Trade Towers once in the 1990s. They took it down the second time.

It's a real threat. One thing about America: It's been willing to meet real threats when the political leadership explains it to the American people. I think we would still be here, sir, because I think the enemy would force the issue.

Senator MANCHIN. I agree that we're going to have to be fighting the war on terror for many generations to come. I think that most Americans accept that. But when you look at how we got into Afghanistan and then we moved to Iraq and now we're back in nation-building, I think there's an awful lot—I'd rather us get out quicker and come home and rebuild America.

When you look at the Kajaki Dam that we built in the 1950s, and now in disrepair. We went back and rebuilt it again, and we've spent, I think, $70 million to finish the project. The Special Inspector General of Afghanistan Reconstruction doubts that they have the capability of doing that if we gave them the $70 million. That's what I think we as Americans are upset about, the money we're putting into an infrastructure which they are incapable of maintaining.

Are we moving away from that strategy? Admiral, would you say we are?

Admiral MCRAVEN. Sir, I'll allow General Mattis to address the Kajaki Dam issue, but I think in general as we in the special operations community work with our partners abroad—as I mentioned in my opening statement, we're partnered with about 78 nations on any day in the calendar. In a lot of those cases, we are doing minor construction, so obviously nothing like Kajaki Dam, but being able to build schools and boreholes and wells and help with small infra-

structure projects that absolutely, I think, are critical to building our credibility with the host nation, both with the military and the civilian sectors.

Senator MANCHIN. Sir, I'm understanding in that situation there we're not even allowed to brand it as made by the United States because of the blowback. So we're not even getting credit for that as we do that infrastructure repair and building.

Admiral MCRAVEN. Sir, you're referring to the Kajaki Dam, sir?

Senator MANCHIN. I'm saying all the other things, whether it be schools or whether it be the water supplies and things of that sort, when I was there that we were afraid or they were afraid to put our name on and give us credit, the U.S. Government, for doing it.

Admiral MCRAVEN. Sir, I would tell you, I think it's on a case-by-case basis. We work with USAID. They're one of my closest partners, and in fact, I have a great relationship with USAID. Every time we go downrange we work with the U.S. Embassy team. We take our lead from the U.S. Ambassador there. We get together with their foreign assistance folks and we collectively build a plan that makes sense.

Where it is important for us to articulate that the United States has built this particular piece of infrastructure, we absolutely do that. Where, frankly, we think it's more culturally sensitive to allow the locals to receive credit, then there's an appropriate way to do that as well. But certainly it's not one size fits all, sir.

Chairman LEVIN. Thank you very much, Senator Manchin.

Senator Lee is next under our order that we operate here. Again, I want to thank Senator Fischer. She may not have known what she got into, but her generosity is noted. We appreciate it. Senator Lee.

Senator LEE. Thank you, Mr. Chairman.

Thanks to both of you for joining us today. Thank you especially for all you do and have done throughout your distinguished careers to keep us safe.

General Mattis, I wanted to start by talking to you about Syria. Your written testimony mentions the dire situation in Syria and it also refers to the fact that there is a certain amount of disunity among the opposition groups and there may be some influence from al Qaeda-related groups. I'd like to get your assessment on Syria and your answers to a couple of questions.

First, what can you tell us about the composition and the objectives of the opposition forces in Syria? In particular, what can you tell me about the extent to which they have a vision for a future of a post-Assad Syria?

General MATTIS. Senator, the opposition is not completely unified. It's becoming more unified day-by-day. The one thing I think all of them agree on is Assad has to go, on the opposition side. But after that it breaks out pretty broadly, to include some what I would call populist extremist views, as well as the ones that we would find more along the lines of how we would like to see Syria come out of this civil war.

The vision that some of them have is clearly inconsistent with what we would like to see. These are the jihadist elements that are there, the extremist elements, the foreign fighters who've come in,

who simply want to create another chaotic background where they can put in their roots and have a new place to operate from.

Senator LEE. What's your sense as to where the center of gravity is? Obviously there are some that are like those that you've just described, jihadist elements, as you put it. Is that where the center of gravity is? Is that where the heartland of the opposition forces are?

General MATTIS. Sir, I think when you look at the Syrian National Coalition or what you read as the SNC—and I have to refer to my notes here in order to keep accurate—and then you have the Syrian Opposition Council (SOC), those are one and the same thing. So where you see them gaining traction and coherence, that's carrying a message to the Assad regime that there is an opposition that's increasingly unified against them.

At the same time, there's a military council below that and that military council is what actually carries out the operations there inside the country.

Senator LEE. But you can't give me a thumbnail sketch of whether this is a minority faction within, whether it's a fringe faction, a minority faction, a solid plurality, or a majority faction that takes a jihadist approach?

General MATTIS. I would say that that is a significant minority that takes a jihadist, extremist approach, with the idea of, for example, the al Nasra front gaining traction, those kinds of organizations.

Senator LEE. It's those organizations that are a significant minority, not amounting to a majority, but a significant minority, that have either links to al Qaeda or to some other terrorist group or some other group that might be related to or similar to al Qaeda?

General MATTIS. I believe that's correct, sir. They do have a powerful propaganda arm. They do use humanitarian efforts in addition to their well-armed, well-trained fighters to try to build a broader reach among the opposition.

Senator LEE. Okay. Then I assume that their respective visions for a post-Assad Syria would break down according to what's motivating them now; would that be correct?

General MATTIS. I believe so, yes, sir.

Senator LEE. In the time I have remaining, I'd like to talk to you just a little bit about the threats that we face elsewhere in the region. I certainly agree with our President, who said in his State of the Union Address a couple of weeks ago: "We will do what's necessary to prevent Iran from getting a nuclear weapon." I strongly support that and I suspect nearly all my colleagues do as well.

But the decision to decrease the size of our carrier presence in the Persian Gulf worries me because it seems that it could be sending a different message. The budget uncertainty surrounding sequestration is forcing DOD to take a number of difficult steps. But I remain concerned about where the administration's priorities are when we weaken our presence in a region of such huge strategic importance to our national security.

So let me ask you, will our removal of an aircraft carrier from the Persian Gulf affect our ability to deter Iranian action in the Gulf or elsewhere in the region?

General MATTIS. Obviously, it is more difficult for me to reassure our friends and to deter Iran, but I believe that a strong statement of political will and the forces I have there right now would cause Iran to take pause before they decide to try to take advantage of what is not really an opportunity. I can buy the time to get the second carrier out there with the combat power I have right now in the Gulf.

Senator LEE. You think we'll be okay with the time you can buy in order to get that out there?

General MATTIS. Yes, sir, I do.

Senator LEE. Thank you very much, General.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Lee.

Senator Shaheen.

Senator SHAHEEN. Thank you, Mr. Chairman.

General Mattis and Admiral McRaven, thank you both for your service and thank you for being here this morning. General Mattis, as all of my colleagues have said, we will certainly miss you and very much appreciate your years of service to this country.

I want to start by following up on some of the Syrian issues that Senator Lee was raising. When you were here for your posture hearing last year, General Mattis, one of the things that we discussed was the chemical weapons in Syria. Secretary Panetta was quoted as saying that the situation in Syria is 100 times worse than what we saw in Libya with the proliferation of weapons. It's been described as a nightmare scenario by a number of officials.

I assume that it's safe to say that your concerns since that hearing last year have not diminished and you continue to be very concerned about the presence of the stockpiles of chemical weapons in Syria?

General MATTIS. Yes, Senator, absolutely.

Senator SHAHEEN. There's been discussion about the red line that has been drawn should Syria attempt to use those chemical weapons either on their own people or on others in the region, and a suggestion that the international community is also equally concerned about that. But what happens should they try to transfer those weapons to Hezbollah and they then get transferred throughout the region? Has there been planning for how to address that and how to prevent that from happening?

General MATTIS. Yes, ma'am. That would be a policy decision by the President. I have military options if he wants to disrupt that. It would be very difficult to prevent it at the beginning, either use or transfer. But as fast as we picked it up, we could disrupt it and we may be able to prevent further transfer or use.

Senator SHAHEEN. Has NATO and other countries that are concerned about what's happening in the region, have they also been involved in those contingency plans?

General MATTIS. Yes, ma'am.

Senator SHAHEEN. Is there any reason that we should have less concern about what's happening there, rather than more concern? How can we affect what happens with those chemical weapons? What can you share with us about the contingency planning that should either make us be more concerned or less about what's happening there?

General MATTIS. Senator, in the chaos of what Assad has created with his handling of his people's dissatisfaction and the civil war that's grown out of it, I believe we have increasingly vulnerable chemical sites there as this fighting swings back and forth, as weapons get transferred from one vulnerable site to one they believe is more secure, as certainly the mercurial aspects of their leadership could cause them to do things that cause us to keep a very close eye on them.

Our planning is taking this into account to the degree that it can. I'll just tell you that we have options prepared.

Senator SHAHEEN. Have any of the opposition groups that we're talking to been involved in any of those discussions or any of those plans?

General MATTIS. No, ma'am.

Senator SHAHEEN. Thank you.

General MATTIS. I should say not by CENTCOM. We have not engaged with the opposition groups on this.

Senator SHAHEEN. Thank you.

I want to switch from Syria to Pakistan because obviously that's one of the other parts of CENTCOM where there are serious concerns about the impact on our actions in Afghanistan. I wonder if you could talk about what the current status is of our relationship with the military in Pakistan and how the trilateral engagement on the border there between Afghanistan, between ISAF, and Pakistan is working or is not working today?

General MATTIS. Senator, I don't want to overstate it, but our military-to-military relationship with Pakistan has been improving, and this is not recent. This goes back over the last year, even in the aftermath of the Salala incident where we accidentally killed 24 of their Frontier Corps troops.

The border itself, the collaboration along the border, the trilateral cooperation, is actually much improved over a year ago or 2 years ago. It's not everything we need it to be, but it is improving, and we have other efforts going on, including track two efforts under former Secretary of Defense Dr. Perry and former Secretary of State Schultz out of Palo Alto. That will shift to Islamabad coming up here in May, where we have retired officers working to find ways to continue this improved collaboration and help set the conditions for longer-term prosperity and peace in that region.

Senator SHAHEEN. So how will that work once ISAF pulls out with the Afghan and Pakistani forces there along the border? Do you expect that collaboration to continue? Senator Levin and I had the opportunity 2 years ago this summer to see firsthand the attempted collaboration at a time when it had really broken down. They were talking about the potential effectiveness of that. Obviously, that's going to be critical as we withdraw in terms of maintaining some stability in the region.

So what kinds of plans are in place to help address that once ISAF withdraws?

General MATTIS. It's a great question, Senator, because we actually identified this as a key part of our transition a year ago. Since then we no longer meet as NATO-ISAF with the Pakistan military. It's always NATO-ISAF and the ANSF, the Afghan security forces,

and we meet in these trilaterals, as you referenced them. We are going to have to continue to mature it.

But right now, Senator, it's at least going in the right direction, and day-by-day we build a little bit more trust, a little more cooperation, a little more collaboration along that contentious border.

Senator SHAHEEN. Thank you very much. My time has expired.

Chairman LEVIN. Thank you, Senator Shaheen.

Senator Fischer.

Senator FISCHER. Thank you, Mr. Chairman.

Thank you, General and Admiral, for your service and for the service of those that you represent as well.

Admiral, earlier I believe you stated that with the sequester and the CR we were looking at creating a readiness problem. What are you doing now that is absolutely essential and that we need to keep on doing with special operations?

Admiral MCRAVEN. Yes, ma'am, thank you. Our first and foremost mission is to take care of the warfighting requirements downrange. So my support to General Mattis and to the other combatant commanders to me is my number one warfighting priority, operational priority.

The problem with the CR and sequestration is it is beginning to affect my readiness back at the CONUS-based forces. So as I have to prioritize the training, I'm prioritizing it forward, but that will come at the expense of the next generation of forces that begins to deploy downrange. Now, my ability to manage that budget and continue to provide the very best SOF forward is exactly what I intend to do.

Having said that, if you take a look at our flying hours, as an example, as I said, we have about 60 percent of our CONUS-based training flying hours. Now, that bathtub, if you will, will continue from this fiscal year to the next fiscal year. It will get smaller, but it will continue. It just takes time to catch up once you stand down training.

So when you take a look at the flying hours, and then I am cutting some of my recruiting base, I'm cutting some of my other training, that bathtub, as we refer to it, will move throughout until we eventually, hopefully, catch back up several years from now to stem the lack of readiness. But we take care of our operational priorities first, but we are mortgaging a little bit of our readiness and the future.

Senator FISCHER. The troops that you represent, do you believe that you're putting them at risk, where they're going to have to be in rotation longer since the readiness is not there, the training's not there, so that they can benefit from some rest when they're off duty? Do you see that as a major risk? If so, I'd like to hear why. If not, what do you see as the major risks that you are facing due to these cuts that we're looking at?

Admiral MCRAVEN. Yes, ma'am. We've worked very hard with—I have subordinate Service components that work for me, and one of my biggest concerns has been the pressure on the force and making sure that the personnel tempo and the operational tempo of the force is appropriate to meet the demands of the combatant commanders.

We've taken a number of pretty dramatic and important steps to ensure that those forces have the rest they need when they are back in the continental United States before we cycle them forward again. But I don't want to mislead you. There are certain high-demand, low-density military operational specialty codes, some of the intelligence requirements we have, some of the information officers; those sorts of high demand, but are in low density, require them to rotate a little bit more quickly forward.

So again, I'm working hard as they come back to the continental United States not to impress upon them additional training and give them a little bit more time in the rear.

Senator FISCHER. Under the current command structures that you face, do you see any limitations being imposed on our SOF?

Admiral MCRAVEN. No, ma'am. I'm very pleased with the kind of command relationships I have and the command authorities that I have. So right now I am a support team commander to the combatant commanders like General Mattis and General Ham and others, and that is a great relationship. I provide them the forces; they, if you will, fight the forces or have the operational command and control; and I'm perfectly comfortable with that.

Senator FISCHER. You don't think any changes need to be made with regards to that?

Admiral MCRAVEN. Not in regards to the command relationships with the combatant commanders in terms of the forces that are under their operational control, no, ma'am, I do not.

Senator FISCHER. Do you think there needs to be any additional legal authority for soldiers in order for them to train with our partners?

Admiral MCRAVEN. That's certainly an area that we're taking a look at. Right now one of the amendments that presents some problems for us is the Leahy Amendment, we have to vet not only the individual now but the units to make sure that there are no human rights violations. We are absolutely in favor and we understand the value and the importance of making sure we have good clean human rights. Unfortunately, at a time sometimes when those units need to have our partnership and our relationship so they understand what right looks like, that's a time in which we find ourselves more constrained than ever. If there is a human rights violation, frankly, I would offer that then more than ever we need to get engaged and make sure that they do what is right.

So that's an area that we're exploring both with the Chairman of the Joint Chiefs of Staff and with the OSD and with the Hill.

Senator FISCHER. You've discussed that with the regional commanders, I would assume?

Admiral MCRAVEN. I have, yes, ma'am.

Senator FISCHER. And their reactions?

Admiral MCRAVEN. I think they all have similar issues. The SOF that I provide them find themselves constrained in certain circumstances, not in all circumstances, but in certain circumstances in the units that we're dealing with. So, yes, ma'am, it's a concern. Again, I think we're working through the appropriate processes now.

Senator FISCHER. Thank you very much.

Admiral MCRAVEN. Yes, ma'am.

Senator FISCHER. General, do you think that it's working well together? Do you have any concerns on decisions being made?

General MATTIS. Ma'am, we have the best working relationship between conventional and SOF that I have enjoyed in 40 years of service. There are no longer any lines between us. The collaboration is intense. It's been learned the hard way, frankly, in the toughest school we could have had, and right now the degree of confidence in each other and the use of each other's capabilities, I think, is really at the top of its game. But we're not complacent. We don't want to lose this as the war's drawing down. So we're going to have to work hard to maintain it.

Senator FISCHER. Thank you, sir, and thank you for your many years of service. You have a sterling reputation. Thank you.

Chairman LEVIN. Thank you, Senator Fischer.

Senator Hagan.

Senator HAGAN. Thank you, Mr. Chairman.

I too want to echo everybody's thoughts to both of you, you've given so many years of service to our country and we admire, we respect, and we really do appreciate all of your commitment to our military and to the national security of our country. So, thank you very much.

Admiral McRaven, I wanted to ask a question on the women in combat now that former Secretary Panetta and General Dempsey announced the end of the direct ground combat exclusion rule for female servicemembers. I know that you've publicly highlighted the contributions that women have made to our special operations missions, including the cultural support teams, the military information support teams, the civil-military support elements, and other roles.

I understand, obviously, DOD's recent decision for women. This is going to open up thousands of new positions for women, and including many in special operations, too.

I wanted just to get your overall thoughts on how this is going to be carried out under SOCOM. How have women contributed to our special operations missions in recent years and then what additional contributions do you see that will be possible given this policy change, and how is SOCOM going to respond to this, and how will you address the need to maintain strict standards for assessment and selection for the male and female special operators, and will there be exceptions or waivers to keep any of the units all male? Just a series of thoughts.

Admiral MCRAVEN. Yes, ma'am. Thank you. First, as you mentioned, the women that have served in special operations have done an absolutely magnificent and heroic job. We have them with our cultural support teams and for the broader forum here, they are partnered with our Rangers and our SEALs and our Special Forces elements downrange. They go on target in very hostile environments and they have proven themselves again and again and again. Those are in small numbers, but have been very valuable.

The policy right now from the Secretary of Defense, we are required to provide him a brief on May 15 that will tell how we are going to implement the new policy. What it will require me to do is over the course of—well, I'm going to build the plan before May 15 to brief the Secretary on exactly how we're going to get there.

It will take us some time to do the assessments to determine whether or not we need to adjust the standards, whether we're going to do that, how they will fit into the training pipelines, the critical mass of female trainees and students we might need in order to create the appropriate pipelines with the various military operational specialties.

So we will go through all of that analyses here in the next year or so. Then if we find that there are areas where we just cannot meet the requirements without lowering the standards, without unduly affecting the cohesion of the small units, then we will come forward to the Secretary for an exception to policy.

Having said that, my going-in position is we are going to find a way to make this work. So my staff and I are working very closely with the Services. The Services all have equities in this in terms of the Special Operations Military Occupational Specialties (MOS) that we have. But I have an agreement with the Service Chiefs. I will be looking at those special operations-unique MOSs, so the Special Forces, the 18 series, the Green Berets, if you will, the Navy SEALs, the Rangers, et cetera. I'm going to have an opportunity to provide my input directly to the Service Chiefs.

Senator HAGAN. I think one of the key points was not to lower the standards. So when you said assess the standards, I don't think anybody's saying lower the standards.

Admiral MCRAVEN. No, ma'am, absolutely not. In fact, I was asked at a press conference a couple of weeks back about the concept of the gender-neutral standards and I said, "we've never had gender standards because we haven't had to have other genders, so we have a standard. That is the standard." It's been a standard that we have had around for a very long time. It's an important standard. That doesn't mean we don't need to assess that standard to make sure that it is, in fact, appropriate.

But there is absolutely positively no intent to lower the standard. We want to provide the Nation the very finest SOF we can irrespective of gender.

Senator HAGAN. I think that's good, and I also think that so many of the women that I have talked to, they have been attached to a number of units, but they haven't been assigned, so they didn't get the credit for their career ladder. That certainly has harmed many individuals, women, and I think many of them saw the writing on the wall and then decided not to make this a continued career.

So I think this is really, it's a good step, and I think it's a very beneficial step for our military, too.

Admiral MCRAVEN. Yes, ma'am.

Senator HAGAN. General Mattis, I know that Senator McCaskill asked questions on sexual assault, but I wanted to follow up on one area, too. I know that some research that I have seen says that, from the Department of Veterans Affairs, suggests that about half of the women who deployed to Iraq or Afghanistan reported being sexually harassed and almost 25 percent say they were sexually assaulted.

I've been to Afghanistan three times, Iraq, Pakistan, traveled, and women do tend to talk to other women. I was really shocked at one of the forward operating bases (FOB) and some of the other

bases where—in an instance where individuals shared with me that they literally were concerned, not then but earlier, about the amount of fluid that they would drink in the afternoon because they found it dangerous to go to the latrine at night. When I think about an issue, how that would impact somebody who's fighting for our country, to be concerned about their safety, it makes you wonder. We have to take this seriously and do something about it.

So my question is, what's the current state of this problem within the CENTCOM AOR, what's specifically being done to address the issue of sexual assault while on deployment, and will the drawdown in Afghanistan present any unique challenges?

General MATTIS. Senator, I don't believe the drawdown will present unique challenges. The environment in the unit is the environment, whether they're in buildup, drawdown, combat, FOB. It really comes down to the alertness of the chain of command. It comes down to the command climate. It comes down to the commander's intent and his or her ability to articulate clearly what is acceptable behavior. The authority of commanders to deal with unacceptable behavior, thanks to the UCMJ that is given them by the U.S. Congress, is more than sufficient to maintain the discipline.

But I can assure you that we take this seriously. We took it seriously a long time ago. It's not new. I'm keenly aware of the disappointing statistics and some of the anecdotal word that we get, and we take that for action, is what I will tell you. Again, we have the authority to deal with people who think that it's an option. It's not an option to act like a jerk or in a criminal manner.

Senator HAGAN. Thank you.

Thank you, Mr. Chairman.

Once again, thanks to both of you for what you do for our country.

Senator KAINE [presiding]. Thank you, Senator.

Senator Graham.

Senator GRAHAM. Thank you, Mr. Chairman.

Thank you both.

General, what are you going to do when you retire?

General MATTIS. I have no idea right now, Senator, but it's going to be a lot of fun. [Laughter.]

Senator GRAHAM. I would hire you, but we don't have any money up here. Sorry about that. [Laughter.]

Regarding Syria. Do both of you agree or disagree with the statement that we should be arming at least a portion of the rebels in Syria to bring this thing to an end sooner rather than later?

General MATTIS. Senator, we as the military, I do not believe that I have the situational awareness to do it. If given the mission, could I do it? Absolutely.

Admiral MCRAVEN. Sir, we could absolutely do it. But again, I think it's, as General Mattis has mentioned a couple of times, a very confusing situation and I'm not sure we're in a position to do that right now.

Senator GRAHAM. So are you against arming the rebels or you just don't have enough information?

General MATTIS. In my case, Senator, they are being armed right now by——

Senator GRAHAM. But not by us.

General MATTIS. That's correct, yes, sir.

Senator GRAHAM. Do you have enough information to give us advice as to whether or not we should as Americans arm a portion of the rebels?

General MATTIS. It's a policy decision, sir. I think that if we know who the weapons are going to it's certainly an option that would complicate Assad's stay in power.

Senator GRAHAM. Okay. Iran. Do you believe that 2013 is a year of reckoning when it comes to Iran?

General MATTIS. Senator, every year I seem to have a year of reckoning. Again, I'm paid to be a sentinel for this country, so I consider 2013 a year of reckoning.

Senator GRAHAM. Now, when it comes to Iran you said that the sanctions you believe were not working in their ultimate goal of deterring them from acquiring a new capability. Is that correct?

General MATTIS. That's correct, sir. Their nuclear industry continues.

Senator GRAHAM. Now, what is the likelihood that they would work in the future, in your view?

General MATTIS. I believe this regime, knowing it can't win the affections of its own people, I think they are very concerned that the economic sanctions could turn the people against them, in which case I think they'd cost-benefit. They could be willing to give up even the nuclear effort to stay in power.

Senator GRAHAM. Do you think that's the most likely scenario if we continue sanctions?

General MATTIS. I think we have to continue sanctions, but have other options ready.

Senator GRAHAM. Do you believe that the Israelis would attack Iran if they believed they had reached a critical point in terms of nuclear capability?

General MATTIS. The Israelis have said so, Senator. I take them at their word.

Senator GRAHAM. If they did attack Iran, would they need our help militarily?

General MATTIS. They could conduct a strike without our help.

Senator GRAHAM. Would it be in our interest to help them, in your view?

General MATTIS. That would depend on what the objective of the strike is. Is it to stop them? Is it to delay them? How long do you want to delay them? Is there a broader effort?

Senator GRAHAM. If we had to use military force against the Iranian nuclear program, would you recommend a limited strike or should we go after their navy, their air force, and the Revolutionary Guard?

General MATTIS. Senator, I think that is advice that I owe confidentiality to the President on. But I could meet you separately and answer that question fully.

Senator GRAHAM. If the Iranians develop a nuclear capability, how certain are you that other nations in the region would acquire an equal capability?

General MATTIS. At least one other nation has told me they would do that. At a leadership level, they have assured me they would not stay without a nuclear weapon if Iran——

Senator GRAHAM. Was that a Sunni Arab state?

General MATTIS. Yes, sir.

Senator GRAHAM. So the likelihood of Sunni Arab states acquiring nuclear capability to counter the Shia Persians is great; would you not agree with that?

General MATTIS. I agree, and also other, non-Sunni Arab states in the general region.

Senator GRAHAM. Okay. Let's talk about the budget. Admiral McRaven, you say that your budget is being reduced by 23 percent when you look at the CR as well as sequestration. Over a 10-year window, if sequestration is fully implemented, what does it do to your command?

Admiral MCRAVEN. Sir, over a 10-year window it'll cut it by about $10 billion. Sequestration alone is $900 million, or thereabouts over a 10-year period.

Senator GRAHAM. What does that mean to your ability to help defend this Nation?

Admiral MCRAVEN. Sir, sequestration alone there is about a 10 percent cut to my budget. So I could get into eaches, but essentially you think about a 10 percent reduction in readiness and in capability.

Senator GRAHAM. Would we have a hollow force if we implemented sequestration?

Admiral MCRAVEN. Sir, I think I can manage—I'm confident I can manage the special operations community so that we would not have a hollow SOF as a result of sequestration alone.

Senator GRAHAM. Okay. What about you, General Mattis? What about the Marine Corps?

General MATTIS. I can't speak for the Marine Corps. I'm a little outside it right now, sir, since I run CENTCOM. I will tell you with sequestration, bottom line, we will do less with the military in the future. Our goal is to not do it less well, in other words keep the sense of purpose, keep them at the top of their game with training and good equipment. It would be a smaller force. We would do less with it.

Senator GRAHAM. When people like myself go around the country and say that if you implement sequestration the way it's designed, where two-thirds of the budget's not affected, only one-third, and 50 percent of that, of what's left, comes out of DOD on top of what we've done, and personnel is exempt, that we would be doing great damage to our national security. Am I overstating that?

Admiral MCRAVEN. No, sir, you are not overstating that. I would, if I can, continue on with the SOF side of this, because what is unappreciated sometimes is, while I will take about $900 million a year in cuts, I get a lot of my support from the Services. So for the Services the cuts that they take compound the problem of special operations support.

To clarify my earlier comments, I can manage the SOF, those that are badged special operations officers and NCOs. But I get a tremendous amount of my support from the various Services and that will absolutely affect the special operations capability of this Nation.

Senator GRAHAM. Am I correct in my statements to my constituents back home and my colleagues, that sequestration would do a lot of damage to our military, General Mattis?

General MATTIS. Yes, sir, it would.

Senator GRAHAM. Maybe we'll have a second round. Very quickly, at the end of the 2-year sequestration we'll be at 2.41 percent of gross domestic product (GDP) in terms of military spending. In 1940, we were at 1.6 percent of GDP. On September 11, we were at 3 percent of GDP. I just want the committee to understand we'll be at an incredibly low number. In 1962, 49 percent of spending was on the military, 30 percent on entitlements. Today, 61.9 percent of the Federal budget is spent on entitlements, 18.7 on the military. If we don't deal with entitlements, we're just going to become Greece. I think that's the challenge of Congress.

I have a couple of other questions, but I'll wait for a second round, if that's possible.

Senator KAINE. Thank you, Senator.

Senator Blumenthal.

Senator BLUMENTHAL. Thank you, Mr. Chairman.

Thank you both for your service to our Nation. We thank every member of the armed services who comes before us and many who do not when we encounter them. But you both really exemplify the strength and courage that we see from our military and your records of service, I think, are simply extraordinary. So a special thanks to each of you and to your staffs for the great work that you have done for our country.

I want to follow some of the questions that Senator Graham has been asking because I think the American people should be really deeply troubled that our SOF are going to be cut, not increased. After all, the President's strategy, his vision for the future of our military readiness, is for special operations to play a greater role and to be supported more, not less, in resources and budget. I personally feel that approach is critical to our Nation's security.

So my question, Admiral McRaven, is how do you make these kinds of cuts consistent with that approach that emphasizes special operations as the centerpiece, as the tip of the spear of our Nation's readiness going forward? I don't know how I can go back to the people of Connecticut and say everything's fine, but we're cutting special operations by 10 percent. So I put that question to you. I think it's a difficult question for us as elected officials and I'm hoping that now, and going into the future, you will have an answer.

Admiral MCRAVEN. Sir, make no mistake about it, the sequestration, and then on top of that the CR will have a dramatic impact on special operations now and into the future. The President and the Secretary of Defense charged me to manage the best force I can to provide combat-capable SOF forward to the combatant commanders. I will do absolutely the best I can to ensure that I am providing those forces forward.

However, having said that, as I said, we tend to have to mortgage a little bit of the future. So it will not be apparent, I don't think, to the combatant commanders or to the American people the effect that these cuts are having on special operations for several years as we begin to cut back on our flying programs, as we begin to cut back on our recruiting base, as we begin to cut back on some

of the modifications we're going to do on our helicopters, as we begin to cut back on the deployments. Before long, there is an effect, a global effect, frankly, with the reduction in capability of the SOF.

Now, I can't tell you when that line is going to come, when we're going to hit that mark where now the forces I'm deploying are not the quality forces that I think the American people expect. But make no mistake about it, as we move forward with these sequestration cuts and if the CR stays in effect, we will hit that line sooner than later.

Senator BLUMENTHAL. So we have some time—and I'm not going to ask you how much—but the sooner the better that we reverse these cuts so as to avoid the lasting damage to our national security.

Admiral MCRAVEN. Sir, the problems are current, so I don't want to lead you to believe that the cuts that were incurred now, or that we're accepting now, are not affecting the force now. They are. I've cut some of my deployments by about 20 percent in some cases, in some cases 60 percent of my deployments for some of my less forward units.

So it is having an effect now, but that effect will be magnified as we go forward into the future.

Senator BLUMENTHAL. Thank you.

Do either of you differ with the statement, which I happen to think is true, that Iran continues to be determined to develop a nuclear capability?

General MATTIS. Senator, they are enriching uranium beyond any plausible peaceful purpose.

Senator BLUMENTHAL. Do you also share that view, Admiral McRaven?

Admiral MCRAVEN. I do, sir.

Senator BLUMENTHAL. So whether there has been a slowdown, a pause, however the Intelligence Community may refer to it, that basic ambition is still there; you would agree with that?

General MATTIS. I would, sir. By their own public announcements, they've brought advanced centrifuges on line. They are refusing the International Atomic Energy Agency access to the Parchin site. They are continuing their program.

Senator BLUMENTHAL. Thank you.

I'm going to jump to another topic. I apologize that there seems to be little continuity between the subjects, but that's the nature of this questioning process, as I'm sure you know. On sexual assault, an area that has concerned me, as a prosecutor for a good part of my professional career, as well as now a member of this committee, one of the current weaknesses in our system of deterring as well as punishing sexual assault in the military seems to me the nature of the reporting of complaints, but also the prosecutorial decisions as to whether someone is held criminally responsible. In other words, the decision within the command structure is, in fact, within that command made by generally someone to whom both the complainant and the potential defendant report. That system is somewhat unique because of the nature of the military. There has to be a command structure.

I am posing to you the question whether if that decisionmaking function, whether to prosecute, whether to hold a predator criminally responsible, were taken away from the commander, whether that would severely undermine the capability of that commander to effectively command, whether it's at the regiment or whatever level the decision is made?

General MATTIS. It would severely undermine his command authority. Any time a commander is no longer responsible for some aspect of good order and discipline, you have set the ground work, perhaps for the best of reasons or best of intentions, to leave the commander in a more circumscribed situation, and that is not something that's good and something a force that's put together for the use of violent action. He must be seen, she must be seen, as the ultimate arbiter of good order and discipline in that unit, or you're solving—perhaps addressing one issue and creating a Pandora's Box of other issues that history will tell you will not work out well.

Would you agree, Admiral McRaven?

Admiral MCRAVEN. Sir, I would. Also, while I don't want to get too far astray from my expertise here, I will tell you that in cases where there are felony charges against an individual, those felony charges are generally resolved by a courts martial, as opposed to an individual commander. They're taken out of the commander's hands if there are felony charges in some cases, and in some cases, they're actually prosecuted in a civilian court.

So the characterization that a commanding officer at a battalion level can come to his own decision on a felony charge of rape, I think, is a mischaracterization of the UCMJ. Again, I will defer to the military lawyers who have that expertise, but in my many years of exercising the UCMJ I've found none. As General Mattis said, it is absolutely positively critical to maintaining good order and discipline in a unit.

Those cases that are beyond the commander's purview by law are referred to a professional lawyer, a judge, a military judge, and a courts martial, much like we have in the civilian system. So the earlier characterization of the UCMJ as an arbitrary decision by a commander to take care of one of his buddies, I think, is a mischaracterization of the UCMJ.

Senator BLUMENTHAL. Thank you.

My time has expired. I really want to thank you for your very helpful and forthright responses and again for your service. Thank you very much.

Senator KAINE. Thank you, Senator.

Senator Donnelly.

Senator DONNELLY. Thank you, Mr. Chairman.

To General Mattis and Admiral McRaven, thank you for your service to the Nation. To General Mattis, thank you so much for an extraordinary career devoted to the men and women of our Services and to our country. Thank you so very much.

General Mattis, in regards to Pakistan, what would you say is the state of where our relationship is right now compared to some of the peaks and valleys that we have had in the past and where we are at the present time, as you see it?

General MATTIS. Senator, we're on an improving trajectory. It's been improving for probably the last year, maybe 8 months, and we have some valid reasons, I think, to see it continue to improve into the near future as we try to get our two countries to find common ground wherever possible.

Senator DONNELLY. As we come home from Afghanistan, how do you see Pakistan's reaction in relationship to Afghanistan regarding that?

General MATTIS. In Pakistan, as well as Central Asia, Senator, there's a lot of concern about what's going to be there after the NATO forces come out. I think that the ANSF, which are performing better, will give a certain amount of credence to the idea that the success we've achieved to date is not transient. In fact, it can be sustained, and I think the more we can get the current trilateral effort of NATO, Afghanistan, and Pakistan to work together, the more we'll build confidence for the Afghans and Pakistanis to take control of that border region at a higher level than they've enjoyed before.

Senator DONNELLY. As a big part of this also as we move forward is the Afghan-Pakistan relationship. What is your best estimate of that relationship right now and where that seems to be heading?

General MATTIS. Sir, Pakistan has lost more troops in this fight than NATO combined. As they go through this fight in an area of their country where they have never had a lot of control, they're going to have to exercise a degree of control they have not exercised, been able to exercise always in the past. There are a number of areas where they're actually improving their control right now, but it is militarily the most difficult terrain I've ever operated in along that border region.

So this is not easy. The enemy is well dug in. They're hard to get at. But the Pakistan military is moving against them, and we'll just have to try and keep the collaboration along the border continuing on the trajectory it's on now if we're going to have success.

Senator DONNELLY. Are the Afghans and Pakistanis, are they cooperating more, or is it still a trust-but-verify type of relationship? Or both?

General MATTIS. Right. There's dissatisfaction that has been articulated by the Afghans about the havens on the Pakistan side of the border. Of course, there are some of these terrorists who use the Afghan side of the border to attack Pakistan. So they both recognize they have to work together. It's imperfect right now. There are concerns that I don't want to wish away or dismiss. But at least it's going in the right direction, and I think NATO is a big facilitator to why it's going in the right direction right now, getting Pakistan and Afghanistan officers to talk together, to work together.

Senator DONNELLY. There's a report this morning, and I know it is not in your particular area, but in some ways it may come back to that, that North Korea is again ratcheting up and has said that on March 11 they are looking at possible surgical strike actions. What do you see as the relationship between Iran and North Korea, and how much of the technology that Iran is developing is coming from that direction? Is that going to be a substantial force

for Iran's information in further developing what they have? That would be for either of you.

General MATTIS. It's a great question, Senator. I would like to get back to you with a more complete answer, but your instincts, your thoughts, are on target. There is a connection and the degree to which that connection provides real progress for Iran I cannot say in open session, but I will get back to you, Senator, with an unclassified response for the record.

[The information referred to follows:]

We have limited knowledge of North Korean assistance to Iran's nuclear efforts and remain concerned that Iran may leverage the relationship to further its program. Pyongyang has supplied weapons to Iran since the 1980s and is a source of missile technology and components. Reports that Iranian personnel attended the February 2013 nuclear test in North Korea and that North Korea and Iran agreed to an "exchange of science, technology, and education" at the September 2012 Non-Aligned Movement Summit in Tehran are troubling. Details of this agreement are unclear, but Iranian state media cited the establishment of joint laboratories, exchanges of Iranian and North Korean scientists, and technology transfers in the areas of energy and information technology. We remain closely linked with the Intelligence Community on the trajectory of Iran's nuclear endeavors and acknowledge that many details of this program are still unclear as the IAEA presses Tehran for answers and transparency. North Korea has already developed and tested nuclear weapons. As such, the country would be in a position to provide significant technological assistance to Iran, especially in the areas of weapons design and fabrication. A nuclear relationship between the countries would give Iran insight into nuclear weapons testing and may provide an external venue to test an Iranian weapon.

Senator DONNELLY. Thank you, General.

Admiral, one of the strongest parts of my State of Indiana's assistance to the U.S. Armed Forces is the Naval Surface Warfare Center Crane Division, located in Crane, IN. I know one of the areas they work on—and this is without getting into too much technical detail—is developing technology for SOF. I want you to know we consider that a privilege.

But then also, in terms of our SOF, is there going to be a continuing emphasis on the technical improvements as we move forward?

Admiral MCRAVEN. Sir, there absolutely will, and Crane, Indiana, is one of our key depots for supporting special operations, sir. I've visited Crane a number of times—magnificent DOD civilians there and contractors and military officers and enlisted people that are supporting our efforts. Sir, that will continue.

Senator DONNELLY. Thank you.

General, one of the areas in regards to the Syrian conflict that we hear is, what will happen if the rebels are successful to non-Muslim faith communities? Will there be a cleansing? Will there be a purging? I was just wondering if there have been any discussions in regards to those forces as to their intentions in that area?

General MATTIS. Sir, the kind of extremists we're most concerned about there are not the opposition, not the people that are trying to unseat Assad, and we understand where they're coming from and where they want to take their country, but these extremists who are taking advantage of the current situation and the Iranian-inspired and supported what I would call militias that they're going to have ready in the event Assad falls so they've still got some influence.

They have a pretty medieval philosophy and I would anticipate the worst from them. But they don't represent the opposition either.

Senator DONNELLY. Do you know if there are any plans being made by either ourselves or the rebels, who in some cases you see the rebels that these extremist groups are working right next door to them? Are the rebels aware of the potential of this danger?

General MATTIS. I believe in many cases they are and they're uncomfortable with those folks working next door to them. At the same time, they're locked in a pretty rough fight. I think they're willing to let bygones be bygones at this time in order to try to win this fight, and then deal with that issue once they've gotten rid of Assad. But of course, that always brings its own danger, Senator.

Senator DONNELLY. General Mattis, thank you again for everything you've done. Admiral McRaven, thank you again for your continued service.

Thank you, Mr. Chairman.

Senator KAINE. Thank you.

Senator Hirono.

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

I would like to join my colleagues in thanking General Mattis and Admiral McRaven for your service to our country, and also thank the men and women in your respective commands for the hard work that they do on behalf of all of us. Of course, General Mattis, with 41 years of service, my congratulations to you upon your retirement. My very best wishes go with you.

I know that some of my colleagues have focused on sexual assault prevention in the military, I share their concerns and I am looking forward to the Personnel Subcommittee's hearing that will focus on these issues. I won't go into that, but I just want to let you know that I share those concerns.

General Mattis, in your testimony you talked about the most serious strategic risk to the U.S. national security in the U.S. Central Command area of responsibility. One of these areas was, and you said, "Perhaps the greatest risk to U.S. interests in this area is the perceived lack of U.S. commitment, particularly with regard to what happens in Afghanistan, Middle East peace, Syria." Then you note that, "If we seek to influence events, we must listen to partner concerns and continue to demonstrate our support through tangible actions."

Can you give me examples of what you would define as "tangible actions" to make sure that people in this region understand we have a continuing commitment?

General MATTIS. Yes, ma'am. On the military side, I provide options to the President, and that manifests itself as U.S. Forces that work within the framework of U.S. foreign policy to reassure our friends and make certain our enemies know that we're there, we're going to stand by our friends and work with them. It involves bringing officers from various militaries overseas to our schools here in the United States so that we create relationships with them and create a degree of interoperability. It means that we have our special operations and conventional forces training alongside their forces. Nothing builds those personal relationships faster than probably the education and training effort.

It also means that we're going to be selling equipment, high technology American equipment, to countries that share our security interests as we make certain that we can operate alongside them and they'll be equipped with some of the best equipment in the world should we have to fight together. Taken together, that serves as a deterrent, so hopefully we never have to go into that fight.

But those would be some of the tangible things that we can do, ma'am.

Senator HIRONO. Obviously, we need to continue those efforts. It's a long-term kind of a relationship-building that we're going to need to engage in in this highly volatile, unstable area of the world.

General MATTIS. Absolutely, Senator.

Senator HIRONO. When Senator Hagel's confirmation hearing occurred, and now he is the Secretary of Defense, I asked him some questions about the rebalance to the Pacific. So that is not your command, but I'm just wondering, do you support the rebalance to the Pacific in light of the realities that we are facing in that area of the world?

General MATTIS. Senator Hirono, I completely support it. We do have three anchors in the Middle East. One of them is our friends and partners there that must not face the future alone without the reassurance that we're with them. Second is, of course, oil that fuels the global economy, a global economy that we're intimately connected to with the American economy. The third are the violent extremists that come out of this region threatening civilization everywhere, whether it be India or Indonesia, United Kingdom or North Africa. This is a problem that we all have to work with.

So we have three anchors that will keep us firmly committed in the Middle East. But I completely support the President's declared shift to the Pacific.

Senator HIRONO. Thank you.

Admiral McRaven, following our move out of Iraq and leaving Afghanistan also on the horizon, as you look forward, do you see the roles of our special operators changing or moving to a different primary mission, and what would be the factors that you would consider in making any kind of a change for our special operations program?

Admiral MCRAVEN. Thank you, Senator. As we draw down in Afghanistan, that will certainly provide me more capacity and SOF that I can then provide to the combatant commanders. You talk about the rebalancing to the Pacific. I was out with Admiral Locklear a little over a month ago. I had an opportunity to spend a fair amount of time in the Pacific. In my Navy SEAL career, I grew up in the Pacific, if you will. Ma'am, we have had, we the special operations community, have had wonderful relationships in the Pacific for many decades, from Korea down to Australia and every country in between.

So we very much value our relationship in the Pacific. I will tell you that I think as we look at special operations moving forward, we always need to maintain our ability to rescue Americans and to capture or eliminate the terrorist threats. So that kinetic, that direct action approach, is an important part of what we do in special operations.

But I would tell you, the current and future aspect of special operations that I think is equally, if not more, important is how we go about building our partners' capacity, how we allow them to deal with their own security problems. So part of the strategy of SOCOM, building off the DSG put in place in 2012 by Secretary Panetta, is the work with the combatant commanders, work with the Chiefs of Missions, work with the host nations, and figure out where can we apply our special operations resources to best help the nations that are inclined to help themselves and deal with these problems.

Senator HIRONO. I don't know if this is a setting in which you can mention some of those countries in which you are working very closely to enable them to enhance their own capacity to engage in special operations?

Admiral MCRAVEN. Yes, ma'am. One of the great success stories we've had is working with our Filipino partners. Of course, special operations and I can tell you in my time as a SEAL, we have been in the Philippines, as I said, for decades and had a great relationship with the Philippine Armed Forces. But really since September 11, as the Filipino Government aggressively went after the Abu Sayyaf and the Jemaah Islamiyah down in Basilan and Mindanao, they requested and we supported them in building their special operations capability and capacity.

I had an opportunity again in my trip out to U.S. Pacific Command a little over a month ago to visit Mindanao and Basilan, and I will tell you the success is remarkable, the degree of stability. The people see the Filipino Army as a credible, reliable, important partner. The Abu Sayyaf is maybe not completely gone, but they are on the ropes, and I give tremendous credit to the Government of the Philippines and our support to the Government of the Philippines in dealing with that problem.

But the Philippines is one example. We have been partnered with our South Korean brothers for a long time. I can go from South Korea to Singapore to Australia——

Senator HIRONO. Any country in the Middle East?

Admiral MCRAVEN. Just about every country in the Pacific, yes, ma'am.

Senator HIRONO. Any country in the CENTCOM?

Admiral MCRAVEN. Oh, yes, ma'am. We are partnered with General Mattis and most of our allies in CENTCOM as well.

Senator HIRONO. So, General Mattis, what he's doing very much is in line with our showing the continuing commitment that we have; that addresses your perception issue that you talked about?

General MATTIS. Yes, ma'am. As we draw down in Afghanistan, as we draw down on some of our forces—you saw that the *Harry S. Truman* battle group will not deploy right now—we just have to make certain that's not misinterpreted as a pullback, that we stay fully engaged. There's a number of ways to do so, not just military. That's the area that I am concerned with and Admiral McRaven's concerned with, but there's a number of ways to do it. Not all of them cost a lot of money, but it's critical that we do it.

Senator HIRONO. Thank you.

Thank you, Mr. Chairman.

Senator KAINE. Thank you, Senator Hirono.

Thank you for the testimony today and for your service, to each of you.

I had intended to make my questions heavily focused on budget, but I think you've done a very good job of covering sequestration and the CR effects. I went to the Pentagon yesterday on my way into town, to stop and visit with Secretary Hagel, Deputy Secretary Carter, and General Odierno. Then I went to the lunch room and talked to Active, Guard, Reserve, veterans, and DOD civilians and contractors who were there.

The message I came away with loud and clear is certainly something that you've underlined today, the need for us to provide some certainty so that you can do the best with the resources you have. I think the optimal situation would be for our national security strategy to drive our budget. A distant second would be for our budget strategy to drive our national security. But we're in the far distant third, which is budgetary indecision driving national security decisions, and that's very dangerous. I think your testimony encourages us to try to do some of our best work.

You are risk tolerators. You run the risk. The risk that you shouldn't have to tolerate is a wavering political commitment or political indecision in terms of providing you the backup that you need.

Let me just talk for a second about Iran. Good discussion today. One of the questions that I have is, as we are evaluating what are the right options for our country to make sure that Iran does not obtain nuclear capacity or nuclear weapons, one of the keys to that is the confidence level that we have about our own intelligence regarding Iranian activity. That intelligence is both our own, but also credible intelligence that we're able to receive from allies.

Without going into classified material, I'd be curious as to each of your confidence level in our intelligence surrounding the current status of Iranian activities regarding their nuclear plans.

General MATTIS. Senator, I'll just tell you that in 40-odd years in the U.S. military, I have never enjoyed the level of intelligence and the anticipation I'm able to achieve as I do today in this job. It is phenomenal and it allows me insights that I know that nobody else has in terms of outside the U.S. Government.

Senator KAINE. General, is that both the intelligence that we generate, but also the credible intelligence that we are able to share appropriately with allies?

General MATTIS. Absolutely, sir, and that they share with us, I might add, which is invaluable.

But I would also tell you that this program inside a closed country that's virtually a police state, its ability to conduct denial and deception operations means that I stay in a very watchful mode, as does our Intelligence Community. I think we have to assume that in some cases we would not know something, a decision made in a very small cohort of people, and perhaps other hidden sites like the one revealed by our President a couple years ago, Ford. I have to assume they have other hidden sites where certain activities could be going on.

So the decision itself and what's going on at those hidden sites, Senator Kaine, it could take a while for us to find something like that. It's just the normal give and take of the intelligence world.

Senator KAINE. Admiral McRaven, any additional comments on that?

Admiral MCRAVEN. Sir, nothing, but to add to what General Mattis said, as the SOCOM Commander, I see virtually everything General Mattis sees in terms of the intelligence products and I would echo his sentiments that the Intelligence Community both within the United States and the external communities that provide us that insight is truly incredible.

Senator KAINE. Admiral McRaven, we have such a SOF footprint in the Commonwealth. In Senator Levin's opening comments he referred to the work that you've done in stress on force studies and then recommendations to follow. I would just like you to talk a bit about that. What are some of the things that you're doing within SOF to deal with this uptempo operation, the effect upon our warriors and their families?

Admiral MCRAVEN. Thank you, Senator. I appreciate the question. My predecessor, Admiral Eric Olson, did a wonderful job of identifying the problem early on, and he put together a "Pressure On The Force" Task Force. We called it the POTF at the time. They went out and interviewed about 7,000 servicemembers, and about 1,000 spouses. They had 440 different meetings. It was about a 10-month assessment to determine the pressure on SOF.

About the time that I took command back in the summer of 2011, that report, just a couple of days after I took command, landed on my desk. It was very apparent that, as Admiral Olson had said, the force was frayed at the time. Candidly, in the last 18 months the force has continued to fray, and I'm committed to making sure that the force that I leave my successor and his successor is healthy and capable of doing the mission the Nation expects us to do.

As a result of that, I took the POTF and we've changed the name a little bit and the focus, and it is now the "Preservation of the Force and the Families" (POTFF) Task Force. We have spent time working with Capitol Hill, working with the Services who provide us a lot of our support, to make sure we have the right programs in place for not only our members, which we do pretty well, but also for their families. I have made a point of stating that the readiness of the member is directly related to the readiness of the family.

So there are a lot of programs out there that allow us to take good care of our members, but not such good care of our families in some areas. So we're working, again, with Capitol Hill and with OSD and others to figure out how can we find the appropriate programs where we can take care of our families so that, frankly, the servicemembers will be ready to do their job. Frankly, it is absolutely the right thing to do, to take care of those families that have been supporting this Nation along with their servicemembers for so very long.

I'm pleased we have a full-time task force that does nothing but work with my component commanders and their Service components to make sure that we're taking care of the tactical and the headquarters elements as well. It's pretty aggressive, but, as I said, I want to make sure the force is healthy for years to come, sir.

Senator KAINE. Thank you, Admiral. I appreciate hearing that status report.

One last question for you General Mattis, a big picture question to take advantage of your lengthy experience. When I was elected Lieutenant Governor of Virginia, we had a Virginia Guard, as all States did, that was a Reserve Force. Twelve years later, as I am now a junior Senator, we have a Virginia Guard that has had significant operational experience, scar tissue, training, wisdom, lives lost, folks injured in battle. But it's a very different kind of a Guard force than it was 10 or 11 years ago.

I'd like for you just to talk about in your experience since 2001 the changing nature of the Guard and how critical the Guard and Reserve have been to your activities in CENTCOM or, more broadly, other activities during the war on terror.

General MATTIS. Thanks, Senator Kaine. I appreciate the opportunity to recognize that here in a public hearing. They have been magnificent in serving as an operational and even strategic shock absorber for us so that we could conduct this war and not lose the All-Volunteer Force, which I think would have been the cost had we not had the ability to bring these ready forces full of patriots who look past any hot political rhetoric swirling around this war and answer their country's call, come in, and deploy, not once, not twice, but in many cases, multiple times.

I bring this up because we did have a contract with the Guard and Reserve that said you would come in to take some pressure off the others. They've become more of an operational force now, and we have to make sure we don't break that fundamental contract that allows them to be citizen-soldiers, in other words, continue with their civilian career and still give us the Reserve, the shock absorber we need. There comes a point where they're Reserve only in name; they are, in fact, becoming regulars.

I think we have to look at the kind of force we compose at this point and make sure we keep faith with the Reserves and the Guard, but at the same time not dismiss the very real capability they give this country when the call comes.

Senator KAINE. Thank you, General.

We'll have a second round of questions for 3 minutes. I'll go to Senator Graham.

Senator GRAHAM. Thank you both.

Afghanistan, General Mattis. The last card to play really is the residual force in 2014; do you agree with that?

General MATTIS. I do, sir.

Senator GRAHAM. We could have a very good outcome in Afghanistan if we play that card well. Do you agree with that?

General MATTIS. It will be critical to the good outcome.

Senator GRAHAM. Okay. 13,600 was the recommendation in terms of U.S. Force presence, 352,000 in terms of ANSF, and some NATO. That's the configuration, right?

General MATTIS. 13,600 was my personal recommendation, yes, sir.

Senator GRAHAM. The President, he's the Commander in Chief—we all respect that. My concern is that at the end here we're going to drop the ball and I don't want to do that. Let's say you announce 10,000 U.S. Forces, not 13,600, and you said publicly we will re-

duce that force 2,000 a year until we get down to 2,000 4 years later. What kind of effect would a statement like that have on our success or potential success in Afghanistan?

General MATTIS. Senator Graham, I think we have to send a message of commitment. We work with a lot of unpredictability, Senator, and if the ANSF continue to mature the way they have been and we hold them at that full strength into 2018, there may be more reductions we can take.

Senator GRAHAM. But you wouldn't announce on day 1 we're going to withdraw 2,000 a year no matter what?

General MATTIS. I think a military perspective, Senator, because of the unpredictable nature of war, we'd never reveal——

Senator GRAHAM. The enemy would look at the last number, not the first number.

General MATTIS. They will, yes, sir, that's fair.

Senator GRAHAM. Okay. One last thing, about Iran. We have two choices here: bring them to their senses, which is to stop developing a nuclear weapon capability; or bring them to their knees, so they can't develop a nuclear weapon capability. Aren't those our two options?

General MATTIS. Yes, sir.

Senator GRAHAM. As to the second option, do we have the capability to bring them to their knees?

General MATTIS. Absolutely, Senator. I would still say, on "bring them to their senses," between economic sanctions, diplomatic isolation, and encouragement of behavior, that does not cost them such a degree of political support that they end up losing power, there may yet be a way to bring them to their senses on a purely cost-benefit ratio.

Senator GRAHAM. I hope you're right. But if that doesn't work, the only option left is to bring them to their knees. Do you agree?

General MATTIS. Yes, sir. There are a number of means to do that, perhaps even short of open conflict. But certainly that's one of the options that I have to have prepared for the President.

Senator GRAHAM. Thank you.

Senator KAINE. Thank you, Senator Graham.

General Mattis, one more follow-up on this Guard and Reserve question. If they were a traditional Reserve and then we built the Guard and Reserve up to have this operational capacity and strategic shock absorber, as you indicate, and now we're wrestling with not wanting them to be frayed, you don't recommend that we take them back to the old Reserve model? There's training and expertise that we ought to now be taking advantage of, so some scale-back to not wear them out and maintain them is appropriate, but wouldn't you suggest that a future role for the Guard and Reserve going forward should try to take advantage of this operational and strategic shock absorber capacity that they've developed over the last 10 years?

General MATTIS. I believe it would be wise to, Senator Kaine. Also, I think that we have to in light of the situation we face fiscally in DOD right now.

Senator KAINE. Let me thank each of you very much. As you've noticed, people have been departing because there's a vote on right now. I'm going to depart stage right very promptly.

Thank you so much for your service and your testimony today. This hearing is adjourned.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR CARL LEVIN

RETROGRADE OF EQUIPMENT OUT OF AFGHANISTAN

1. Senator LEVIN. General Mattis, withdrawing millions of pieces of equipment from Afghanistan as our forces draw down will depend on our ability to ship equipment through the ground lines in Pakistan and along the Northern Distribution Network (NDN) through Central Asia. Do you see strategic advantages for regional stability in improving and expanding the transportation network between Afghanistan and Pakistan?

General MATTIS. Improvements and expansion of the existing transportation network between Afghanistan and Pakistan may yield greater regional stability. Expansion of the transportation network could facilitate greater capacity and efficiency of regional cross-border legal commerce, enable customs and cross-border processes and cooperation, and encourage expanded bilateral and multilateral trade agreements, resulting in increased economic cooperation. All of these factors could increase employment opportunities, reduce bureaucratic and political barriers, and lead to economic stability, a prerequisite for overall regional stability.

2. Senator LEVIN. General Mattis, do you see strategic advantages for regional stability in connecting historical transit routes in Central Asia with the growing economies of South Asia, along the same routes we would use for the withdrawal of U.S. equipment from Afghanistan?

General MATTIS. Yes. Connecting the transportation network between the Central Asian states and South Asia encourages multi-lateral trade and economic development. The enhanced transportation infrastructure links local vendors and manufacturers with expanded regional and global markets. Increased regional trade will cultivate economic and political partnerships and result in economic growth and stability. Flow of U.S. materiel along the NDN fosters greater cooperation between the Central and South Asian states and serves as a catalyst to improve overall cross-border commerce, customs processes, and cooperation.

QUESTIONS SUBMITTED BY SENATOR JACK REED

SPECIAL OPERATIONS FORCES IN AFGHANISTAN

3. Senator REED. General Mattis, from my understanding of your testimony, there is an ongoing process to define the appropriate operational procedures for U.S. Special Operations Forces (SOF) in Wardak Province, Afghanistan. As such, once those operational procedures have been developed and implemented, U.S. SOF will continue to operate in Wardak Province and throughout Afghanistan. As was also indicated in your testimony, you will inform the committee when this situation is adequately clarified. To be sure that I am absolutely clear with respect to this issue, SOF will be allowed to operate throughout the entire country of Afghanistan, including Wardak Province, particularly post-2014. The only item under consideration is the operational techniques those forces can use, ensuring they have the suitable operational flexibility to accomplish our mission, while respecting the sovereignty of Afghanistan and minimizing civilian casualties. Please inform me if this is incorrect?

General MATTIS. Decisions have not yet been made about a post-2014 U.S. military presence in Afghanistan. The President continues to consider a range of options for the size and structure of our post-2014 force. During post-2014 operations, we anticipate working by, with, and through our Afghan partners. The lead for security in Wardak Province is transitioning to Afghan National Security Forces (ANSF). The combat leadership shift from the International Security Assistance Force (ISAF) to the ANSF demonstrates that capability and resolve of the ANSF to secure their people and their nation.

4. Senator REED. General Mattis, do you anticipate any other areas, either now or in the future, that will become off-limits for our SOF?

General MATTIS. The transition to a Government of Islamic Republic of Afghanistan (GIRoA) and ANSF lead is progressing and is on track for completion by the end of 2014. As GIRoA increasingly exerts sovereignty, I anticipate there may be

additional areas that limit or constrain our forces. However, I have total confidence that General Dunford and his team will work with the GIRoA security ministries to execute the transition without degrading the security environment.

QUESTION SUBMITTED BY SENATOR BILL NELSON

INTELLIGENCE, SURVEILLANCE, AND RECONNAISSANCE AVAILABILITY

5. Senator NELSON. General Mattis, we continue to hear Joint Surveillance Target Attack Radar System (JSTARS) is doing very well supporting the troops in Southwest Asia. The platform is also in high demand by other combatant commands and is a proven performer in combat. As you assess your intelligence, surveillance, and reconnaissance (ISR) requirements and the various systems available to you for fulfilling these requirements, how critical is JSTARS? Specifically, could you perform the wide area surveillance mission without it?

General MATTIS. [Deleted.]

QUESTIONS SUBMITTED BY SENATOR CLAIRE MCCASKILL

INFRASTRUCTURE SPENDING AND COUNTERINSURGENCY

6. Senator MCCASKILL. General Mattis, we have been told that building infrastructure has been important to our counterinsurgency (COIN) strategy in Iraq and Afghanistan. However, no one from the Department of Defense (DOD) has been able to show me data supporting the argument that these multi-million dollars projects are having any positive impact on our COIN efforts. Some projects funded by the Afghanistan Infrastructure Fund (AIF) are unlikely to be finished prior to the end of 2014, which means we will still be building infrastructure in Afghanistan after most of our forces have come home. Furthermore, a report last year from the Special Inspector General for Afghanistan Reconstruction (SIGAR) raised the concern that some AIF projects might be counterproductive to our COIN objectives. It appears to me that COIN has been used to justify billions of dollars in infrastructure spending in Iraq and Afghanistan without any hard-nosed assessment as to whether or not it was doing any good. What metrics do you use to determine that the money we have spent on large-scale infrastructure projects in Afghanistan and Iraq have contributed to our COIN objectives in those countries?

General MATTIS. Each infrastructure project is specifically designed to contribute to a system of interdependent, internationally-funded projects which, as a whole, will raise the ability of all levels of the GIRoA to promote stability by providing essential services and increasing economic development efforts critical to our COIN strategy. Sustainable power, safe and passable roads, reliable irrigation systems, well-equipped schools, as well as modern medical facilities, all contribute to stability and provide the Afghan people with a hopeful alternative to an insurgency marked by violence and oppression. More than 100 new businesses have been created in Kandahar since the inception of the Kandahar Bridging Solution, and improved roads in Helmand enable farmers to get agricultural products to market before they spoil.

Each of the ongoing projects supports objectives of the GIRoA and directly contributes to campaign objectives. Until completed and functioning, metrics relating to ongoing projects to COIN objectives often remain abstract. Once completed, objective metric data measuring service delivery rates and outcomes will better articulate whether or not a project has achieved its full COIN objective.

Current ongoing projects will provide for reliable electrical power distribution to major population centers and improved water management to primary agricultural production areas. Enabling the GIRoA to improve such services is key to breaking the cycle of insurgency and bringing immediate COIN benefits. The COIN effects of AIF projects—which were not intended to be linked to U.S. Force levels—will continue well beyond 2014. The U.S. Army Corps of Engineers (USACE), our executing agent for large-scale infrastructure projects, has developed an oversight and management plan, based on successes in other countries, to ensure the completion of these strategic initiatives.

JOINT STRIKE FIGHTER

7. Senator MCCASKILL. General Mattis, the Navy is currently projecting a strike fighter shortfall due to continued delays in the Joint Strike Fighter (JSF) program. The Navy is attempting to mitigate this shortfall by extending the life of older air-

craft. However, we don't yet know whether this effort will be successful. Currently, the Navy has no plans to procure the F/A–18 Super Hornet beyond fiscal year 2014, which could result in the shut-down of the Super Hornet line before the JSF is ready to fly actual combat missions. As a combatant commander, you depend on the Services to fulfill your mission requirement needs, and I imagine carrier-launched strike fighter aircraft play an important role in the U.S. Central Command (CENTCOM) Area of Responsibility (AOR). So, the Navy's strike fighter shortfall becomes your strike fighter shortfall. As a commander, can you discuss how this shortfall and lack of reliability will affect CENTCOM's ability to conducts operations?

General MATTIS. Strike fighter aircraft play an important role in CENTCOM's ability to respond to emerging crises, provide for the defense of the Arabian Gulf, and to successfully accomplish a variety of contingency operations within the CENTCOM AOR. Our joint aviation posture includes a mix of shore-based and carrier-based fighter aircraft. The continued presence of strike fighter capability in the Gulf region is essential to support the articulated requirements of the combatant commander, as validated by the Joint Staff and approved by the Secretary of Defense. I remain confident the Services will continue to meet my operational requirements.

8. Senator MCCASKILL. General Mattis, have you raised this as a point of concern with the Navy?

General MATTIS. I maintain personal and professional relationships with all of the Service Chiefs, including Admiral Greenert in his capacity as the Chief of Naval Operations (CNO). He and I candidly discuss a range of service-specific issues to ensure his decisions are informed by the needs of the warfighters downrange in the CENTCOM AOR. I have not voiced any concerns specific to strike fighter procurement strategies with the Navy.

QUESTIONS SUBMITTED BY SENATOR JOE MANCHIN

AUTOMATED BIOMETRICS IDENTIFICATION SYSTEM

9. Senator MANCHIN. Admiral McRaven, the DOD repository for biometrics information is housed at the Automated Biometrics Identification System (ABIS) in Clarksburg, WV. This facility allows SOFs to access biometric information on terrorists and enemy combatants, particularly when no other means of identification is possible. I am a strong supporter of the work done at this facility. More than 6,000 terrorists have been captured or killed as a direct result of the real-time information provided by ABIS to SOFs working in harm's way. However, the funding for this work will run out on April 4, 2013. If the funding is allowed to expire, what would your assessment be on how SOFs will be impacted when this facility can no longer operate?

Admiral MCRAVEN. Failure by the DOD Executive Agent for Biometrics to adequately sustain ABIS will shut down SOF identity intelligence operations, eliminating a proven enabler of SOF core missions and negatively impacting force protection. U.S. Special Operations Command (SOCOM), along with multiple inter-agency and partner nation SOF users, depend on the DOD ABIS to search, match, and store biometric submissions (fingerprints, facial photos, iris scans) of non-U.S. persons of interest (POI). ABIS contains nearly 9 million biometric files that SOF query on a daily basis to positively identity POI. Additionally, ABIS is the DOD access point to query the FBI and the Department of Homeland Security biometric files, adding the power of another 225 million biometrics files to query. Connectivity to ABIS via the SOF web-based exploitation architecture enables positive identification of POI on tactical objectives during field operations within 15 minutes. Since September 1, 2006, SOCOM has processed over 330,000 biometric files through ABIS resulting in over 131,000 positive identifications, of which more than 24,000 were watch-listed or improvised explosive device (IED)-associated individuals. Each of these 24,000 POI represents a neutralized threat.

SPECIAL OPERATIONS FORCES "TRUTHS"

10. Senator MANCHIN. Admiral McRaven, SOCOM places a significant focus on human capital in the SOF "Truths." From my own experience as Governor of West Virginia, with a responsibility for National Guard SOF units, I witnessed firsthand the significance of these "Truths" for both overseas and domestic missions. What can we provide SOCOM to enhance and maintain capabilities, in both the Active and

Reserve components, so to provide the global SOF capability needed to execute the National Strategy and secure the Homeland?

Admiral MCRAVEN. Senator Manchin, thank you for your interest in assisting SOCOM. The continued migration of Overseas Contingency Operations to base funding is critical for SOF's continued engagement across the globe in support of the National Strategy and to secure our Homeland. Additionally, the continued authorization of funding flexibilities such as section 1208 and the Rapid Acquisition Authority will ensure critical resourcing support in short order to support current operations. I anticipate an increasing need for funding execution flexibility in the current global environment and SOF's continued efforts to build partnership capacity and conduct counterterrorism operations. SOF is asked to respond quickly to a broad spectrum of operations which require certainty of available resources for continued success.

AFGHANISTAN CONSTRUCTION PROJECTS

11. Senator MANCHIN. General Mattis, I want to highlight the fundamental problems we face when entering into large-scale nation-building projects, particularly in Afghanistan. A telling example is the Kajaki Dam project, in Helmand Province. The United States built the dam in the 1950s and later paid to install electrical generation units in the 1970s, only for it to fall into extreme disrepair. Since returning to Afghanistan, the United States has allocated $266 million to repair the Kajaki Dam, and more than 50 U.S. servicemembers have been killed in the effort to secure the site. However, the U.S. Agency for International Development (USAID) has decided to cede control of the installation of a large hydropower turbine, and $70 million to complete the project, to the Afghani National Electric-Power Company (DABS)—all of this after USAID had already paid two private contracting firms, one of them Chinese, to complete the job. So, this project, and many more like it, has come full-circle, with little gains to the Afghans and too much blood and money spent by the United States. I worry that the country is setting a dangerous precedent by entering into these sorts of projects, where the recipient nation does not have the resources to maintain the project—dooming it to ultimate failure until the United States intervenes again with aid money and support. In light of this, and as the United States begins its withdrawal from Afghanistan, how many reconstruction projects are still planned for this year, and for the following year?

General MATTIS. The AIF supports requirements that enable a successful handover of the projects intended to provide Afghanistan with sufficient power, water, and transportation infrastructure. For fiscal year 2013, we are executing three AIF projects, which focus on sustaining power, expanding power distribution, and improving water storage capacity. U.S. Forces-Afghanistan (USFOR–A) and the Department of State (DOS) reviewed the planned project list for fiscal year 2014 on April 24, 2013. There are currently seven potential AIF projects under consideration which focus on completion of critical transmission lines and substations, dam control systems, and transitional sustainment of infrastructure.

12. Senator MANCHIN. General Mattis, are there projections of what these costs will be and how will the United States be involved?

General MATTIS. For fiscal year 2013, Congress authorized and appropriated $325 million to execute three AIF projects. For fiscal year 2014, the total number of projects is still under review so a total for the request is not available yet, but it will be less than it was in fiscal year 2013. This funding will enable handover of AIF projects constructed during previous years.

13. Senator MANCHIN. General Mattis, what assurances does the United States have that these projects will be maintained?

General MATTIS. We work jointly with GIRoA and USAID to develop comprehensive sustainment plans associated with each of the infrastructure projects. Sustainment costs are developed based on DOD facilities pricing guidelines, including regional adjustment factors based on location. The sustainment information for each project is forwarded to the appropriate GIRoA ministry that will be responsible for the project once constructed, which they include in their annual budget submission. Multiple capacity building efforts are ongoing to ensure that GIRoA is capable of assuming responsibility for these projects. These efforts also include working with the Ministry of Finance to ensure operational and maintenance costs are accurately captured, as well as developing resourcing strategies consistent with GIRoA's budgeting process.

QUESTIONS SUBMITTED BY SENATOR JEANNE SHAHEEN

SUBMARINES

14. Senator SHAHEEN. Admiral McRaven, what capabilities will be lost from a SOF perspective when the *Ohio*-class SSGNs retire?

Admiral MCRAVEN. The SSGN provides a unique capability for SOF undersea clandestine insertion (UCI) in terms of its ability to host larger numbers of SOF operators for longer time periods, as well as its ability to have dual submersible launch and recovery capability. We are currently conducting an Analysis of Alternatives (AoA) to determine the most cost-effective means to replace this capability when the SSGNs retire in the 2020s. Among the alternatives being examined are the conversions of existing SSBNs if the future nuclear posture supports as well the development of SOF capability in the proposed Block V of the *Virginia*-class of submarines (*Virginia* Payload Module-VPM). In the meantime, we will operate from four fully capable *Virginia*-class submarines, designed to operate in the littoral regions and able to conduct the UCI mission.

15. Senator SHAHEEN. Admiral McRaven, how many of those would be addressed through the *Virginia* Payload Module (VPM) or other enhancements to the *Virginia*-class submarines?

Admiral MCRAVEN. The AoA study that we are presently conducting is designed to answer this question in a methodical way. However, we are very confident that the current state of UCI is very healthy. The four *Virginia*-class submarines designated for Naval Special Warfare are extraordinarily capable platforms with a superior ability to penetrate littoral regions compared to the SSGN. Whether the VPM adds sufficient capacity and endurance to the current *Virginia*-class, as well as dual submersible launch capability, will be evaluated by the AoA. Recommendations will be completed as part of the AoA later this year. The timing of the AoA study is just right to ensure a healthy UCI capability when the SSGNs retire in the 2020s.

16. Senator SHAHEEN. Admiral McRaven, are there any capabilities that would not be addressed?

Admiral MCRAVEN. No. The AoA will address all capabilities and the study will make a consolidated recommendation to exclude a particular capability.

17. Senator SHAHEEN. Admiral McRaven, you have mentioned previously that Navy consideration of an investment in the next generation Dry Deck Shelters (DDS) should be seriously considered in fiscal year 2013 to ensure seamless transition of this important platform. Can you update me on the status of that effort?

Admiral MCRAVEN. The next generation DDS is also being studied in the same AoA that is looking at the SSGN retirement. The AoA is scheduled for completion later this year. However, the Naval Sea Systems Command has recently completed a service life study of the DDS and determined that they can be kept in service an additional 20 years. Therefore, they will not go out of service until the 2040s. However, they are limited in their capacity, and we are also examining a modernization program that will allow the present DDS to deploy a Dry Combat Submersible (DCS).

CENTRAL COMMAND REQUIREMENTS

18. Senator SHAHEEN. General Mattis, what is your assessment of the Joint Land Attack Cruise Missile Defense Elevated Netted Sensor (JLENS) system?

General MATTIS. Persistent ISR systems such as JLENS, specifically designed for missile detection and tracking, would help to counter threats such as those posed to U.S. Forces in the Gulf. However, JLENS is not currently a program of record and is still in testing. If this system does become available for worldwide operational use, JLENS will offer persistent and multi-sensor capabilities optimized for point area defense. The fact that JLENS is tethered will prove a limitation requiring substantial planning and deconfliction to overcome the impact to air navigation, especially in nations who only grant the United States limited use of their airspace.

19. Senator SHAHEEN. General Mattis, does a requirement for persistent surveillance and integrated fire control still persist in the CENTCOM AOR?

General MATTIS. Yes. CENTCOM forces and coalition partners will have only minimal time to react to missile launches in the Arabian Gulf. Rapid identification, verification, geolocation, and kinetic targeting of such threats are a must (find-fix-finish).

20. Senator SHAHEEN. General Mattis, does a requirement for Terminal High Altitude Area Defense (THAAD) fire control and precision track information to the Ballistic Missile Defense System (BMDS) persist in the CENTCOM AOR?

General MATTIS. [Deleted.]

QUESTIONS SUBMITTED BY SENATOR JAMES M. INHOFE

STRATEGIC RISK IN DEFENSE STRATEGY

21. Senator INHOFE. General Mattis, DOD Guidance issued in January 2012 stated: "Our defense efforts in the Middle East will be aimed at countering violent extremists and destabilizing threats, as well as upholding our commitment to allies and partner states. Of particular concern are the proliferation of ballistic missiles and weapons of mass destruction (WMD). To support these objectives, the United States will continue to place a premium on U.S. and allied military presence in—and in support of—partner nations in and around this region." How would you assess the current status of these goals and where do you have concerns?

General MATTIS. Given the resources, and the constant pressure being brought to bear against these threats, we are making progress on our goals. We are working closely with our regional partners to develop their anti-ballistic missile capabilities, and we work to ensure we prevent the proliferation of WMD. By working by, with, and through our partners, we realize greater progress than by going it alone, and more importantly, we demonstrate our enduring commitment to regional stability.

22. Senator INHOFE. General Mattis, given the reduction of defense resources, how would you characterize the trends in risk to your missions in the region and in what specific areas are you assuming the most risk?

General MATTIS. I, and other senior defense leaders, have been clear and consistent in saying that resource reductions will have a significant impact on operations. We have also been clear in stating that supporting the ongoing operations in Afghanistan remains a high priority. But this focus on Afghanistan comes at a cost to readiness and our ability to respond to emerging contingencies. As resources continue to decline we will assume a greater risk in our ability to respond decisively to CENTCOM regional challenges such as Iranian aggression, instability in the Levant region, or a resurgent violent extremist organization's presence.

23. Senator INHOFE. General Mattis, aside from contingency operations, do you believe the number of U.S. Forces permanently stationed in CENTCOM is sufficient to meet U.S. national security objectives?

General MATTIS. CENTCOM has very few assigned permanent forces. We depend on the use of rotational allocated forces to meet operational demands and anticipate continuing this approach in the future.

To date, we are accepting increasingly greater risk to execute our assigned missions, and remain concerned about further reductions and the potential impacts they could have on key capabilities such as maritime force presence, ISR capabilities, Ballistic Missile Defense capabilities, and SOF in theater.

IRAN

24. Senator INHOFE. General Mattis, in your testimony you indicated that in your professional opinion, the current diplomatic and economic efforts to stop Iran from obtaining nuclear weapons capability were not working. If Iran obtains nuclear weapons, do you think that Syria would obtain that capability from Iran?

General MATTIS. No, I do not believe Iran would share a nuclear weapon capability with Syria. The financial and political cost of Iran's nuclear pursuit has been extreme, making it unlikely Iran would share a nuclear weapon with another state or sub-national group. This is especially true given the current chaotic situation unfolding in Syria. However, should this situation stabilize, with the Iran-friendly Assad regime (or similar) intact, Iran might eventually share dual-use nuclear fuel cycle technologies with Syrian counterparts.

25. Senator INHOFE. General Mattis, do you think countries like Saudi Arabia and Turkey would try to develop nuclear capabilities of their own?

General MATTIS. I believe other regional nations will pursue nuclear capabilities if Iran were to obtain a nuclear weapon; they have told us as much. This is part of why the international community's efforts to deter Iran's nuclear progress are so critical.

26. Senator INHOFE. General Mattis, are there any other countries you would expect to try to obtain nuclear capabilities?

General MATTIS. Yes, nearly every regional state would feel threatened by Iran's acquisition of a nuclear weapon, and desire capabilities to deter this new Iranian threat. Some states are not financially capable of embarking on a nuclear effort, but perhaps might consider alliances to share this cost.

27. Senator INHOFE. General Mattis, it is well known that Iran continues to provide the Assad regime with weapons and other tactical support, including the presence of Iran's Revolutionary Guard Corps personnel on the ground in Syria. What is your assessment of current Iranian support to the Assad regime and is it growing?

General MATTIS. Iran is focused on keeping the Assad regime in power in order to maintain the critical gateway to its regional surrogates and proxies. Politically, Iran has attempted to bolster Assad's hold on power through economic aid, by hosting conferences, and by calling for Muslim unity against Western aggression in Syria. Since the unrest began in early 2011, Iran has provided the Syrian regime with weapons, military counsel, and technical assistance. Iran's Islamic Revolutionary Guard Corps Qods Force and likely the Ministry of Intelligence and Security are the primary agencies facilitating the Iranian aid flow into Syria. Iran's Qods Force appears to head up Iran's support efforts, as evidenced by the multiple trips to Syria by Qods Force commander, Ghassem Soleimani, likely to provide advice and discuss aid to the Syrian regime. Iran has recently been training and equipping a Syrian militia called Jaysh al Sha'bi, which Iran could use as a lever of influence in a post-Assad regime scenario. More recently, Iran likely has been directly involved in operations against opposition forces.

28. Senator INHOFE. General Mattis, is Iraqi airspace still being used to transport weapons and other aid to Syria?

General MATTIS. Yes.

29. Senator INHOFE. General Mattis, are you aware of any systematic effort by the Iraqis to halt these shipments through their airspace?

General MATTIS. No.

30. Senator INHOFE. General Mattis, do you believe that Iraq tacitly allowing these shipments to transit their airspace should make the United States rethink our planned security assistance programs with Iraq and do you recommend altering that security assistance in any way?

General MATTIS. I believe this is a litmus test to gauge the competing influences between the United States and Iran on the Government of Iraq. We must consider the Iraqi domestic situation aggravated by the Syrian crisis, which has stressed the already tense Sunni-Shia rift among Iraqis. The Shia-majority central government moves closer to Iran because they fear a Sunni backlash that is emboldened by the anti-Assad militias. Our security cooperation activities provide us with leverage, but we must remain cognizant of our strategic aims in the region when considering any alteration. We must focus our leverage to reduce Iraqi internal fissures by pushing Prime Minister Maliki to the middle. A strategic pursuit of Iraq, as a strong U.S. regional ally, will counter Iranian influence in the region and must be considered when contending with the tactical problem of Iranian overflights.

31. Senator INHOFE. General Mattis, what is your biggest concern in addressing the Iranian conventional threat in the Gulf?

General MATTIS. Iran's military is capable of inflicting regional and global economic damage by impacting access to the Straight of Hormuz (SOH) and attacking neighboring energy infrastructure; one-fifth of the world's oil, 17.4 million barrels per day, transits the SOH daily. A well-armed Iran is capable of projecting power regionally, threatening its neighbors, and undermining U.S. influence in the region. Tehran's emboldened posture, likely driven by a perception of a hostile international economic environment and a belief U.S. power is declining in the region, has increased the risk to naval forces and maritime traffic throughout the Arabian Gulf and possibly the Gulf of Oman.

32. Senator INHOFE. General Mattis, it is well known that the Iranian Revolutionary Guard Corps is aggressively attempting to disrupt stability in the region through support of terrorist proxies such as Hezbollah. What is your strategy to counteract this threat and what are your key priorities to address the spread of Iranian malign influence in CENTCOM's AOR?

General MATTIS. We have seen a qualitative and quantitative increase in Iranian malign influence activities within our AOR and globally. Within the Iranian Revolutionary Guard Corps, the Qods Force (IRGC–QF) branch is Iran's primary foreign policy tool for exerting clandestine military, political, and economic power throughout the world. IRGC–QF conducts operations in support of Iranian foreign policy objectives which have two principal aims: limit U.S. influence within the region; and reduce U.S. military forward presence.

CENTCOM, in cooperation with the entire Intelligence Community, has greatly expanded efforts to both map and understand the IRGC–QF and its nefarious networks throughout the region in the past 2 years. With this increased understanding, we are now postured to better work alongside our regional partners to counter the IRGC–QF and its networks. In addition, we are working very closely with all of the combatant commands in order to eliminate any gaps, both intellectually and geographically, with respect to a coordinated deterrence effort against IRGC–QF.

CENTCOM is acting to reduce Iranian support to surrogates, proxies, and insurgents across the region. In order to accomplish this, we must make the region inhospitable to IRGC–QF illicit operations and activities through diplomatic, economic, and military engagement with our friends and partners across the region. We must also reduce IRGC–QF freedom of movement outside Iran, which includes Department of Treasury designations, DOS demarches, partnering with other nations, interagency and intergovernmental coordination, and maritime interdiction operations, as appropriate.

33. Senator INHOFE. General Mattis, how will the reduction of funding impact your ability to execute your strategy?

General MATTIS. Sound strategy requires a balance of ends, ways and means. Without an approved budget, I cannot accurately forecast the means available to support CENTCOM planning, although it is safe to assume I will have less than I had a year ago. A reduction in means will require an honest evaluation of our ability to meet prescribed National Strategy (ends) and will likely require a modification to how we execute our plans (ways). As I have stated in the past, we will fight with what means we have available, but realize that achieving our ends with less means execution will take longer and will be accomplished at greater risk.

GLOBAL COUNTERTERRORISM STRATEGY

34. Senator INHOFE. Admiral McRaven, we are seeing that al Qaeda and other terrorist groups are developing operational networks that are increasingly complex and global in nature and we can no longer go after terrorist groups in an ad-hoc, country-by-country basis if we hope to be successful. Do you believe that our current counterterrorism strategy has kept pace with the increasingly globalized nature of al Qaeda and affiliated terrorist networks?

Admiral MCRAVEN. In short, yes—from a DOD perspective, we have been able to keep pace with an evolving enemy, which requires adaptation and innovation on our part. DOD's current geographic combatant command construct of specific AORs presents several challenges when dealing with a globally-networked enemy. Gaps and seams are discovered that a savvy adversary can exploit, and our current counterterrorism strategy has morphed to mitigate those vulnerabilities. Part of the problem is that al Qaeda, its affiliates, and its adherents (AQAA) is more network than army, more a community of interest than a corporate structure. Our principal terrorist adversaries have regional affiliates—such as al Qaeda in the land of the Islamic Maghreb (AQIM), al Qaeda in East Africa (AQEA), and al Qaeda in the Arabian Peninsula (AQAP)—who collectively seek to further al Qaeda's goals and objectives, to include attacking the U.S. Homeland. Therefore, the United States and its partners must continue to develop and improve a network to defeat a network. This network must include a whole-of-government approach, with close interagency cooperation and partner nation assistance to ensure success. The battlefield is also no longer confined to geographic terrain. AQAA and other terrorist organizations effectively use tactical and strategic communications to push information and propaganda via social media. We must keep pace by making honest and accurate assessments of both ourselves and our adversaries to ensure that our strategies and tactics are having the desired effects, and make adjustments as required.

35. Senator INHOFE. Admiral McRaven, how are we measuring our effectiveness?

Admiral MCRAVEN.

Effectiveness of Global Campaign Plan for Counterterrorism:

SOCOM's Global Campaign Assessment for Counterterrorism (GCA–CT) measures progress toward achieving the end states contained in Department-level guidance. GCA–CT provides recommendations to improve strategy and execution in order to adapt to the changing counterterrorism environment. GCA–CT reports, issued quarterly, focus on U.S. and partner nation impacts on violent extremist organizations and the environments where those adversaries are present.

The GCA–CT is conducted through a provisional collaborative process that incorporates geographic combatant commands' regional assessments into SOCOM's global perspective assessment. In addition, the GCA–CT examines broader strategic issues derived from the National Strategy for Counterterrorism (NSCT) released in June 2011. GCA–CT output is the result of an objectives-based method which evaluates information derived from both quantitative and qualitative analysis of collated data. In detail, collected data of operational environmental conditions is analyzed to derive factual information about threat, friendly, and environmental (to include population) activities in the geographic combatant commands' AOR. The information is evaluated against criteria derived from the planning objectives and from NSCT overarching goals and focus areas counterterrorism objectives.

Effectiveness of SOF in Joint Operations, Interdependent with Other Forces, and the Interagency:

The Chairman's Comprehensive Joint Assessment (CJA) furnishes a detailed appraisal of SOCOM's integrated strategic assessment and our current and future mitigation efforts. SOCOM's response to the annual CJA provides a common informational baseline and strategic picture of SOCOM's ability to meet Title 10 and Unified Command Plan (UCP) responsibilities and support the National Military Strategy (NMS). Correspondingly, in 2012, SOCOM staff conducted a net assessment of how SOF is organized, trained, equipped, and postured to address future security challenges described by the DSG, in close collaboration with the geographic combatant commands. Throughout this assessment process, senior leadership focused on identifying areas of risk to mission, risk to force, and risk to force structure. That risk construct informed realistic force composition and posture recommendations that directly support geographic combatant command requirements and shape inputs to the CJA.

36. Senator INHOFE. Admiral McRaven, what must be done to develop a comprehensive, long-term counterterrorism strategy that spans regional boundaries?

Admiral MCRAVEN. The NSCT outlines the framework to address this challenge. It provides eight clearly stated goals, which, if achieved, can be viewed as a checklist for success when executing our counterterrorism strategy:

- Protect the American People, Homeland, and American Interests
- Disrupt, Degrade, Dismantle, and Defeat al Qaeda and its Affiliates and Adherents
- Prevent Terrorist Development, Acquisition, and Use of WMD
- Eliminate Safe Havens
- Build Enduring Counterterrorism Partnerships and Capabilities
- Degrade Links between al Qaeda and its Affiliates and Adherents
- Counter al Qaeda Ideology and its Resonance and Diminish the Specific Drivers of Violence that al Qaeda Exploits
- Deprive Terrorists of their Enabling Means

These objectives are as relevant and crucial to success today as they were in June 2011 when the NSCT was published. As mentioned previously, DOD's current geographic combatant command construct presents opportunities for an adversary to exploit gaps and seams between geographic regions. Terrorist organizations such as AQAA, Hezbollah, and Lashkar-e Tayyiba do not limit their activities to defined AOR. Furthermore, they have extensive facilitation networks and diaspora around the world to help them achieve their objectives.

AQAA (as our principal and most dangerous terrorist adversary) includes regional affiliates such as AQIM, AQEA, and AQAP. These groups conspire to further al Qaeda's goals and objectives, to include its goal of attacking the U.S. Homeland. In order to counter their lack of boundaries and the global nature of this network, our long-term strategy must minimize the gaps and seams our adversaries seek to exploit. This will require not only a whole-of-government approach, but also a multinational effort. For example, as the United States and its partners put pressure on AQIM in West Africa, it must also have synchronous pressure against the financial networks and safe havens in Europe and the Arabian Peninsula, pressure against drug financiers from Central and South America who support terrorist actions, and

degrade or deny cyber communications that support global messaging. Our strategy must go beyond the traditional diplomatic, intelligence, military, and law enforcement templates we've applied in the past. Our strategy requires a purpose-built network, and an integrated coalition of the willing and able to dismantle and defeat the adversary's network.

The strategy must effectively and persistently engage the more cerebral spectrums of cyber and human terrain. The adversary is a thinking, evolving, globally-networked entity, plugged into both the digital domain and the populace. AQAA and other terrorist organizations are very active in pushing their narratives and strategic communications in these arenas; we must be more skilled than our adversaries in doing so.

Perhaps most importantly, the strategy must be actively coordinated across all organizations engaged in the fight. We must guard against using a stove-piped approach across numerous departments and agencies and with our partners. We need to achieve buy-in and unity of effort from all U.S. Government organizations involved, as well as our partner nations, in order to present a unified and coordinated front to our adversaries.

SYRIA

37. Senator INHOFE. General Mattis, the ongoing decimation of Syria as a result of the Assad regime has the potential to destabilize the region. By June, Jordan is expected to have absorbed 600,000 refugees from Syria, which would be approximately 10 percent of its population. The Jordanian Government is already under severe economic stress with the threat of energy shortages this summer. Simultaneously it is at a fragile political situation as it attempts to form a government after parliamentary elections. The Jordanian Government has done a great job thus far responsibly caring for the influx of Syrian refugees while holding back the influence of Islamic extremists. What is CENTCOM doing to help support the Jordanian Government's efforts to protect its borders while caring for large numbers of Syrian refugees?

General MATTIS. [Deleted.]

38. Senator INHOFE. General Mattis, what can the United States do to increase that support and avert a crisis this summer that could threaten the stability of the Jordanian Government and its ability to hold back the spread of Islamist extremism?

General MATTIS. [Deleted.]

39. Senator INHOFE. General Mattis, do you support a negotiated settlement that would leave Assad in control of some portion of Syrian territory?

General MATTIS. [Deleted.]

40. Senator INHOFE. General Mattis, Syria has one of the largest stockpiles of chemical weapons in the world. Does CENTCOM have a plan or is developing a plan to address the security of chemical weapons in Syria in a scenario in which Assad falls and the regime loses control of Syrian chemical weapons?

General MATTIS. [Deleted.]

41. Senator INHOFE. General Mattis, what role do you see for the international community in the effort to secure chemical weapons in such a case?

General MATTIS. [Deleted.]

42. Senator INHOFE. General Mattis, do you anticipate that CENTCOM will have adequate resources to address that situation should it arise?

General MATTIS. We have been very careful to articulate force and resource requirements for the various planning scenarios envisioned by our national leaders to date. I am confident that we would not commit military forces towards a situation unless we are properly resourced in terms of authorities, equipment, or manpower required for the mission.

43. Senator INHOFE. General Mattis, what Federal and DOD agencies do you see as critical to formulating and executing a whole-of-government effort in this scenario?

General MATTIS. Under current authorities, the DOS would be the lead Federal agency and would coordinate with the United Nations for a mandate for U.S. military operations in Syria to secure designated chemical and biological weapons facili-

ties and stockpiles. Additionally, the DOS will coordinate with adjacent countries to inform them of our activities and, if desired, to garner their support and potential participation. Diplomatic action will also be important to secure any over-flight rights required for possible requests to transport these materials safely through or over another country's territory for proper disposal. If an evacuation is required due to civilian proximity to storage and disposal sites, the USAID might be requested to provide humanitarian assistance for displaced personnel.

Within DOD, the Defense Threat Reduction Agency would lead in the inspection, transportation and disposal of these materials. Additional defense assets would be required to provide security at storage facilities, along routes of transport and at disposal facilities.

44. Senator INHOFE. Admiral McRaven, what role do you foresee for SOCOM in planning, preparing for, and executing a plan to secure chemical weapons in Syria?

Admiral MCRAVEN.

- Planning:
  - SOCOM is a supporting command to CENTCOM for SOF-related planning with respect to the situation in Syria
    - As a supporting command, SOCOM provides SOF-unique planning assistance primarily through Special Operations Command Central, which is under the operational control of CENTCOM
- Preparing to execute a plan:
  - In its role as a SOF joint force provider, SOCOM trains, equips, and deploys SOF in support of requesting geographic combatant commands for employment
  - Commander of SOCOM accomplishes these tasks primarily through its assigned Service components and subordinate unified commands
  - As CENTCOM's planning continues to mature, SOCOM tactical units may receive planning tasks. Designated units would then refine training/preparation to address potential contingency mission requirements
- Execution:
  - Were an Execute order to be issued, Commander of SOCOM would deploy forces in accordance with that order in support of Commander of CENTCOM's operations

AFGHANISTAN

45. Senator INHOFE. General Mattis and Admiral McRaven, a primary concern is to not repeat the mistakes of Iraq and draw down too many forces too quickly and create a security vacuum in Afghanistan that will be exploited by al Qaeda and other terrorist groups. Developing and properly resourcing a strategy for U.S. support post-2014 is vital to ensuring Afghanistan does not revert to a breeding ground for terrorists determined to attack the American Homeland. In your professional military judgment, what should be the primary objectives of our strategy in Afghanistan post-2014 to accomplish our national security objectives?

General MATTIS. The purpose of our engagement in Afghanistan since 2001 has been to eliminate the safe haven from which al Qaeda planned and directed the September 11 attacks, and to prevent future safe havens in Afghanistan from which terrorists could once again threaten the U.S. Homeland. We have made significant progress disrupting, dismantling, and defeating al Qaeda. Securing our hard-fought gains over the long-term requires a sustained commitment beyond 2014. We, along with our NATO partners, are planning for a small enduring presence post-2014 to train, advise, and assist the ANSF. Our military mission will be limited to: (1) training, assisting, and advising Afghan forces so that they can maintain their own security; and (2) making sure we can continue to go after the remnants of al Qaeda or other affiliates that might threaten our Homeland. Ultimate success in Afghanistan will require a whole-of-government effort which supports economic and governance development.

Admiral MCRAVEN. We have two objectives of our strategy in Afghanistan: (1) denying al Qaeda and associated insurgent movements the opportunity to utilize Afghanistan to support terrorist activities that threaten the United States and our partners; and (2) preventing the Taliban from overthrowing the Afghan Government. I believe the United States should closely cooperate with the Afghan Government to achieve these objectives. In my mind, a crucial supporting pillar of that strategy should be to continue to build on the excellent work ISAF and our U.S. Forces have done in building the ANSF. As outlined in the Strategic Partnership

Agreement, DOD will continue to work with our Afghan partners to achieve a complete transition of security responsibility to the ANSF. 2014 will mark the completion of that transition but not the end to our commitment. We will continue to train, advice, and assist the ANSF and provide financial support to them in the post-2014 environment so that we not only maintain but build on the security and stability gains earned over the past 12 years.

46. Senator INHOFE. General Mattis and Admiral McRaven, do you believe that there is a point at which we draw down U.S. Forces so low that whatever force remains is unable to accomplish a viable strategy to prevent safe havens for terrorists and prevent a resurgence of the Taliban, while maintaining adequate force protection?

General MATTIS. There may be such a point. In conjunction with General Dunford, CENTCOM will constantly monitor our draw down to ensure that strategic momentum is not lost. As conditions on the ground warrant, we will adjust the force flow to provide the greatest chance of success. If significant changes are required, the CENTCOM commander will make that recommendation to the Chairman, the Secretary of Defense, and the President.

Admiral MCRAVEN. The Afghan security conditions and the willingness of the Afghan Government to achieve a stable and prosperous country will be the indicator of opportunities for the United States to draw additional forces from ISAF over time. The capability, proficiency, and leadership of the ANSF will enable the United States to conduct a safe retrograde, continue to pressure the al Qaeda networks, and enable the GIRoA to improve services to its people. The more capable the Afghan forces and its leadership prove over the course of time the quicker our forces can prudently depart the theater of war. The ISAF commander is in the best position to advise on what U.S. force management level is best for achieving a viable strategy to prevent safe havens for terrorists. SOCOM is prepared to support the level necessary to achieve those national objectives.

47. Senator INHOFE. General Mattis and Admiral McRaven, what will be the consequences, including your assessment of the resulting security situation, if we are unable to negotiate a Bilateral Security Agreement with Afghanistan that ensures our troops have immunity post-2014?

General MATTIS. The Bilateral Security Agreement is a prerequisite for our continued presence in Afghanistan as it provides the legal framework for our forces to conduct their mission. Without the assurances afforded in the agreement, we cannot remain in country and perform our security force assistance mission. Without such assistance, it is not clear whether the ANSF will reach their full potential.

Admiral MCRAVEN. In my opinion, exclusive U.S. jurisdiction over our forces and DOD civilian personnel, sometimes also referred to as immunity from host country jurisdiction, is an essential element of a Bilateral Security Agreement with Afghanistan. The President made this point clear in his press conference with President Karzai on January 11, and I wholly concur with the President's view.

If a Bilateral Security Agreement with Afghanistan cannot be concluded, then theoretically a presence of U.S. Forces might continue under our current Status of Forces Agreement with Afghanistan from 2003, which does not expire. However, it is also possible that either or both countries would consider that approach unacceptable, which would likely necessitate a complete withdrawal of U.S. Forces coincident with the end of the ISAF mandate on December 31, 2014. Similarly, if a Bilateral Security Agreement cannot be concluded, it is highly likely that NATO would not be able to conclude an agreement to support continuation of its presence and that of other coalition members in Afghanistan after 2014.

Such a complete withdrawal of U.S. and coalition forces on Afghanistan's security situation would be profound. The ANSF would no longer receive training, advice, or assistance from U.S. and coalition forces, which would have significant implications for sustaining the tactical and operational advantages of the ANSF over their enemies, for their leadership development, and perhaps even for their cohesion. The absence of coalition forces could cause deterioration in the sense of confidence Afghan citizens have about their country's security and its future. Others in the region could have similar doubts about Afghanistan's future.

Additionally, without a Bilateral Security Agreement, the United States would not be able to continue to conduct counterterrorism operations from within Afghanistan against targets al Qaeda and its affiliates, which are a threat to both Afghanistan and the United States. We would have to rely on other means to address this threat to ourselves, but our ability to mitigate the threat to Afghanistan would be greatly diminished.

48. Senator INHOFE. General Mattis, you have said that not supporting the ANSF will greatly limit our ability to prevent the return of terrorist safe havens and a Taliban resurgence that threatens the Afghan Government. If we drop down to only 5,000 to 6,000 troops, with 2,500 to 3,000 additional international troops in the post-2014 environment, do you have adequate force structure to both prevent terrorist safe havens and prevent a Taliban resurgence?

General MATTIS. In conjunction with General Dunford, CENTCOM will constantly monitor our draw down to ensure that strategic momentum is not lost. As conditions on the ground warrant, we will adjust the force flow to provide the greatest chance of success. If significant changes are required, the CENTCOM commander will make that recommendation to the Chairman, the Secretary of Defense, and the President.

49. Senator INHOFE. General Mattis, although you have recommended 13,600 U.S. troops, what is the minimum number you would need to prevent both terrorist safe havens and a Taliban resurgence if you have a coalition presence about half as big as what the United States provides?

General MATTIS. 13,600 U.S. troops is what the Commander, USFOR–A recommended to me to accomplish the post-2014 Afghanistan mission, as directed by the President, and I support that number. The coalition presence is half as big as what the United States provides, and this is what the 13,600 level assumes.

50. Senator INHOFE. General Mattis, with the transition to Afghan security leadership continuing, we need to have an effective process for managing detainee affairs. What specific provisions are being made regarding detainees; and during and after the transition, who is responsible for combatants detained by U.S. Forces on the battlefield?

General MATTIS. We have worked hand-in-hand with our Afghan counterparts to build a competent and sustainable Afghan detention regime. In March 2013, we completed the turnover and transfer ceremony of the Afghan National Detention Facility in Parwan with the GIRoA. The United States has retained control of selected facilities (such as the Theater Intelligence Group, Joint Legal Center, Special Housing Unit, Combined Joint Operations Center, COIN Office, Medical Services Center, Repair and Utility Center, and Classified Information Systems). Detainees captured on the battlefield are screened for intelligence value, given suitable medical care, and are transferred to GIRoA custody within 96 hours for prosecution or rehabilitation. We respect the sovereignty of GIRoA to successfully manage Afghan nationals captured on the battlefield in accordance with Afghan law.

51. Senator INHOFE. General Mattis, what safeguards will be in place to ensure these combatants are treated in accordance with U.S. and international law?

General MATTIS. The United States has received high marks from several international humanitarian rights organizations for its treatment of detainees. This same belief system and legacy of personal accountability has been ingrained in the Afghan National Army (ANA) guard forces that we have trained. While U.S. Forces remain in Afghanistan, we will do our best to maintain some form of oversight on the treatment of former U.S.-held Law-of-Armed-Conflict detainees.

52. Senator INHOFE. General Mattis, how will U.S. interests be protected in the process?

General MATTIS. The United States remains engaged with the GIRoA at all levels to make sure that our interests are protected. This is highlighted by the transfer of the Afghan National Detention Facility in Parwan and the signing of a Memorandum of Understanding (MOU) acknowledging both the sovereignty of the Afghan Government over its citizens while recognizing the United States' responsibility to ensure safe and humane treatment of its former detainees. Additionally, the United States will continue to advise and assist the Afghans as they conduct their detention operations and as they continue to build and operate a humane, competent, and sustainable Afghan detention regime.

53. Senator INHOFE. General Mattis, Vali Nasr worked for Ambassador Holbrooke at the DOS and has characterized U.S. strategy for engaging the Taliban as transitioning from "fight and talk" to "talk while leaving". Furthermore, he said that: "The precepts were how to make the conduct of this war politically safe for the administration rather than to solve the problem in a way that would protect America's long-run national security interests." How would you characterize the formulation of U.S. policy for Afghanistan?

General MATTIS. Like all policy, the U.S. policy for Afghanistan was developed through extensive consultation across the whole-of-government. I provided my best military advice and I concur with our strategic objectives.

54. Senator INHOFE. General Mattis, news reports indicate that it may cost as much as $5 billion to retrograde all of the approximately 750,000 pieces of equipment we currently have in Afghanistan. Are you considering the option of transferring it to another U.S. agency or another country?

General MATTIS. Yes. My staff has processed Letters of Request (LOR) for Excess Defense Articles (EDA) located in Afghanistan from 18 nations. The EDA process automatically includes offering equipment to other U.S. agencies, and involves the DOS, the Defense Security Cooperation Agency (DSCA), and Office of the Secretary of Defense (OSD). To date, the Services have not declared any EDA. Currently, DSCA, DOS, and OSD are reviewing all EDA LOR.

55. Senator INHOFE. General Mattis, are you considering destroying the equipment in place to avoid the movement cost and to prevent it from falling into the wrong hands?

General MATTIS. The individual Services (Army, Navy, Air Force, Marine Corps) must make this determination; even though located in Afghanistan, the equipment is owned and maintained by the Services. As equipment is no longer required in the AOR, the Services make the decisions to retrograde, redeploy, transfer, or sell to eligible nations in accordance with the law. There are processes in place to ensure material is properly screened and vetted for retention or disposal. As a last resort during instances when the return transportation and refurbishment combined costs outweigh the value of the equipment, the Services turn over the materiel to the Defense Logistics Agency (DLA) Disposition Services in Afghanistan to de-militarize the equipment and sell the resultant scrap.

56. Senator INHOFE. General Mattis, what will be the key strategic pieces needed to attract international partners to participate in the efforts to ensure Afghanistan security in the post-2014 environment?

General MATTIS. The key strategic pieces are the GIRoA's ability to demonstrate its legitimacy to the Afghan people. Primarily through its actions, namely, transparency of governance, lack of corruption, provision of governmental services, free and fair elections—specifically the presidential elections in 2014—and the peaceful transfer of power after elections.

BAHRAIN

57. Senator INHOFE. General Mattis, Bahrain as an important ally in the Gulf region has been affected in the past 3 years by DOS decisions to leverage Foreign Military Sales (FMS) for political reform in the Kingdom. In our cooperation with Bahrain, are we proceeding with the construction of ammunition bunkers in order to mitigate operational risk in the Gulf?

General MATTIS. Yes, construction of the ammunition bunkers is still a valid requirement and long-term solution for U.S. Navy, Army, and Marine Corps ammunition and Navy vertical launch system storage in the CENTCOM AOR. We are currently seeking host nation approval to authorize construction at Isa Air Base.

58. Senator INHOFE. General Mattis, are you concerned about our continued naval presence at Manama?

General MATTIS. The short answer is no. Bahrain is a strong partner in the Gulf, and our naval presence there accomplishes bilateral security objectives in addition to facilitating security goals with our other regional partners. Additionally, our naval presence in this part of the world provides stability and leadership in the protection of Gulf region shipping. Having been forced to reduce our presence already by one aircraft carrier, our ability to offer the security and protections that we provided over the last 11 plus years has already been impacted. Currently, we are working with our coalition partners to overcome this setback.

59. Senator INHOFE. General Mattis, do we have agreements in place for the use of Isa Air Base?

General MATTIS. Yes and no. There is currently a working Defense Cooperation Agreement (DCA) between our two countries that was signed in 1991 for our military forces to coordinate operations in Bahrain, including at Isa Air Base. However, the U.S. Navy Central Command, based in Manama, is in the process of negotiating

a non-binding arrangement for specific aspects of the DCA related to the use of Isa Air Base. The completion of this arrangement is being negatively impacted by the hold placed on delivery of certain FMS cases.

KUWAIT

60. Senator INHOFE. General Mattis, the removal of U.S. combat forces from Iraq has altered our posture in the region significantly. How important is it to you to maintain U.S. ground forces in Kuwait?

General MATTIS. Kuwait remains a steadfast partner of the United States in the CENTCOM AOR and it is critical to maintain sufficient force posture in Kuwait to position us for success in the future. Centrally located in a strategically vital position among Iraq, Iran, and Saudi Arabia, Kuwait is distinguished by well-developed air, sea, and ground lines of communication and would serve as an ideal platform to project power in support of contingency operations.

61. Senator INHOFE. General Mattis, what numbers and kinds of U.S. Forces do we need in Kuwait over the long-term?

General MATTIS. We have reached agreement with the Government of Kuwait to transition to a steady-state force presence in support of common regional security interests and have continued to coordinate with the Government of Kuwait to set this steady-state force presence at five designated bases. U.S. force provides an immediately responsive joint capability for crisis in the region; assures Kuwait of a continued U.S. commitment to a strong bilateral security relationship, supports regional deterrence efforts, and will focus on strengthening bilateral and multilateral training efforts to improve interoperability and partner security force training. The steady-state force presence is capped at 13,500 U.S. military personnel but adjusts to specific operational requirements, as needed. There is recognition that further adjustments will be required to adapt to a changing regional environment and missions, U.S. and Kuwait economic and policy decisions, and global demand for U.S. Forces. The steady-state force recently coordinated with the Government of Kuwait is about 12,231. Continual adjustments will be required but this is the approximate force required to support regional missions.

62. Senator INHOFE. General Mattis, do you anticipate a need to invest in new facilities for U.S. Forces in Kuwait, and if so, where?

General MATTIS. Kuwait continues to remain a close and supportive regional partner of the United States. Following the drawdown of U.S. Forces in Iraq, we have coordinated an enduring U.S. force presence located at five different locations in Kuwait to support response to emergent regional crises and the defense of Kuwait. We are currently discussing with the Kuwaitis' refinement of basing concepts to support both U.S. and Kuwait force presence and missions. We have select projects planned to upgrade and/or maintain our current capabilities and infrastructure at Camp Buehring, Camp Arifjan, and Ali Al Salem Air Base in support of bilateral efforts to develop a footprint to facilitate this presence.

CENTRAL COMMAND POSTURE

63. Senator INHOFE. General Mattis, you have said that CENTCOM military presence will continue to become "more maritime in character." What do you mean by "becoming more maritime in character"?

General MATTIS. Well before the conflicts in Afghanistan and Iraq, CENTCOM maintained a robust maritime presence in the CENTCOM AOR to promote freedom of navigation and free flow of commerce in and through the Arabian Gulf, the Gulf of Oman, the Gulf of Aden, and the Red Sea, including three of the world's most critical choke points. These maritime deployments are a visible sign of the United States' commitment to overall regional security, and they will continue in the aftermath of Operation Enduring Freedom. As forces draw down in Afghanistan and are redeployed to the continental United States (CONUS), there will be fewer air and ground forces available to exert U.S. power and influence. Fiscal constraints and agreements with our Gulf Cooperation Council partners may also place limits on the number of land and air forces we can base in the region, causing us to rely more and more on maritime forces which can project power throughout the region without violating a nation's territorial sovereignty.

64. Senator INHOFE. General Mattis, with sequestration already impacting carrier strike group presence, what risks do you assume if a large number of naval assets are only able to be on call from CONUS ports?

General MATTIS. Placing a large number of naval assets on prepare to deploy orders would limit our ability to respond to an emerging crisis, provide for the defense of the Arabian Gulf, or successfully accomplish other contingency operations. Extended response times required when staging from CONUS ports would also increase risk to our coalition partnerships and diplomatic missions. The continued presence of U.S. naval assets in the Gulf region is essential to support the articulated requirements of the combatant commander, as validated by the Joint Staff and approved by the Secretary of Defense.

QUESTIONS SUBMITTED BY SENATOR ROGER F. WICKER

GREEN ON BLUE ATTACKS

65. Senator WICKER. General Mattis, over the span of the Afghan conflict, there have been many instances of attacks by Afghan forces on U.S. and coalition personnel. As noted in a January 2013 Foreign Policy article, 52 coalition soldiers died as a result of 37 green on blue attacks in 2012. The same article goes on to note that, despite improvements, green on blue attacks continue to escalate, making CENTCOM's assessment that "continued shortfalls ... will allow some insider attacks to continue to occur" all the more ominous. Is the screening program for prospective Afghan military and police forces sufficient?

General MATTIS. I believe the screening program for prospective Afghan military and police forces is sufficient. During the last 6 months of 2012, the screening program biometrically enrolled more than 160,000 ANA personnel and conducted more than 44,000 background checks of Afghan National Police (ANP) personnel, resulting in the dismissal of 570 individuals due to insurgent ties. Additionally, ISAF boosted its counterintelligence capability in 2012 to respond to the insider threat. counterintelligence teams detected and neutralized 171 nefarious individuals, 7 of which were confirmed as insurgents. The teams have also conducted 5 significant operations in eastern and southern Afghanistan, identifying 36 persons of interest for further investigation. Finally, both the Afghan Ministers of Interior and Defense have acknowledged shortfalls in past vetting of ANSF recruits and are committed to work with ISAF to vet, deter, and hold Afghan commanders responsible for insider attacks.

66. Senator WICKER. General Mattis, are there additional capabilities that need to be made available to change the trend with regards to green on blue attacks?

General MATTIS. We continue to pursue the introduction of new capabilities to assist in countering the green on blue attack trend. For instance, the implementation of near real-time biometrics (NRTB) will enable the identification of potential persons of interest upon initial contact. NRTB will allow vetting stations to receive immediate feedback if the individual undergoing screening is a person of interest. NRTB will match individuals against more than 200,000 unresolved latent fingerprints collected from various crime scenes and IED incidents throughout Afghanistan. Matching enrollees to latent prints identifies individuals to known criminal acts, allowing immediate action rather than releasing the individuals before they return for a second interview. While there is no set deadline to implement NRTB, a pilot program has enabled three battalions in Regional Command-South with NRTB capabilities.

67. Senator WICKER. General Mattis, OSD's December 2012 "Report on Progress Towards Security and Stability in Afghanistan" notes some very positive accomplishments by the ANA in assuming the lead in COIN operations. However, a quote from the same report also says:

> "The capacity of the Afghan Government and the extension of effective governance and rule of law have been limited by multiple factors, including widespread corruption, limited human capacity, lack of access to rural areas due to a lack of security, a lack of coordination between the central government and the Afghan provinces and districts, and an uneven distribution of power among the judicial, legislative, and executive branches. Security, governance, and sustainable economic development are all necessary for a viable and stable Afghanistan."

Do you believe that improvements noted in the capabilities of the ANA are sustainable given the broader governmental issues noted in the December 2012 report?

General MATTIS. The improvements are sustainable, provided the GIRoA makes the changes the international community expects it to make. These changes are needed in order for the international community to continue to support GIRoA in the decade of transformation, because outside support is critical to sustainability. Those changes include transparency of governance, lack of corruption, provision of governmental services, free and fair elections—specifically the presidential elections in 2014—and the peaceful transfer of power after elections.

68. Senator WICKER. General Mattis, do you believe that the Afghan military is capable of maintaining stability and security long enough for local and national government entities to build the capacity to govern effectively?

General MATTIS. The ANSF is developing at a pace which will allow them to take the lead for security across Afghanistan by the first half of 2013, and have responsibility for all security by the end of December 2014, per the Lisbon Agreement. How long it will take for local and national government entities to build the capacity to govern effectively is really a function of Afghan leadership. However, the international support pledged at Chicago in 2012 provides Afghanistan years of time and space to demonstrate progress.

AFGHAN ARMORED VEHICLES

69. Senator WICKER. General Mattis, it has come to my attention that the Army plans to sign a sole-source contract for 135 additional Mobile Strike Force Vehicles (MSFV) for the ANSF. The cost per vehicle under this contract is estimated to be between $1 to $1.5 million for each vehicle. In our current fiscal situation, the sole-source procurement of new vehicles appears to be less cost-effective than the upgrade and transfer of hundreds of existing Mine-Resistant Ambush Protected (MRAP) vehicles already in Afghanistan. Has CENTCOM or ISAF considered the upgrade and transfer of the in-country MRAP vehicles to the Afghans?

General MATTIS. The Army has already procured 488 MSFV for the ANA. This is a second order. For the initial procurement, the Combined Security Transition Command-Afghanistan (CSTC–A) Security Assistance Office conducted the market research. Based on their findings, CSTC–A determined that the MRAP variants did not meet mission requirements relating to an enclosed turret with day/night sights per CSTC–A's original requirement. Since this requirement was an immediate discriminator, an additional, detailed cost analysis to upgrade MRAP vehicles was not conducted due to the urgency of the requirement.

In addition to the fully enclosed turret, the MSFV is distinguished from MRAP vehicles by armored protection around both the occupants and the major automotive components. Per CSTC–A's mission requirements analysis, the MSFV's level of protection provides true "combat vehicle survivability for both the occupants and automotive platform" versus the occupant-centric protection provided to MRAP vehicles where the engine and transmission are more vulnerable to damage. MSFV also have far greater mobility and terrain accessibility and have been proven to outperform MRAP vehicles off road.

70. Senator WICKER. General Mattis, please have CENTCOM provide a written justification for this sole-source contract for MSFV.

General MATTIS. CENTCOM, as a geographic combatant command, does not have procurement authority; this rests with the Services. The U.S. Army exercised their procurement authority in 2011 to award the sole-source contract for the MSFV to Textron Marine and Land Systems. Any justifications for the contract would need to come from the U.S. Army.

71. Senator WICKER. Admiral McRaven, as the ranking member of the Airland Subcommittee of the Senate Armed Services Committee, I am a strong supporter of SOCOM's Non-Standard Commercial Vehicle Program and your efforts to acquire the Special Operations Tactical Vehicle. Please provide this committee and my office with briefings on SOCOM's acquisition strategy for these two programs.

Admiral MCRAVEN. SOCOM possesses a Family of Special Operations Vehicles (FOSOV) that consists of Light, Medium, and Heavy tactical vehicles; a variant of each is currently employed in Afghanistan. In acquiring these platforms, SOF-peculiar modifications are applied to Service common or commercial off-the-shelf (COTS) vehicles and in those cases where Service common and COTS vehicles are not available, purpose-built military COTS products are procured. Specific details on the Ground Mobility Vehicle 1.1. is limited, as it is currently in source selection.

The Special Operations Legislative Affairs Office will follow up to provide the requested briefings.

SYRIA

72. Senator WICKER. General Mattis, last week, Secretary of State Kerry announced that the United States would supply $60 million in non-lethal aid to the Syrian opposition. As Secretary Kerry said, this money would primarily go to "strengthen the organizational capability of the Syrian Opposition Coalition." I understand that this is the first time the United States has given direct assistance to the Syrian opposition. This is an important first step, but it seems to me that it really won't have a decisive effect on the success or failure of the revolution. Given your understanding of the organization, capability, and sophistication of the Syrian opposition, do you believe that there would be value in providing assistance beyond the non-lethal aid announced last week?

General MATTIS. I continue to recommend special caution regarding provision of lethal aid to the very disparate and divisive Syrian opposition. Simply supporting rebel groups with materiel and training is fraught with risk, and harkens 1980s Afghanistan. As the regime cedes territory, myriad opposition groups will jockey and fight for control, particularly in Aleppo and Damascus. I could not guarantee these groups will avoid the same sort of atrocities the Assad regime has undertaken . . . opposition atrocities have already been alleged. Ethnic cleansing against minority groups will grow more likely once the regime retracts further. I strongly recommend a very clear vision for Syria and the desired end state there, for both us and our partners.

SEQUESTRATION AND THE CONTINUING RESOLUTION

73. Senator WICKER. Admiral McRaven, we've had the opportunity to discuss the impacts of the Continuing Resolution (CR) and sequestration with then Secretary of Defense Panetta and the Joint Chiefs. I am concerned about the significant impacts to readiness they detailed during our hearing 2 weeks ago, given the vital role that SOCOM and SOF have played during the wars in Iraq, Afghanistan, and elsewhere. What are your most significant concerns regarding the CR and sequestration with regards to SOCOM?

Admiral MCRAVEN. Sequestration and a year-long CR create a perfect storm for SOCOM. I would like to thank the committee for its efforts in mitigating the devastating effects of the latter. Sequestration alone, however, still creates current budget uncertainty. SOCOM has already reduced all non-essential travel and training, curtailed replenishment of non-mission critical supplies, implemented a hiring freeze for non-critical billets, and released non-critical temporary and term civilians. Sequestration results in a 7.8 percent reduction to the SOCOM fiscal year 2013 budget request, absorbed almost entirely during the last half of this fiscal year, currently estimated ~$750 million.

Lastly, but just as important, SOCOM receives critical support from the Services and we are already feeling the impact of sequestration with the reduction in flying hours, ISR, and CJCS exercises. This will negatively impact global operations and SOF efforts to build partnership capacity and current counterterrorism operations.

74. Senator WICKER. General Mattis, the Joint Chiefs expressed their concerns about the cutbacks required to meet the CR and sequestration leading to the hollowing out of our operational forces. As a primary end user of deployed forces, I'm sure this must be of great concern to you as well. I am concerned that the way things are going with regards to DOD budgeting, we will be forced to pick and choose which capabilities are most important to us right now and set them aside for funding while others are sacrificed. It seems to me that one of the capabilities we overlook until we need it is our ability to conduct forced-entry operations from the sea. To maintain this ability we need a robust Marine Corps and combat-survivable amphibious lift to get them to the fight and to sustain them once ashore. I am very concerned that one of the results of the CR and sequestration will be significant and irreversible damage to our ability to build survivable amphibious shipping. Do you agree with me on the importance of ensuring that the Navy and Marine Corps continue to be capable of conducting forced-entry operations?

General MATTIS. Our embarked troops and aviation assets provide me with the most flexible force in our inventory to pursue a variety of missions and respond to various likely contingencies within the CENTCOM AOR. These forces give me options across the range of military operations from building partner capacity, to hu-

manitarian assistance operations, to non-combatant evacuations, to rescues, to counter-piracy, to combat operations. A steady-state Amphibious Ready Group presence is at the top of my list of capabilities to be preserved during the impending period of resource constraints. Using the sea as maneuver space, these forces enable me to move our assets to a crisis or exercise area with minimal exposure to risk and without placing a large, visible footprint ashore in a sensitive region. It is imperative not only that we maintain the currently planned bare minimum amphibious ships in the Navy shipbuilding plan, but also that we maintain these high-value assets in a high state of readiness.

VETERANS BENEFITS FOR SPECIAL OPERATIONS FORCES

75. Senator WICKER. Admiral McRaven, Esquire Magazine recently ran an article detailing the difficulties that the Navy SEAL who shot Osama bin Laden is having after leaving Active Duty service. I believe this story, which is tragic in its own right, and is indicative of a greater problem with the system we have in place to take care of special operators when it is time for them to leave the military. It seems to me that, while we as a Nation owe a debt to all of our veterans, we have a unique obligation to our SOF. What are your thoughts on the specific case of the SEAL who shot Osama bin Laden?

Admiral MCRAVEN. All Active Duty members are volunteers who sign a contract with their respective military departments that addresses benefits and eligibility requirements for retirement. The SEAL cited in Esquire Magazine left the Navy before he was eligible for retirement benefits. Months ahead of his separation he was counseled on his status and provided with several options to continue his career to reach retirement eligibility. SOCOM, Naval Special Warfare Command, and the Navy were prepared to help this SEAL address both health and transition issues, as we would with other former members.

76. Senator WICKER. Admiral McRaven, what can be done to better his situation?

Admiral MCRAVEN. SOCOM is working on a number of initiatives that ensure our SOF remain the best trained, the best educated, and the most resilient force in the world. Highlighted below are two of these initiatives that would improve the situation of individuals who are faced with similar circumstances encountered by the SEAL from Esquire Magazine.

First, SOCOM is coordinating to expand educational opportunities for both officer and enlisted SOF members. This program will provide additional opportunities for SOF to attain advanced civilian degrees and to attend academic fellowships. Although this program was established to fulfill an operational requirement, the benefits for SOF operators will extend beyond their time in uniform.

Second, SOCOM has also established the Preservation of the Force and Families Task Force (POTFF) to improve the short- and long-term well-being of our SOF operators and their families. They are implementing comprehensive, multidisciplinary programs to enhance the physical, social, and psychological performance of all SOF personnel. These efforts will provide special operations personnel the skills to both perform their duties while in uniform and to be productive and healthy long after their service ends.

77. Senator WICKER. Admiral McRaven, what are your thoughts on how DOD and SOCOM can more properly reward our SOF for their service?

Admiral MCRAVEN. Currently, SOF operators are compensated through a variety of Special Duty Assignment Pays, Qualification Pays, Hazardous Duty Incentive Pays, Foreign Language Proficiency Bonuses, and Selective Reenlistment Bonuses. Many of these incentive pays and bonuses are unique to the SOF community. Additionally, SOF operators are eligible for Hostile Fire Pay, Imminent Danger Pay, and Combat Zone Tax Exclusion when serving in designated areas of operation.

SOCOM has also established the POTFF to improve the short- and long-term well-being of our SOF operators and their families. They are implementing comprehensive, multidisciplinary programs to enhance the physical, social, and psychological performance of all SOF personnel. The POTFF identifies and implements innovative solutions across five lines of effort to meet the SOF-peculiar needs of our forces: (1) human performance; (2) behavior health; (3) spiritual enhancement; (4) family programs; and (5) personnel operational tempo predictability.

78. Senator WICKER. Admiral McRaven, how can we as a Nation better prepare these men and women to enjoy the rewarding post-military lives they so richly deserve?

Admiral MCRAVEN. The Service Departments provide official transition assistance for SOF; however, SOCOM provides additional augmentation. For example, SOCOM supplements Service Department transition programs through seminars that cover topics such as job search skills, interviewing techniques, salary negotiation, State employment, and personal financial seminars.

BASIC UNDERWATER DEMOLITION/SEAL TRAINING

79. Senator WICKER. Admiral McRaven, Basic Underwater Demolition/SEAL (BUD/S) training is considered by many to be the most difficult military training in the world. Hell Week, from what I understand, is an incredibly grueling and injury-prone portion of BUD/S. What are the injury rates for BUD/S classes? Please break down the data by injuries that occur during Hell Week and those that occur during other phases of BUD/S training. Within the categories of injuries sustained during Hell Week and those sustained during other phases of BUD/S, please further break down the data by permanent injury (those that force the trainee to leave BUD/S or the Navy) and non-permanent injury (those that allow the trainee to remain in BUD/S).

Admiral MCRAVEN. The table below summarizes the answers; specific answers follow:

Injury Rates for BUD/S Classes (% of candidates that get injured)			
22%			
Rate of Injuries During Hell Week (of those injured, % occurring during HW)		Rate of Injuries During Other Phases of BUD/S (of those injured, % occurring outside of HW)	
26%		74%	
Rate of Injuries Resulting in Drop from BUD/S (of the HW injuries, % med drop)	Rate of Injuries can Continue in BUD/S (of the HW injuries, % can continue)	Rate of Injuries Resulting in Drop from BUD/S (of the outside HW injuries, % med drop)	Rate of Injuries Can Continue in BUD/S (of the outside HW injuries, % can continue)
5%	95%	18%	82%

79a. Senator WICKER. What are the injury rates for BUD/S classes?

Admiral MCRAVEN. During the most recent nine BUD/S classes, 22 percent of the candidates incurred injuries.

79b. Senator WICKER. Please break down the data by injuries that occur during Hell Week and those that occur during other phases of BUD/S training.

Admiral MCRAVEN. Of all the candidates that incurred injuries, 26 percent of those injuries occurred during Hell Week while the remaining 74 percent occurred during other phases of BUD/S training.

79c. Senator WICKER. Within the categories of injuries sustained during Hell Week and those sustained during other phases of BUD/S, please further break down the data by permanent injury (those that force the trainee to leave BUD/S or the Navy) and non-permanent injury (those that allow the trainee to remain in BUD/S).

Admiral MCRAVEN. Of the candidates injured during Hell Week, 5 percent where unable to continue BUD/S training due to the injury, the remaining 95 percent were able to continue training. Of the candidates injured during other phases of BUD/S training, 18 percent where unable to continue BUD/S training due to the injury, the remaining 82 percent were able to continue training.

QUESTIONS SUBMITTED BY SENATOR KELLY AYOTTE

SYRIA

80. Senator AYOTTE. General Mattis, what is CENTCOM doing to help support the Jordanian Government's efforts to protect its borders while caring for large numbers of Syrian refugees?

General MATTIS. CENTCOM is currently supporting the Government of Jordan and the Jordanian armed forces in a variety of ways to counter the growing crisis along their border and the continued influx of refugees from Syria. Since 2009, we have supported the Jordan Border Security Program, an initiative to secure the Jordan border with Syria and Iraq, which includes both active measures (i.e. cameras,

motion sensors) and passive measures (i.e. roads, berms, towers). Our support for this effort has included both design expertise and supplemental Foreign Military Financing (FMF) funds. We have also supplied critically needed body armor for the Jordanian border guards who are deployed along many parts of the border with Syria that experience inadvertent fire from Syria as well as clashes with militants attempting to enter Syria from Jordan. Additionally, CENTCOM counter WMD experts have supplied technical assistance and materiel to the Jordanian armed forces so they can respond to any WMD incidents and/or smuggling along the border.

Regarding refugee assistance in Jordan, CENTCOM is not the lead Federal agency to provide response so our authorities are somewhat limited compared to our support to the border security projects. However, we have been able to provide targeted and expeditious assistance through our Overseas Humanitarian, Disaster, and Civic Aid authority. These projects have directly impacted the lives of Syrian refugees arriving in Jordan at the border crossings (i.e. water tanks, latrines, winter shelters) and improved conditions at the refugee camps (i.e. medical equipment, tents, prefab shelters, gravel, generators).

81. Senator AYOTTE. General Mattis, what can the United States do to increase that support and avert a crisis this summer that could threaten the stability of the Jordanian Government and its ability to hold back the spread of Islamist extremism?

General MATTIS. Jordan is one of our best allies in the region and their continued stability and capacity to counter Islamic extremism is critical to both the region and to our national security interests. Jordan has upheld their international and moral obligations by providing refuge to well over 350,000 displaced Syrians fleeing the humanitarian crisis in Syria. In addition to the focused support we have provided to the refugee situation so far, we are also standing by should the Ambassador and/or DOS Bureau of Population, Refugees, and Migration determine a more robust CENTCOM response is appropriate. Should DOS make this determination and submit an Executive Secretary Memorandum to DOD, we will immediately respond, as requested. The Executive Secretary Memorandum will enable certain response authorities CENTCOM currently does not have, significantly improving our capacity to provide care and comfort to the refugee crisis and help to alleviate some of the immense pressure currently burdening the Government of Jordan. Additionally, our planners are working hand-in-hand with the Jordanian armed forces planners to ensure that our humanitarian response options to the crisis are completely in sync and complementary to Jordanian humanitarian plans in development.

82. Senator AYOTTE. General Mattis, what is your biggest concern in addressing the Iranian conventional threat in the Gulf?

General MATTIS. Iran's military is capable of inflicting regional and global economic damage by impacting access to the SOH and attacking neighboring energy infrastructure (one-fifth of the world's oil, 17.4 million barrels per day, transits the SOH daily). A well-armed Iran is capable of projecting power regionally, threatening its neighbors and undermining U.S. influence in the region. Tehran's emboldened posture, likely driven by a perception of a hostile international economic environment and a belief U.S. power is declining in the region, has increased the risk to naval forces and maritime traffic throughout the Arabian Gulf and possibly the Gulf of Oman.

83. Senator AYOTTE. General Mattis, could you please provide an update of Iran's capabilities as they apply to Iranian threats to close the SOH?

General MATTIS. Iran has a variety of weapons, including large inventories of cruise missiles, modern mines, small fast attack craft equipped with torpedoes and/or cruise missiles, and an expanding submarine fleet, all of which are capable of threatening naval assets, merchant vessels, and energy infrastructure. Iran's ballistic missile inventory is among the largest in the Middle East and includes increasingly accurate anti-ship ballistic missiles that could threaten U.S. aircraft carrier operations in the Arabian Gulf and Gulf of Oman. Iran could, with little warning, effectively and quickly mine the SOH. Iran's other options, short of closing the SOH, are similar to those used in the 1980s Tanker War, including mining key port facilities of Gulf Cooperation Council countries and inserting special forces via sea, air, or land to attack those facilities.

84. Senator AYOTTE. General Mattis, what is your assessment of current Iranian support to the Assad regime and is it growing?

General MATTIS. Iran is focused on keeping the Assad regime in power in order to maintain the critical gateway to its regional surrogates and proxies. Politically,

Iran has attempted to bolster Assad's hold on power through economic aid, by hosting conferences, and by calling for Muslim unity against Western aggression in Syria. Since the unrest began in early 2011, Iran has provided the Syrian regime with weapons, military counsel, and technical assistance. Iran's IRGC–QF and likely the Ministry of Intelligence and Security are the primary agencies facilitating the Iranian aid flow into Syria. Iran's Qods Force appears to head up Iran's support efforts, as evidenced by the multiple trips to Syria by Qods Force Commander, Ghassem Soleimani, likely to provide advice and discuss aid to the Syrian regime. Iran has recently been training and equipping a Syrian militia called Jaysh al Sha'bi, which Iran could use as a lever of influence in a post-Assad regime scenario. More recently, Iran likely has been directly involved in operations against opposition forces.

85. Senator AYOTTE. General Mattis, is Iraqi airspace still being used to transport weapons and other aid to Syria?

General MATTIS. Yes. Influence over Iraqi officials allows Iran to extend hard and soft power influence in key areas of Iraq. Iraqi airspace has been used to ferry lethal aid to Syria, uninhibited by perfunctory Iraqi inspections of aircraft.

86. Senator AYOTTE. General Mattis, are you aware of any effort by the Iraqis to halt these shipments through their airspace?

General MATTIS. No.

87. Senator AYOTTE. General Mattis, do you agree with General Austin that Al-Nusrah "is increasing in capability and influence" in Syria, and if so, why?

General MATTIS. I completely agree with General Austin. The al Qaeda in Iraq Syrian front organization, al-Nusrah Front, has achieved its current level of capability and influence because of two key variables. Nusrah has focused on outreach to the Syrian populace, tempering its vision of an Islamic state, and building an outreach program that includes basic humanitarian assistance. This has some Syrians looking to Nusrah as a viable alternative to the current Assad regime. This outreach is powerful when combined with the second key to Nusrah's success, the experience its fighters bring to the fight in Syria. This experience, gained largely in Iraq, includes not only tactics and strategies, but also logistics, organizational skills, and a discriminating use of violence. al-Nusrah Front strives to minimize civilian casualties and applies savvy propaganda when unwanted deaths occur, typically shifting the blame to regime forces or other Syrian opposition groups. For these reasons, I believe the al-Nusrah Front will remain capable and influential in Syria for the near-term.

AFGHANISTAN

88. Senator AYOTTE. General Mattis, what will happen in Afghanistan if the United States withdraws too quickly or leaves too few troops in Afghanistan after 2014?

General MATTIS. A hasty, premature withdrawal would make it more difficult to complete our task of getting the ANSF to a position where the Afghans could provide security with minimal international intervention and support. CENTCOM's task, in conjunction with ISAF's along with our international partners, is to ensure we maintain forward progress as we reduce our presence.

EGYPT

89. Senator AYOTTE. General Mattis, is it your understanding that the Morsi Government in Egypt has not yet sent their ambassador back to Israel since the Gaza conflict in November?

General MATTIS. Yes.

90. Senator AYOTTE. General Mattis, do you believe that it is important for the Egyptian Ambassador to return to Israel for the sake of regional peace and sustaining the peace between Egypt and Israel?

General MATTIS. While I believe the return of the Egyptian Ambassador to Israel would definitely contribute to sustaining the peace between Egypt and Israel, I don't think it is a necessity. Nonetheless, it is essential that we encourage President Morsi to send the Ambassador back to Israel to ensure a direct line for dialogue exists between the two countries.

However, the fact that President Morsi pursued a ceasefire rather than intensifying the conflict in Gaza is a sign of enduring interests with regard to sustaining the peace. Additionally, President Morsi has repeatedly said he would continue to honor the 1979 Peace Treaty with Israel and uphold all of its other international agreements, despite opposition from his Muslim Brotherhood backers.

Additionally, there appears to be an understanding that the peace process is one of the pillars of the stability of Egypt, Israel, and the region. Finally, the partnership between the Egyptian and Israeli military and foreign ministries, over border issues, terrorism, smuggling, and economic issues, shows a continuing commitment towards sustaining the peace between Egypt and Israel.

91. Senator AYOTTE. General Mattis, how does our foreign aid to Egypt protect our interests?

General MATTIS. Egypt has been a key regional partner for the United States since the signing of the 1979 Camp David Accords. They supported all subsequent U.S. military initiatives in the region and have been a critical mediator in Arab-Israeli and Palestinian-Israeli matters. They control the Suez Canal and have provided unprecedented access to their airspace for overflight and landing.

Our military-to-military relationship with Egyptian Armed Forces (EAF) is the foundation of our bilateral relationship and has been the continuity in a changing relationship. The EAF is the most respected institution in the country and has been a stabilizing force in an uncertain environment. The EAF played a positive role, bridging the gap when there was no government in charge after the revolution and ceding power once there was a democratically-elected government. The EAF has helped balance the decisions made by their new, inexperienced civilian leaders and have remained a neutral actor. The EAF is not the Muslim Brotherhood but supports the legitimately elected Muslim Brotherhood Government, staying on the sidelines and asserting they are the neutral protector of the nation and its vital infrastructure.

Our security assistance provides access to and influence with the EAF leadership which is critical to maintaining our state-to-state relationship in this turbulent time. The annual $1.3 billion in FMF we provide has enabled the EAF to modernize around Western, primarily U.S. weapons systems, such as the F–16 and M1 tanks. In addition, many analysts believe the reluctance of the EAF to brutally suppress demonstrations during the January 25, 2011, revolution was a direct result of the large number of mid-grade and senior Egyptian military officers trained at U.S. military facilities. So it is in our best interest to maintain a good relationship with Egypt and our best opportunity is through our historically strong military-to-military relationship. Decreasing or restricting their security assistance risks undermining the only stable institution in the country and could send the message of a loss in confidence with the EAF, which could have severe repercussions.

92. Senator AYOTTE. General Mattis, why should the United States sell F–16s to Egypt?

General MATTIS. Egypt is critical to the stability of CENTCOM's AOR and our continued support of the military, including sales of F–16 aircraft, is crucial to maintaining U.S. relevance within the country. The excellent military relationship we have with Egypt plays a central role in protecting our interests, to include ready access to Egyptian airspace and the Suez Canal, which are must-have requirements for operations in the central region. U.S. assistance to Egypt is crucial to military modernization and development of advanced capabilities which promotes the high level of trust that the military experiences within the country. As Egypt goes through the challenges of building a new democracy, their military will play a vital role in the success or failure of that endeavor. We must maintain our support and I fully endorse the continuation of our FMS and International Military Education and Training programs without condition. The Egyptian military has made it clear they value this bilateral relationship and we want to encourage their continued regard for the United States and their emulation of U.S. goals and values. To build influence and preserve U.S. credibility in this region, we have to deliver on the promises of American assistance for Egypt's ongoing transition. Delaying or canceling the delivery of these aircraft risks sending a message of a loss in confidence with the Egyptian military, which could have severe repercussions.

INVESTMENTS IN TECHNOLOGICAL ADVANCES

93. Senator AYOTTE. Admiral McRaven, I'm concerned that the budget environment will constrain SOCOM's ability to continue to invest in and develop techno-

logical advances for the future. Do you share this concern, and how do you see the role of private capital and COTS systems in helping you to continue to make progress in fulfilling your critical missions?

Admiral MCRAVEN. Fiscal constraints in the current budget environment do create concerns that must be met by focusing SOCOM investments that optimize SOF's agility, relevance, and responsiveness. SOCOM's research, development, testing, and engineering (RDT&E) budget is absolutely critical for providing SOF with cutting-edge systems and capabilities. SOCOM continues to anticipate and proactively manage and develop both near-term and mid- to far-term future force revolutionary, game-changing capabilities that allow SOF to maintain their comparative advantage for executing critical mission sets. SOCOM continues to leverage external capital opportunities with government, private industry, and academia through focused engagements on SOF specific priorities. When feasible, COTS systems are modified to meet SOF requirements. For example, commercial vehicles are bought and modified as part of SOCOM's Special Operations Research and Development Acquisition Center (SORDAC) Program Executive Office-SOF Warrior's FOSOV program. When it makes economic sense, SORDAC PEOs will continue to utilize COTS systems as a means to provide increased capabilities into Programs of Record.

94. Senator AYOTTE. Admiral McRaven, when evaluating the relative affordability of various platforms, does SOCOM take into account the effects of repetitive, high-impact shock on SEALS, for example, and the associated costs of shorter careers and increased health expenses?

Admiral MCRAVEN. SOCOM is very concerned with the effects of shock on the warfighter and has undergone several initiatives to account for the effects of repetitive, high-impact shock on both Special Warfare Combatant-Craft Crewman and SEALS.

Efforts are currently underway to capture the effects of shock on the operator which include the Combatant-Craft Crewmen Rapid Enhancing, Sustaining, and Tracking (CREST) project. CREST is a synergistic clinical and translational study investigating the impact of peak health and performance on the readiness of Navy Special Warfare (NSW) Combatant-Craft Crewmen high-speed boat operators. We have evaluated an Aft Lifting Body (ALB) which incorporated shock mitigation technologies on rigid inflatable boats to decrease shock on the operator. The CREST program and the ALB technology remain in development.

While studying and mitigating the effects of shock on the operator are important, we must also ensure we are investing in the physical capability of the individual operator to withstand the rigors of their trade. The NSW Tactical Athlete Program is a physical resiliency program that maximizes physical performance by providing the highest levels of musculoskeletal care and physical training. This properly prepares our operators for the crucibles that they operate within, as well as reduce injuries and subsequent recovery times.

Additionally, as SOCOM develops the technical specification for new combatant craft systems, we are including specific requirements that address reduced shock on the operator and incorporate lessons learned.

SOCOM is committed to understanding the impact of shock on the operator and recognizes shock mitigation as a critical enduring requirement consistent with preservation of the force.

95. Senator AYOTTE. Admiral McRaven, are you aware of the small company, Juliet Marine, that has made some dramatic advances in small high-speed/stable boat design and propulsion? Juliet Marine's GHOST craft is a small waterplane area twin hull design that incorporates high performance gas turbine engines and a propulsion and control system that operates at very high speeds (50+ knots), long ranges (900+ nautical miles), and with great stability. It is an existing capability that might be very useful to SOCOM.

Admiral MCRAVEN. Yes, I am aware of the company from New Hampshire. SOCOM remains in contact with the Office of Naval Research and the Navy, who are more directly involved with the progress of this vessel. SOCOM continues to stay engaged with industry and the other Services as technology matures through multiple forums. SOCOM will always have the need for innovative ideas to meet current and future maritime mobility missions.

ACQUISITION

96. Senator AYOTTE. General Mattis, how would you rate the ability of U.S. Forces to address the anti-access/area denial threats in your AOR?

General MATTIS. The anti-access/area denial threats in the CENTCOM AOR are real and numerous. Mines, coastal defense cruise missiles, small boats armed with torpedoes and cruise missiles, and submarines are among the more prevalent threats that can be unleashed in the midst of conflict. U.S. contingency plans take these threats into account and our military forces stand ready to detect and immediately respond to actions that threaten the free flow of commerce through strategic chokepoints throughout the region. This is not a Navy-only challenge, and requires a joint and combined solution.

97. Senator AYOTTE. General Mattis, what do you see as the most significant deficiencies?

General MATTIS. The most significant deficiency for dealing with regional anti-access and area denial threats lies with our maritime mine clearance capacity and capability. Finding, fixing, and neutralizing maritime mines is a long process which can only begin once local air and maritime superiority have been attained. Additional mine counter-measure ships, technological innovation, and coalition partners can all contribute to the mitigation of this threat, but it will still be a long operation that is likely to disrupt commerce and transport through the region for some time.

98. Senator AYOTTE. General Mattis, how important do you think it is to get cutting edge capabilities into the hands of operators so that they can help to inform future development, come up with new ways of operating, and stay ahead of the enemy?

General MATTIS. The operational requirement is central to understanding our technical capability gaps which underpin much of what we do in the headquarters. What we learn is used as feedback to inform the RDT&E community to improve our capability. Our understanding only goes so far however, and early experience with a new capability has shown to be a better driver of making capability improvements. Our goal has always been to get technology into the hands of the warfighter as early as possible so they may experiment and adapt new and novel technologies to suit their specific operational needs. To that end, I minimalized barriers so as to enable operational experimentation with no potential loss of life, no mission failure, and no operational distraction.

99. Senator AYOTTE. General Mattis, does DOD have the right mechanisms in place to be able to facilitate this kind of interaction?

General MATTIS. Yes. DOD adapted peacetime acquisition and fielding processes to quick-turn promising technologies; enabling rapid development, fielding, and continued sustainment. The Services, in general, developed in-theater monitoring and mechanisms to absorb new capability, quickly integrate it into operations, and enhance feedback between warfighters and developers. However, these processes were rapidly established and in some cases, ad hoc in nature. We should take the lessons learned from over a decade of facing an adaptive and thinking adversary, to institutionalize those processes which will enable us to maintain technical battlespace superiority.

100. Senator AYOTTE. Admiral McRaven, what can the Services learn from SOCOM in terms of improving acquisition processes?

Admiral MCRAVEN. The fifth SOF Truth—"Most SOF operations require Services' support"—is as true in acquisition as it is in operations. The Services provide direct support for the acquisition of many of our platforms, including the AC/MC–130J, MH–60M, et cetera. The Services also provide the fully-trained acquisition/contracting/finance/logistics personnel that perform these activities for SOCOM.

SOCOM also benefits from having all title 10 authorities—funding, the requirements process, and acquisition—aligned under a single four-star commander. SOCOM acquisition processes follow all of the same laws, policies, and procedures as the rest of DOD. The size of our portfolio, which is less than 2 percent of the DOD budget and consisting of only one ACAT II and three ACAT III programs, allows us to streamline decision and reporting chains. In addition, SOCOM operators are highly trained and adaptable; this mature user may be able to take an 80 percent solution and make it 90 to 100 percent effective. The ability to tailor our requirements and acquisition processes, coupled with a mature user, enables our staff to make requirements and programmatic changes in a rapid manner, working hand-in-hand with all of the stakeholders.

These unique attributes of SOCOM acquisition mean that not all of our approaches are scalable to the Services. OSD and the Services have adopted SOCOM processes, where applicable. Specifically, the Joint Rapid Acquisition Cell acquisition

model was based on the SOCOM Combat Mission Needs Statement and Urgent Deployment Activity processes.

101. Senator AYOTTE. General Mattis, does CENTCOM still have a requirement for THAAD fire control and precision track information to the BMDS?
General MATTIS. [Deleted.]

102. Senator AYOTTE. General Mattis, does a requirement for persistent surveillance and integrated fire control still persist in the CENTCOM AOR?
General MATTIS. Yes. CENTCOM forces and coalition partners will have only minimal time to react to missile launches in the Arabian Gulf. Rapid identification, verification, geolocation, and kinetic targeting of such threats are a must (find-fix-finish).

103. Senator AYOTTE. General Mattis, what would the addition of a JLENS orbit add to CENTCOM's ability to address cruise missile and surface moving threats to the Fifth Fleet and missile defense assets in the region?
General MATTIS. Persistent ISR systems such as JLENS, specifically designed for missile detection and tracking, would help to counter threats such as those posed to U.S. Forces in the Gulf. However, JLENS is not currently a program of record and is still in testing. If this system does become available for worldwide operational use, JLENS will offer persistent and multi-sensor capabilities optimized for point area defense. The fact that JLENS is tethered will prove a limitation requiring substantial planning and de-confliction to overcome the impact to air navigation, especially in nations who only grant the United States limited use of their airspace.

QUESTIONS SUBMITTED BY SENATOR DAVID VITTER

CENTRAL COMMAND REQUIREMENTS

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General MATTIS. [Deleted.]

U.S. COUNTERTERRORISM AND INTELLIGENCE STRATEGY AND CAPABILITIES

107. Senator VITTER. Admiral McRaven, in the months leading up to the September 11, 2012, attacks on the U.S. compound in Benghazi, there were 13 viable threats and 2 bombings on that very compound, and increasing threats to and attacks on Libyan nationals hired to work security at American diplomatic posts in Tripoli and Benghazi, causing the consulate to request more security. Given the long list of non-classified warning signs leading up to September 11, 2012, what was the special operations/Intelligence Community focusing on if not emerging trends?
Admiral MCRAVEN. SOCOM intelligence monitors global emerging trends, developing crises, and opportunities for operational solutions for assigned missions. The preponderance of SOCOM headquarters analytical efforts are focused on support to special operations plans and future operations with special emphasis on Phase Zero Unconventional and Irregular Warfare analysis and/or assessments. Tactical intel-

ligence that is of immediate concern to the operator is generally the purview of the geographic combatant commander and their joint intelligence centers.

108. Senator VITTER. Admiral McRaven, in Libya, U.S. Government reports indicate that there was a large failure on the part of the guards hired to protect the U.S. embassy. To your knowledge, what actions are being taken within DOD and the Intelligence Community to ensure that the U.S. Government is effectively transferring and disseminating critical information, and to ensure those hired have adequate training that can be relied upon?

Admiral MCRAVEN. The Intelligence Community has an extensive network of secure and unsecure communication methods by which we share real-time data and assessments with U.S. and partner-nation analysts and decisionmakers. We remain confident in the ability to rapidly disseminate and share critical information such as threats to force protection.

Questions regarding standards and training for hired guards assigned to U.S. diplomatic facilities should be directed to the DOS.

109. Senator VITTER. Admiral McRaven, how reliable is the information we have on what is happening on the ground in the SOCOM AOR?

Admiral MCRAVEN. SOCOM's AOR is global in that we synchronize DOD planning for global operations against terrorist networks. Our average persistent presence includes personnel in approximately 78 countries at any given time.

The reliability of our information on any particular topic is dependent on myriad factors including, but not limited to, the quality and nature of the source (e.g. Signals Intelligence, Human Intelligence, Imagery Intelligence, et cetera), and whether there is corroborating data. We also consider contradictory reporting, the timeliness of the information, whether or not critical gaps in collection exist, and other factors such as regional stability and access to the area of interest.

110. Senator VITTER. Admiral McRaven, were there indicators to which SOCOM was aware which had they been given greater weight would have shown that the Libyan Government's response would be profoundly lacking prior to the night of September 11, 2012?

Admiral MCRAVEN. No. We are unaware of any pre-September 11, 2012, assessments or indicators concerning the Libyan Government's potential response in the event of an attack on our Benghazi facility.

111. Senator VITTER. Admiral McRaven, in Libya, large quantities of weapons have recently entered into free circulation where there is little or no government control over them. Is it within SOCOM's AOR to take actions or look into ways to mitigate Libya from once again becoming the arsenal of terrorism that it once was during the 1970s and 1980s?

Admiral MCRAVEN. If directed by the President of the United States or the Secretary of Defense, SOCOM can conduct counterterrorism missions worldwide. However, because Libya is in U.S. African Command's (AFRICOM) AOR, AFRICOM has primary responsibility to plan and conduct missions to mitigate any threats emanating from Libya. SOCOM's Theater Special Operations Command, Special Operations Command-Africa, is under operational control of AFRICOM, and directly supports AFRICOM directed missions. SOCOM has responsibility to synchronize counterterrorism planning and activities worldwide, which would include synchronization of planning by AFRICOM to mitigate terrorist threats in Libya. However, AFRICOM would retain mission control of any forces operating in its AOR.

QUESTION SUBMITTED BY SENATOR ROY BLUNT

BAHRAIN

112. Senator BLUNT. General Mattis, on March 6, 2012, you testified before this committee on the CENTCOM posture. You said, "The deep U.S.-Bahrain security relationship is the cornerstone for our collective security in the Gulf region," adding that "Bahrain provides key support for U.S. interests by hosting U.S. Navy's 5th Fleet and providing facilities for other U.S. Forces engaged in regional security." Can you please describe 1 year after your testimony how U.S.-Bahrain military cooperation continues to evolve and how the Defense Authorization Request for Fiscal Year 2014 will ensure that security relations with Bahrain remain strong?

General MATTIS. The Kingdom of Bahrain has a long history of cooperation with the United States and hosts the U.S. 5th Fleet and U.S. Naval Forces Central Com-

mand, CENTCOM's only permanent forward-based component. We have a significant strategic interest in Bahrain and have worked diligently with the DOS to influence political reform in Bahrain while maintaining a strong military-to-military relationship. Bahrain remains a staunch ally in the fight against terrorism and contributes significantly to the security of the region. Additionally, the Bahraini Ministry of Interior's Special Security Forces Company recently concluded their sixth and last deployment to Afghanistan, plus Bahrain hosted and participated in the International Mine Counter Mine Exercise in September.

The U.S.-Bahrain military-to-military relationship remains strong. Unfortunately, there are indications the 10 FMS items on policy hold will strain this relationship in the near future, especially since Bahrain already paid for several of the items with their own national funds. The Defense Authorization Request for Fiscal Year 2014 for Bahrain is in line with our common interests to maintain access, increase interoperability, and develop an integrated defense from Iran.

[Whereupon, at 12:32 p.m., the committee adjourned.]

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2014 AND THE FUTURE YEARS DEFENSE PROGRAM

THURSDAY, MARCH 7, 2013

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

U.S. AFRICA COMMAND AND U.S. TRANSPORTATION COMMAND

The committee met, pursuant to notice, at 9:34 a.m. in room SD–106, Dirksen Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Reed, Manchin, Blumenthal, Donnelly, King, Inhofe, McCain, Ayotte, Fischer, Graham, and Blunt.

Committee staff members present: Peter K. Levine, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Creighton Greene, professional staff member; Michael J. Kuiken, professional staff member; and Michael J. Noblet, professional staff member.

Minority staff members present: John A. Bonsell, minority staff director; Ambrose R. Hock, professional staff member; Anthony J. Lazarski, professional staff member; and Lucian L. Niemeyer, professional staff member.

Staff assistants present: Jennifer R. Knowles, Kathleen A. Kulenkampff, and Lauren M. Gillis.

Committee members' assistants present: Carolyn Chuhta, assistant to Senator Reed; Jeff Fatora, assistant to Senator Nelson; Mara Boggs, assistant to Senator Manchin; Marta McLellan Ross, assistant to Senator Donnelly; Nick Ikeda, assistant to Senator Hirono; Karen Courington, assistant to Senator Kaine; Christian Brose, assistant to Senator McCain; Lenwood Landrum, assistant to Senator Sessions; Todd Harmer, assistant to Senator Chambliss; Peter Schirtzinger, assistant to Senator Fischer; Craig Abele, assistant to Senator Graham; Joshua Hodges, assistant to Senator Vitter; and Charles Prosch, assistant to Senator Blunt.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Good morning, everybody. I want to welcome our witnesses, General William M. Fraser III, USAF, Commander of the U.S. Transportation Command (TRANSCOM), and General

Carter F. Ham, USA, Commander of U.S. Africa Command (AFRICOM), to testify this morning on the programs and the budget that's needed to meet the current and the future requirements within their respective commands. Please extend on behalf of our committee our gratitude to the men and women of your commands and their families for the many sacrifices that they've made on behalf of our Nation. Thanks to both of you for your long careers of leadership and service.

General Ham, this is likely to be your final posture hearing. So on behalf of the committee, let me say that we've enjoyed working with you in various positions. We wish you and your family all the best as you embark upon another adventure in your life. Your job as Commander of AFRICOM has been truly challenging, coordinating and conducting a major multinational effort, and in building relationships throughout the continent of Africa. You and your staff at AFRICOM are to be commended for your performance in this effort. We thank you, sir.

The multitude of security and military-related challenges across your area of responsibility (AOR) have been well-known to the committee since the inception of AFRICOM. The issues associated with postwar Libya, ongoing conflict in Somalia, evolving threats in Northwest Africa, Sudan's support to Iran and its proxies, and enduring regional conflicts in Central Africa continue and in some cases have gained momentum since the command was stood up.

Given the Department of Defense's (DOD) economy of force effort in the AFRICOM AOR, this committee has sought to provide AFRICOM greater flexibility and broader authorities to respond to the unique threats faced by your command, General Ham. We look forward to learning more about the challenges that you face today and how we could enhance your command's ability to conduct operations.

There are three areas I want to call out for special attention. First, the attack in Benghazi last September was a poignant and powerful reminder of our need and the public's expectation for a capability to respond in real time to crises around the world. This committee recently heard from the Secretary of Defense and from General Dempsey on the Department's response to the Benghazi attack. It is clear that AFRICOM continues to struggle to secure basing rights and access which would allow for such a response or allowing us to conduct day-to-day certain military operations with partners in the region. Moreover, AFRICOM has received less in the way of resources and support than other geographic commands, and this problem indeed may grow in a resource-constrained environment.

So we look forward to learning of the action that the Department has taken to ensure AFRICOM is equipped in the future to respond to or, more importantly, secure the intelligence to warn of such an impending attack.

Second, AFRICOM's efforts to combat the threat posed by al Qaeda, its associated forces, and other violent extremists have seen some success, but new challenges to sustaining progress seem to emerge daily. In Somalia, AFRICOM's investments are showing promise as the African Union forces continue to expand their territorial control and the nascent Somalia Government is provided ad-

ditional time and space to build its capacity and its capabilities. The committee looks forward to learning of Africa's plan to consider building a more traditional military-to-military relationship with the Somali military.

The military operations led by General Ham which helped bring about the fall of the Qadafi regime and the resulting outflow of small arms and other advanced munitions has drastically changed the security dynamics in North Africa. Over the past few months, al Qaeda in the Lands of the Islamic Maghreb (AQIM) has used its kidnapping ransoms to destabilize the nation of Mali and to threaten nations across the region.

While successful French military action enabled by intelligence and aerial refueling support from AFRICOM has forced AQIM out of the population centers in northern Mali, the threat of terrorism emanating from Northwest Africa remains potent and the region is likely to be a source of instability for years to come. That instability is complicated further by key smuggling routes that move drugs, weapons, terrorists, and money which finance terrorist and other transnational criminal activity around the world. This committee looks forward to hearing your views, General Ham, on this dynamic situation as well.

Lastly, Operation Observant Compass, AFRICOM's named operation to assist the multinational military effort to remove Joseph Kony and his top lieutenants from the battlefield, remains of great interest to this committee. This is something where Senator Inhofe has been particularly involved and taken a leadership role. This committee has sought to ensure that this mission is adequately resourced, with additional intelligence, surveillance, and reconnaissance (ISR) capabilities as well as flexible logistics authorities to better support the nontraditional composure of this operation.

General Ham, we look forward again to your assessment of those operations and a report of hopefully any progress that's been made during the last year.

General Fraser, we know that things have been busy for you as well ever since you assumed your command at TRANSCOM. TRANSCOM has played a critical role in supporting our war efforts in Iraq and Afghanistan. TRANSCOM now faces the daunting task of returning thousands upon thousands of items of equipment and containers of material as we withdraw our forces from Afghanistan.

Less well known, but no less important, has been TRANSCOM's role in supporting various humanitarian and relief efforts around the world. We applaud those efforts as well.

TRANSCOM is also facing threats to its infrastructure on a day-to-day basis. At TRANSCOM you communicate over the unclassified Internet with many private sector entities that are central to DOD's ability to support deployment operations in the transportation and the shipping industries, in particular. Much of the other critical communications and operations of DOD can be conducted over the classified DOD Internet service, which is not connected to the public Internet and therefore is much more protected against eavesdropping and disruption by computer network attacks.

You've been quoted in the press, General, as stating that TRANSCOM is the most attacked command in DOD, and we'd like

to hear today about what those challenges are and any progress that you've made in dealing with the problems.

TRANSCOM is facing many other challenges. The Ready Reserve Force, a group of cargo ships held in readiness by the Maritime Administration, is aging and will need to be modernized with newer ships over the next 10 years. Sealift support is critical to our capabilities. We have relied on sealift to deliver more than 90 percent of the cargo to Iraq and Afghanistan.

Another challenging area is the Civil Reserve Air Fleet (CRAF) program. I'm going to put my remarks about that program in the record.

Finally, this committee has sought to ensure that combatant commanders have what they need to succeed in their missions and we will continue to support the requirements of our warfighters in these conflicts. However, this year's posture hearings with our combatant commanders are being held under the specter of budget sequestration, which threatens to impose arbitrary cuts on our military forces unrelated to our national security requirements. As the committee heard last Tuesday, sequestration is already having an operational impact in the U.S. Central Command (CENTCOM) area, for instance.

So, General Ham and General Fraser, please address the impacts and the risks associated with sequestration and the expiration of the Continuing Resolution (CR), which is also looming, as it applies to your commands.

[The prepared statement of Senator Levin follows:]

PREPARED STATEMENT BY SENATOR CARL LEVIN

I want to welcome our witnesses, General William Frazer, Commander of U.S. Transportation Command (TRANSCOM) and General Carter Ham, Commander of U.S. Africa Command (AFRICOM) to testify this morning on the programs and budget needed to meet the current and future requirements within their respective commands.

Please extend, on behalf of the committee, our gratitude to the men and women of your commands and their families for the many sacrifices that they have made on behalf of our Nation. And thanks to both of you for your long careers of leadership and service.

General Ham—this is likely to be your final posture hearing. On behalf of the committee, let me say that we have enjoyed working with you in various positions, and we wish you and your family all the best as you embark upon another adventure in your life. Your job as Commander of AFRICOM has been truly challenging in conducting and coordinating a major multinational efforts and in building relationships throughout the continent. You and your staff at AFRICOM are to be commended for your performance in this effort.

The multitude of security and military-related challenges across your area of responsibility (AOR) have been well known to this committee since your command's inception. The issues associated with post-war Libya, ongoing conflict in Somalia, evolving threats in northwest Africa, Sudan's support to Iran and its proxies, and enduring regional conflicts in central Africa continue, and—in some cases—have gained momentum since that time. Given the Department of Defense's (DOD) economy of force effort in the AFRICOM AOR, this committee has sought to provide the AFRICOM greater flexibility and broader authorities to respond to the unique threats faced by your command. General Ham, we look forward to learning more about your challenges today and are prepared to further enhance your command's ability to conduct operations.

There are three areas I want to call out for special attention. First, the attack in Benghazi last September was a poignant and powerful reminder of our need—and the public's expectation—for a capability to respond in real-time to crises around the world. This committee recently heard from the Secretary of Defense and General Dempsey on the Department's response to that attack. It is clear that AFRICOM continues to struggle to secure basing rights and access allowing for such

a response, or allowing us to conduct day-to-day certain military operations with partners in the region. Moreover, AFRICOM has received less in the way of resources and support than other geographic commands, and this problem indeed may grow in a resource-constrained environment. We look forward to learning of the action the Department has taken to ensure AFRICOM is equipped in the future to respond or—more importantly—to secure the intelligence to warn of such an impending attack.

Second, AFRICOM's efforts to combat the threat posed by al Qaeda, its associated forces, and other violent extremists have seen some success, but new challenges to sustained progress emerge daily. In Somalia, AFRICOM's investments are showing promise as the African Union forces continue to expand its territorial control and the nascent Somali Government is provided additional time and space to build its capacity and capabilities. The committee looks forward to learning of AFRICOM's plan to consider building a more traditional military-to-military relationship with Somali military.

The military operations led by General Ham, which helped bring about the fall of the Qadhafi regime and the resulting outflow of small arms and other advanced munitions, has drastically changed the security dynamics in North Africa. Over the past few months, al Qaeda in the Lands of the Islamic Maghreb (AQIM) has used its kidnapping ransoms to destabilize the Nation of Mali and to threaten nations across the region. While successful French military action—enabled by intelligence and aerial refueling support from AFRICOM—has forced AQIM out of the population centers in northern Mali, the threat of terrorism emanating from Northwest Africa remains potent and the region is likely to be a source of instability for years to come. That instability is complicated further by key smuggling routes that move drugs, weapons, terrorists, and money, which finance terrorist and other transnational criminal activity around the world. General Ham, this committee looks forward to hearing your views on this dynamic situation.

Lastly, Operation Observant Compass—AFRICOM's named operation to assist the multinational military effort to remove Joseph Kony and his top lieutenants from the battlefield remains of great interest to the committee. This committee has sought to ensure this mission is adequately resourced with additional intelligence, surveillance and reconnaissance capabilities, as well as flexible logistics authorities to better support the nontraditional composure of this operation. General Ham, we look forward to your assessment of these operations and a report on any progress during the past year.

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Another challenging area is the Civil Reserve Air Fleet (CRAF) program. DOD relies heavily on the CRAF program to provide wartime capability, depending upon CRAF to provide as much as 40 percent of wartime needs. TRANSCOM and DOD need to ensure that the CRAF participants can continue to provide that surge capacity in the future.

This committee has sought to ensure that our combatant commanders have what they need to succeed in their missions and will continue to support the requirements of our warfighters in these conflicts.

However, this year's posture hearings with the combatant commanders are being held under the specter of budget sequestration, which threatens to impose arbitrary cuts on our military forces unrelated to our national security requirements. As the committee heard on Tuesday, sequestration is having an operational impact in the CENTCOM area. General Ham and General Fraser, please address the impacts and risks associated with sequestration and the expiration of the Continuing Resolution as it applies to your commands.

Chairman LEVIN. Thank you.

STATEMENT OF SENATOR JAMES M. INHOFE

Senator INHOFE. Thank you, Mr. Chairman. I think your opening comments covered pretty much all of it and I do agree with your concerns.

I know, General Ham, it's hard for me to believe that it's been 2 years now that you've been at that helm. We talked about some of the problems that were coming up when you came on the job and some of those problems are still there. We'll have a chance to talk about that and I appreciate it.

General Fraser, thanks to both of you for your service.

Six weeks ago, back when we were talking about the sequestration, I made the comment that if it becomes inevitable, which I didn't think was the case at the time, several of us had legislation that would have changed that, including some individuals at this table. However, I said, in the event that it becomes a reality, and we have to live with the top line that has been dictated, wouldn't it be better if the decisions that were made to reach that were made by the Service Chiefs?

I spoke to all Service Chiefs and they all agreed. Number one, that that would be less devastating; and number two, that it would be something that they would have time to do and put it together. I think that's happened. We know that the House has a program that's primarily the CR. It doesn't really address sequestration quite as much.

I would like to get a response from you, if you think that's a good idea. Hopefully, that still might be a possibility, that we can get the expertise of the Service Chiefs making these decisions as opposed to the President with his formula of across-the-board.

The AFRICOM AOR has 54 countries and 12 million square miles. I felt pleased when we were able to establish AFRICOM as a separate command. However, I still believe it's under-resourced, and I've talked to you about that in the past. As the squeeze takes place in the Middle East, we have terrorism going down through Djibouti and the Horn of Africa. We know what's happening down there. It's not just in North Africa, it's spreading.

The chairman spoke about Joseph Kony, I know that's a tough thing to deal with. But this isn't just one madman who's mutilating kids. This is a part of a terrorist organization and it has to be treated that way. It's been tough, heavy lifting for you. So I know you've done a great job and I look forward to asking more specific questions.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Inhofe.

General Ham.

STATEMENT OF GEN CARTER F. HAM, USA, COMMANDER, U.S. AFRICA COMMAND

General HAM. Thank you very much, Mr. Chairman, Senator Inhofe, and members of the committee. Thank you especially for this opportunity to discuss the contributions of the women and men of AFRICOM. I'm honored to be here today with my friend and colleague, General Will Fraser, whose support has been so essential to our activities in Africa.

This year marks the fifth anniversary of the formation of AFRICOM. We've evolved considerably since 2008, driven in part by events on the ground and in part by our own rethinking about the mission. Our operational capabilities and capacities have markedly increased and our security cooperation engagements have matured both in focus and effectiveness.

Our approach seeks to address the near-term threats to our national security while simultaneously building partnerships and fostering regional cooperation which contribute to achieving longer-term U.S. objectives in Africa.

This past year has seen significant positive developments in Africa as well as some sobering reminders of the threats inherent in the continent's security challenges. Mr. Chairman, as you mentioned, in East Africa, Al-Shabaab has been weakened by the sustained operations of African forces with the support and enabling assistance from the United States and others. Somalia still faces significant political, economic, and security challenges, but the Somali people now have something they haven't had for a very long time: hope for a better future. I'm proud that we've played a role in that.

In Central Africa, African troops, advised and assisted by U.S. Special Forces, have achieved some significant tactical gains against the Lord's Resistance Army (LRA) and its leader, Joseph Kony. Today, we are seeing increased levels of LRA defections, fewer LRA attacks, and enhanced cooperation between the military forces in the region.

In the Gulf of Guinea, maritime forces of the many nations in the region are increasingly cooperating to counter piracy, oil bunkering, and illicit trafficking. Most notably, two of the African Union's regional economic communities, the Economic Communities of West African States and Central Africa States, have for the very first time crafted rules and procedures that facilitate maritime security cooperation. I'm very proud that AFRICOM has helped bring these nations and these regional organizations together.

I highlight these three, Somalia, counter-LRA, and Gulf of Guinea security, because they, at least to me, offer great examples of what can be achieved through an African-led endeavor to which we provide support and enabling capabilities. The next area where such an approach may be useful is Mali. We've supported France's request for assistance and are actively supporting African nations deploying to operate in Mali.

Mr. Chairman, Senator Inhofe, while the increasing willingness of many African partners to actively address shared threats is encouraging, other trends in the region are deeply concerning. Terrorist organizations in West and North Africa are increasing their connectivity. The loss of four Americans in Libya and three more

in Algeria underscores the threat presented by this growing network. Although each terrorist organization individually poses a threat to regional stability, the increasing collaboration amongst these organizations increases the danger that they collectively present. I'm convinced that if left unchecked, this network will develop into one that poses a greater and more imminent threat to U.S. interests.

Countering the spread of violent extremist organizations has been our top priority. At the same time, we're tasked to focus on prevention through a very active partnership strategy. It remains clear that Africans must solve Africa's problems.

The fiscal challenges that you mention now place AFRICOM's strategy to strengthen the capabilities of our partners at increased risk. I'm concerned about the impacts resulting from the combined effects of sequestration and the CR. We've already had to make difficult decisions based on the availability of funds, such as reducing reconnaissance flights. The budget reductions we face will cut theater security cooperation engagements and will reduce important joint and combined exercises. As the Chairman of the Joint Chiefs, General Dempsey, has made clear, we will, in fact, be doing less with less.

We at AFRICOM, with the engaged support of the Service Chiefs, though, are not idly sitting on our hands. We're looking for new and innovative ways to address the many challenges in Africa. The Army's regionally aligned force, Navy's Africa Partnership Station, and the Air Force counterpart, Africa Partnership Flight, are programs the Services have purposely designed to help us achieve our objectives. We look forward to the capabilities of the Marine Corps' new Special Purpose Marine Air-Ground Task Force, which will bring improvements in our crisis response capabilities.

Let me conclude by simply stating that it's been my great honor to serve with the dedicated soldiers, sailors, airmen, marines, coastguardsmen, civilians, and colleagues from across the U.S. Government who serve so unselfishly every day to advance our Nation's interests in Africa. I depart in about a month, knowing that AFRICOM is in the best of hands. General Dave Rodriguez is an exemplary leader and an old friend. It'll be my privilege to see him lead the women and men of AFRICOM well into the future.

Lastly, Mr. Chairman, Senator Inhofe, members, I thank this committee for its unfailing support of our troops, their families, and of AFRICOM. I look forward to your questions. Thank you.

[The prepared statement of General Ham follows:]

PREPARED STATEMENT BY GEN CARTER F. HAM, USA

MISSION STATEMENT

U.S. Africa Command protects and defends the national security interests of the United States by strengthening the defense capabilities of African states and regional organizations and, when directed, conducts military operations, in order to deter and defeat transnational threats and to provide a security environment conducive to good governance and development.

INTRODUCTION

This year marks the fifth anniversary of the formation of the command. Since our standup in 2008, our operational capabilities and capacities have markedly increased. In parallel, our relationships with African partners and our security co-

operation engagements have matured in both focus and effectiveness. Our integrated approach seeks to address the greatest near-term threats to our national security while simultaneously building long-term partnerships and fostering regional cooperation.

The past year has witnessed both positive developments and sobering reminders of the threats in the U.S. Africa Command Area of Responsibility. Many African partners are more capable of addressing national and regional security challenges today than they were a year ago, and we have strengthened both new and enduring partnerships. In Somalia, sustained operations by African forces, with enabling assistance from the United States and the international community, significantly weakened al-Shabaab, providing space for Somalia's transition to a constitutionally-based government. We are deepening our relationship with the Tanzanian military, a professional force whose capabilities and influence increasingly bear on regional security issues in eastern and southern Africa and the Great Lakes region. Senegal and Ghana, anchors of regional stability in West Africa, held peaceful, democratic elections last year and remain important U.S. partners in efforts to counter transnational threats. Similarly, in Botswana, a highly capable partner and positive influence throughout southern Africa, we are strengthening an enduring partnership grounded in shared commitments to democracy and the rule of law. Liberia is progressing toward the establishment of a professional, capable military that is a force for good, as demonstrated by its border deployment in response to Cote d' Ivoirian rebel activities last fall. In Libya, a nation that witnessed its first election of the General National Congress since the overthrow of Qadhafi, we are developing a strong partnership with the new military.

Despite these positive trends, the regional security environment continues to challenge U.S. interests and increase the operational demands on U.S. Africa Command. In the past year, the United States lost four Americans in deadly attacks in Benghazi and three more in the terrorist attack on a British Petroleum facility in Algeria; al Qaeda in the Islamic Maghreb (AQIM) emerged stronger and better armed following the coup d'état in Mali; and Boko Haram continued its campaign of violence in Nigeria.

STRATEGIC ENVIRONMENT

Emerging Terrorist Networks

As al Qaeda has syndicated its ideology and violence, its affiliates and adherents in Africa and the Arabian Peninsula have become increasingly networked and adaptable in their recruiting, training, financing, and operations. Violent extremist organizations, insurgents, and criminal organizations are exploiting weak governance and under-governed spaces, and remain determined to harm the United States, our partners and Allies, and innocent civilians. The need to put pressure on al Qaeda affiliates and adherents in East, North, and West Africa has never been greater. The September 2012 attack on the U.S. Special Mission Compound and Annex in Benghazi and the January 2013 attack on the British Petroleum oil facility in Algeria illustrate the growing threat posed by violent extremist organizations in Africa to U.S. citizens and interests. This network of al Qaeda affiliates has already developed into a threat to U.S. regional interests and if left unchecked, could pose a threat to Europe and the U.S. Homeland. Coordinated approaches that integrate diplomatic, development, and military efforts are needed to achieve both short- and long-term counterterrorism objectives, including the disruption of terrorist financing and undermining of recruitment efforts by violent extremist organizations.

Arab Awakening

The Arab Awakening redefined the North African political landscape and continues to impact countries across the region. Two years ago, the actions of a single Tunisian citizen catalyzed a wave of change that continues to reverberate throughout North Africa and the Middle East. The post-revolutionary transitions currently underway in Tunisia and Libya are extraordinarily important to the future of these countries and to the region and have had significant consequences for regional security. The flow of fighters and weapons from Libya to violent extremist organizations in northern Mali serves as one example of how political instability in one nation can have a profound effect across a broad region. The United States has a stake in the success of these transitions, not least of all for their potential to serve as a powerful repudiation of al Qaeda's false narrative that only violent extremism can drive change. U.S. Africa Command's relationships with the Tunisian and Libyan militaries have important roles in supporting these transitions as new governments in Tunisia and Libya work to develop accountable and effective institutions, strengthen civil society, and improve security.

Increased Regional and International Integration

The rising political and economic influence of emerging powers is transforming the international system, and this change is evident in Africa. Asian economic expansion is inflating global commodities prices, a major driver of strong economic growth in some African nations. Increased Chinese engagement in pursuit of economic development is deepening China's political and economic influence and increasing its access in the region. Other rapidly growing economies, including Brazil and India, are similarly increasing their engagement and investment in Africa. As Africa becomes more fully integrated into the global economy, African maritime security is growing in importance to the free flow of global commerce. In parallel with Africa's continuing integration into global political and economic systems, African nations are strengthening their regional economic and political integration. African nations and regional organizations are increasingly taking a lead role in multilateral responses to regional security threats, both within and outside the structure of the African Union and the regional standby forces that comprise its continental security architecture.

COMMAND APPROACH

U.S. Africa Command's approach reflects strategic guidance provided in the National Security Strategy, the Defense Strategic Guidance, the National Military Strategy, the Presidential Policy Directive for Political and Economic Reform in the Middle East and North Africa (PPD 13) and the United States Strategy Toward Sub-Saharan Africa. Based on this strategic guidance, U.S. Africa Command protects and advances vital U.S. national security interests in Africa, including protecting the security of the global economic system, preventing catastrophic attacks on the homeland, developing secure and reliable partners, protecting American citizens abroad, and protecting and advancing universal values. These universal values include the respect for and protection of human rights, the prevention of mass atrocities, and the provision of humanitarian assistance and disaster relief. In Africa, military-to-military engagement plays a limited but important role in sustaining progress in countries undergoing democratic transitions, as well as those emerging from conflict.

In support of advancing regional peace and security, U.S. Africa Command focuses on priority countries, regional organizations, and programs and initiatives that build defense institutional and operational capabilities and strengthen strategic partnerships. Cooperative security arrangements are key to addressing transnational threats, and U.S. Africa Command utilizes operations, exercises, and security cooperation engagements to foster multilateral cooperation and build the capacity of regional and sub-regional organizations. U.S. assistance, including focused military support, has contributed to significant progress by African forces in the past year in both peacekeeping and combat operations.

U.S. Africa Command's strategic approach addresses both threats and opportunities. We simultaneously address the greatest near-term threats to our national security while building long-term partnerships that support and enable the objectives outlined in the U.S. Strategy Toward Sub-Saharan Africa: strengthening democratic institutions; spurring economic growth, advancing trade and investment; advancing peace and security; and promoting opportunity and development. Countering terrorism is the Department of Defense's (DOD) highest priority mission in Africa and will remain so for the foreseeable future. While prioritizing addressing emerging security challenges through both direct and indirect responses, U.S. Africa Command views these challenges also as opportunities to deepen enduring relationships, strengthen partner capabilities, and foster regional cooperation.

Our theater strategy and four subordinate regional campaign plans guide our operations, exercises and engagements, which focus on five functional areas: countering violent extremist organizations; strengthening maritime security and countering illicit trafficking; strengthening defense capabilities; maintaining strategic posture; and preparing for and responding to crises. These activities are primarily executed by U.S. Africa Command's components: Army Forces Africa, Air Forces Africa, Naval Forces Africa, Marine Forces Africa, Special Operations Command Africa, and Combined Joint Task Force-Horn of Africa. Our headquarters interagency representatives from nine Federal agencies and liaison officers from eight countries are integral to the success of U.S. Africa Command's efforts.

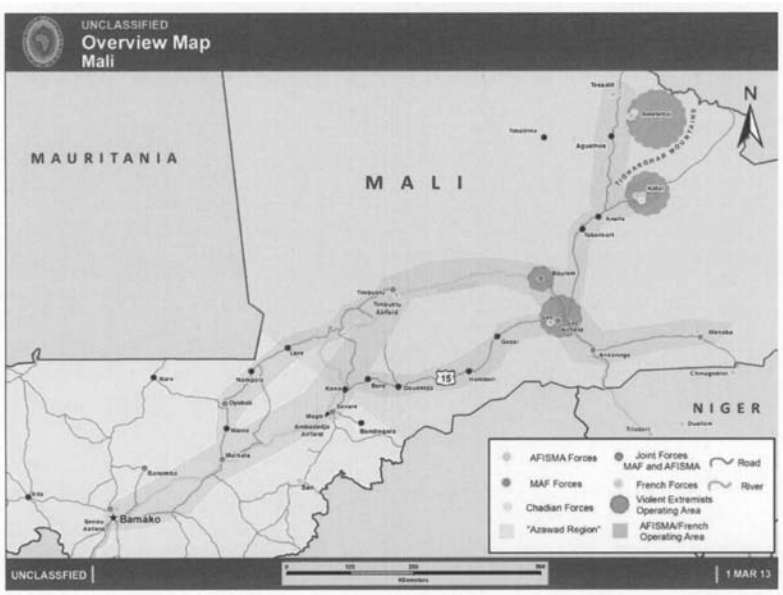
U.S. AFRICA COMMAND PRIORITIES

Countering Violent Extremist Organizations

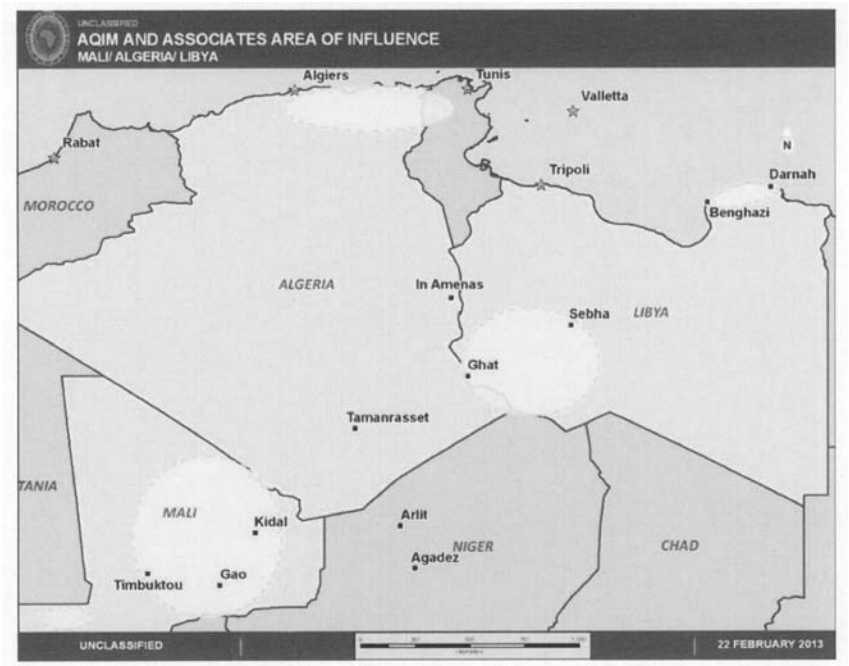
The September 2012 attack on the U.S. Special Mission Compound and Annex in Benghazi and the January 2013 attack on the British Petroleum oil facility in Alge-

ria are evidence of the growing threat posed to Americans and U.S. interests by African violent extremist organizations (VEO) and the global VEO network. In the past year, U.S. Africa Command worked closely with regional and interagency partners to strengthen counterterrorism partnerships grounded in shared security interests, assisted partner military forces and U.S. interagency partners in discrediting and defeating the appeal of violent extremism, and strengthened partner capabilities to provide security as an element of responsive governance.

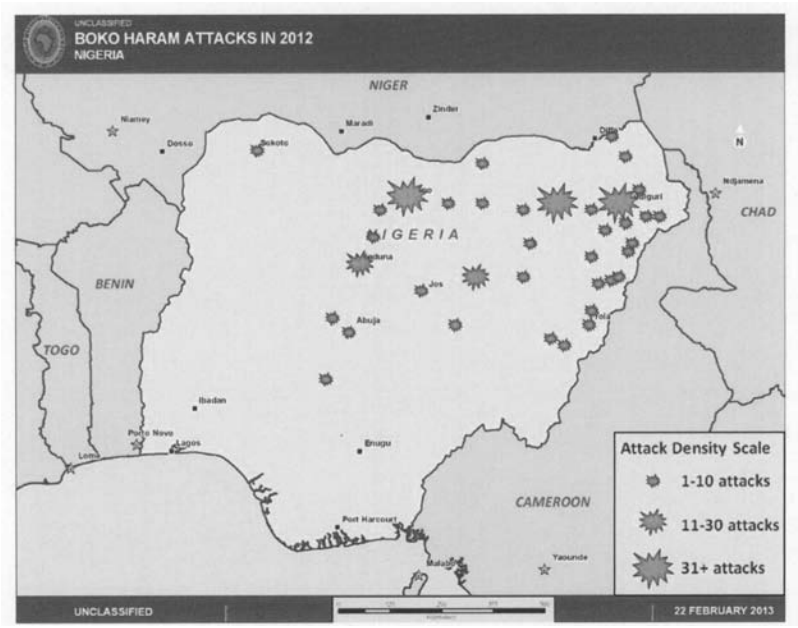
Three violent extremist organizations are of particular concern in Africa: al Qaeda in the Lands of the Islamic Maghreb (AQIM), active in northern and western Africa; Boko Haram in Nigeria; and al-Shabaab in Somalia. Although each organization individually poses a threat to U.S. interests and regional stability, the growing collaboration of these organizations heightens the danger they collectively represent. Of the three organizations, AQIM, which exploited the instability that followed the coup d'état in Mali and seeks to establish an Islamic state in northern Mali, is currently the most likely to directly threaten U.S. national security interests in the near-term.



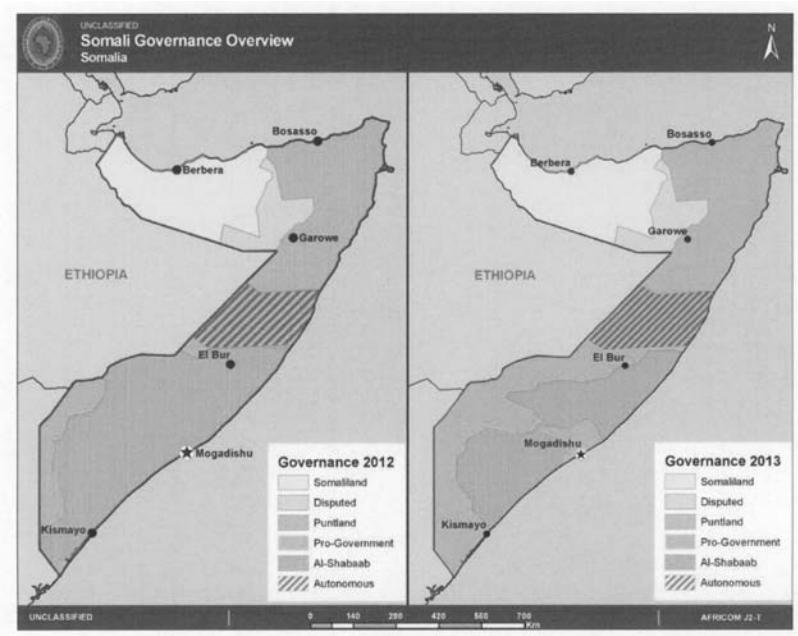
To counter AQIM and support the restoration of governance in Mali, U.S. Africa Command is providing support to French and African military operations in northern Mali, which are achieving gains against AQIM and other terrorist organizations. We are supporting French efforts with information, airlift, and refueling, and are working with the Department of State (DoS) to support the deployment of west African forces to the African-led International Support Mission to Mali (AFISMA). Recently, we began unarmed, remotely piloted aircraft operations from Niger in support of intelligence gathering efforts in the region. Although French, Malian, and AFISMA forces are achieving success in removing AQIM fighters from population centers, eliminating the long-term threat posed by AQIM will require the restoration of Malian governance and territorial integrity, political reconciliation with northern indigenous groups, the establishment of security, and the sustained engagement of the international community.



While international focus is currently on Mali, AQIM is not solely a Malian challenge. The organization is spread across the Sahel region and requires a regional approach to effectively address the threat. U.S. Africa Command continues to work closely with the Department of State (DoS) and the U.S. Agency for International Development (USAID) to support regional counter-terrorism efforts under the umbrella of the Trans-Sahara Counterterrorism Partnership (TSCTP). A partnership between 10 northern and western African nations and the United States, TSCTP is designed to support the development of partner nation military counterterrorism skills and capabilities and foster regional cooperation among participating nations to address the evolving threat of AQIM and related extremist groups. One aspect of TSCTP's impact can be seen in the troop contributions of five participating countries (Burkina Faso, Chad, Niger, Nigeria, and Senegal) to AFISMA. Although Mali has historically been a TSCTP partner, U.S. Africa Command is not currently engaged in capacity-building with the armed forces of Mali, consistent with U.S. legal prohibitions on the provision of security assistance to any military force that has been involved in a military overthrow of a democratically-elected government.



In Nigeria, where Boko Haram is conducting a destabilizing campaign of violent attacks focused on the northern part of the country, U.S. Africa Command engages with the Nigerian Armed Forces to improve their military capabilities. We seek to support the development of a professional military that will support a coordinated Nigerian Government effort to address Boko Haram and provide the citizens of Nigeria with responsive governance and improved economic opportunity. Boko Haram is in contact with al Qaeda and recently kidnapped a French family in retaliation for French actions against AQIM in Mali. If pressure on Boko Haram decreases, they could expand their capabilities and reach to pose a more significant threat to U.S. interests.



In Somalia, al-Shabaab has been greatly weakened by the operations of African Union Mission in Somalia (AMISOM), Ethiopian, and Somali forces. While al-Shabaab is less effective, the group is still dangerous and capable of conducting unconventional attacks to disrupt AMISOM operations and the newly formed Somali Government.

The significant gains achieved by AMISOM forces over the past year were critical in providing space for the political process that resulted in Somalia's transition to a government now formally recognized by the United States. While Somalia faces many challenges ahead, it is on a positive path. As military-to-military relations are normalized with Somalia, U.S. Africa Command will work with the DoS to develop security cooperation activities to assist with the development of a unified Somali security force. For the foreseeable future, focus must be maintained on Somalia to sustain security progress made to date.

Overall, we believe that our efforts to counter violent extremist organizations are having a positive impact. Our African partners are demonstrating strengthened capabilities and are increasingly cooperating with other nations to address shared security challenges, including supporting African Union and United Nations operations and programs. The leadership of the African Union and the Economic Community of West African States in addressing the security challenges in Mali is indicative of the growing willingness and capability of Africans to address African security challenges.

Maritime Security and Counter Illicit Trafficking

Multilateral cooperation in addressing regional maritime security challenges continued to improve over the past year. Maritime security is not only vital to countering terrorism and illicit trafficking, but is also a critical enabler of trade and economic development. Coastal nations contend with a range of challenges off their coasts including trafficking in narcotics and arms, human trafficking; piracy and armed robbery at sea; oil bunkering; and illegal, unreported and unregulated fishing (IUU). Piracy and armed robbery at sea in the western Indian Ocean and Gulf of Guinea elevated insurance rates and shipping costs, resulting in increased costs to consumers. IUU fishing devastates African fisheries, which play a vital role in African economic growth and food security. Criminal organizations leverage ungoverned maritime space that could also be exploited by violent extremist organizations.

African partners are making progress in addressing challenges in the maritime domain through cooperative regional approaches supported by the international

community. U.S. Africa Command and our Naval and Marine components work closely with the U.S. Coast Guard in the execution of our two primary maritime security programs, the African Partnership Station program (APS) and the African Maritime Law Enforcement Partnership (AMLEP), which are contributing to strengthening regional maritime capabilities and interoperability. African maritime forces used skills gained through participation in AMLEP and APS to conduct operations that resulted in the seizure of over $100 million worth of cocaine and the levying of over $3 million in fines. Benin and Nigeria now conduct joint maritime patrols while South Africa, Tanzania, and Mozambique signed a counter-piracy agreement codifying their efforts and reflective of the trend of increasing regional cooperation in addressing maritime security challenges.

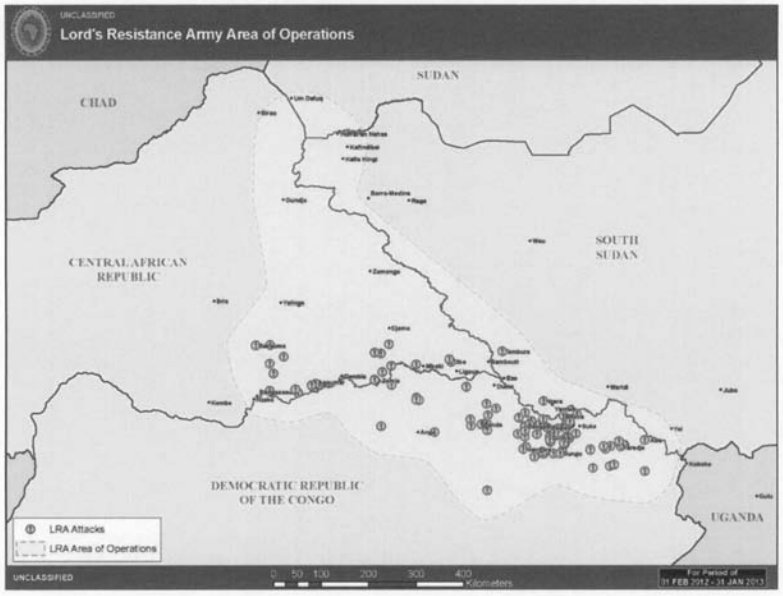
Countering illicit trafficking is linked to the challenge of increasing African maritime security. Illicit trafficking in the maritime, air, and land domains provides income to international criminal networks, has a destabilizing influence on governance, and is increasingly exploited by violent extremist organizations as a source of financing. U.S. Africa Command coordinates closely with U.S. Government agencies and embassy law enforcement teams to conduct programs to counter illicit trafficking. Our efforts focus on increasing partner nation capacities to detect and interdict illicit trafficking throughout the African continent. Counter-trafficking skills are applicable to combating a wide range of criminal activity, including poaching.

As part of our enduring partnership with Liberia, we are supporting the development of the Liberian Coast Guard and recently renovated the coast guard's pier to enable operations. U.S. Africa Command constructed a new Senegalese maritime operation center with follow on training and assistance to the new center's staff and advanced training to the Cape Verde Counter Narcotics and Maritime Operations Center. The U.S. Africa Command also assisted Cape Verde and Senegal in developing maritime operations centers that have facilitated the interdiction of suspect vessels.

Strengthening Defense Capabilities

Strengthening partner defense capabilities enables African nations to provide for their own security and helps U.S. Africa Command to develop enduring relationships that support freedom of movement and assured access for U.S. forces. We assist African nations in developing capable, accountable, self-sustaining military forces and defense institutions. Our capacity-building activities complement DoS programs and are planned in close coordination with embassy country teams and partner nations. Our engagements, which span the range of essential military capabilities, include combined humanitarian and medical assistance programs conducted in coordination with the USAID.

The success of AMISOM forces against al-Shabaab illustrates the positive impact of U.S. defense capacity-building efforts in the region. AMISOM forces receive predeployment training through the DoS Global Peace Operations Initiative's Africa Contingency Operations Training and Assistance (ACOTA) program. U.S. forces support and complement ACOTA activities with specialized training in skills that have played a critical role in enhancing the operational success of AMISOM forces, including intelligence analysis and countering improvised explosive devices. To date, the forces of five AMISOM troop contributing countries (Burundi, Djibouti, Kenya, Sierra Leone, and Uganda) were trained through the ACOTA program.



Advice and assistance from U.S. forces enhanced the capabilities and cooperation of military forces of Uganda, South Sudan, Central African Republic, and Democratic Republic of the Congo currently engaged in operations to counter the Lord's Resistance Army (LRA). Operational gains made by regional forces over the past year, combined with civilian efforts, resulted in increased LRA defections, the capture of key LRA leaders, and decreased LRA attacks on civilian populations. The formation of an African Union Regional Task Force will facilitate further cooperation among counter-LRA forces.

U.S. Africa Command is broadly supporting U.S. commitments to countries undergoing democratic transitions by assisting in the development of professional militaries that respect civilian authority, are respectful of the rule of law, and are increasingly capable of securing their borders and combating mutual threats, including transnational terrorism. We continue to develop our and strengthen partnerships with the armed forces of Libya and South Sudan. In South Sudan we have developed a comprehensive program that supports the ongoing DoS security assistance program. Our current focus is on education of key institutional-level personnel and small-scale civil action projects with the South Sudanese military. Our engagement with the Libyan Armed Forces similarly focuses on education and also emphasizes the strengthening of Libyan counterterrorism capabilities. As these relationships continue to develop, we look forward to deepening our partnership with both militaries.

U.S. Africa Command's engagements with African land forces will be enhanced as the command becomes the first combatant command to be supported by a brigade through the Army's Regionally Aligned Force (RAF) concept. Beginning in March 2013, 2nd Brigade, 1st Infantry Division will support U.S. Africa Command in developing enduring relationships and cooperation with partner nation land forces. RAF engagements will likely range from small travelling contact teams to support to major exercises. Initial planning for the RAF includes support to State Department-led ACOTA training for African forces deploying in support of United Nations and African Union peacekeeping operations.

An area of emerging focus is strengthening partner defense capabilities in air security and safety. Last year, our dual-hatted Air Force component, USAFE–AFAFRICA, launched the African Partnership Flight (APF) program, which promotes regional cooperation and strengthens the capabilities of partner nation air forces to provide airlift support to United Nations and African Union peacekeeping operations. 150 airmen from five African nations participated in APF's initial event last year, which addressed air mobility and logistics for peacekeeping operations,

priority areas in which African air forces have very limited capabilities. APF will expand this year to include 175 students from eight nations.

The State Partnership Program (SPP) provides unique capabilities that augment our ability to build enduring relationships with strategic partners in the region. SPP engagements build mutual U.S. and partner nation capacity to address shared security challenges. SPP activities currently contribute to our security cooperation with eight partner nations; Botswana, Ghana, Liberia, Morocco, Nigeria, Senegal, South Africa, and Tunisia. SPP engagements account for over 40 percent of military-to-military engagements each year. Expansion of the State Partnership Program, particularly in East and North Africa, would assist in developing stable and enduring relationships with additional strategic partners, providing a foundation for capacity-building efforts by rotational forces.

Over the past year, U.S. Africa Command increased activities in support of the National Action Plan on Women, Peace, and Security, including integrating gender training, which is tailored to partner nation socio-cultural dynamics, into our security sector reform activities. Liberia has established a goal of 20 percent female representation in its armed forces, a development that reflects the increasing regional interest in expanding opportunities for women in the armed forces. We are also working with the Botswana Defence Forces to assist in its efforts to expand the integration of women into their forces.

Preparing and Responding to Crisis

U.S. Africa Command stands ready to respond to crises across the continent. Several incidents in the last year caused the Command to act to ensure the safety and security of American citizens including the January 2012 rescue of American citizen Jessica Buchanan and Danish citizen Poul Thisted from captors in Somalia. In November 2012, when rebel activities in the Central African Republic required the suspension of U.S. Embassy operations, we assisted the DoS in evacuating U.S. Embassy personnel and American citizens.

The dynamic security environments that followed the Arab Awakening have increased requirements for crisis response capabilities. U.S. Africa Command capabilities to respond to crisis have matured over the past year, including the establishment of a headquarters Command Center and the allocation of a Commander's In-extremis Force in October 2012. The Commander's in-Extremis Force is currently based in Colorado, with a rotational element forward in Europe. Forward basing in Europe would increase the capability of the command to rapidly respond to incidents on the continent. Our Special Purpose Marine Air Ground Task Force, which previously focused on supporting security cooperation activities, will be expanded to allow support to crisis response, further increasing our capabilities in this regard.

HOW CONGRESS CAN HELP

Sequestration and potentially, a year-long extension of the current Continuing Resolution, will have a negative impact on the command. The combined effects may force significant reductions in theater security cooperation activities and joint and combined exercises, potentially endangering progress in strengthening partner defense capabilities, gaining access to strategic locations, and supporting U.S. bilateral policy objectives. Meeting Africa's many challenges requires the collaboration and support of all agencies of the U.S. Government and the support of Congress. Enactment of full year appropriations for defense, military construction, DoS, and USAID programs is critical to effective program planning and mission execution. Because U.S. Government efforts are interconnected and often mutually dependent, fully resourcing one of these pillars without the others compounds the difficulties of planning and execution, and hinders mission completion.

Many of our programs use a mix of DoS and DOD authorities and funding. For example, DoS peacekeeping operation authority provides for training our African partner nation forces, while DOD section 1206 authority provides for equipping those forces. The use of dual authorities requires close coordination between departments, and full funding of the DoS's security assistance programs is critical to success. We work with our interagency partners to ensure the resources provided by Congress are appropriately tied to our defense and foreign policy priorities.

We are keenly aware of the current fiscal environment and support all ongoing DOD efforts to decrease spending and ensure funds are wisely utilized. Our efforts under the Campaign to Cut Waste resulted in budget plans which reflect a savings of $1 million in both monetary and process efficiencies. We have also taken a hard look at our staffing levels, contracts, and conferences to determine where savings can be realized. We applied a self-imposed 5 percent personnel reduction for both fiscal year 2013 and fiscal year 2014 and are on a path to all but eliminate temporary hires and overhires. But sequestration and a possible year-long extension of

the current Continuing Resolution will have serious negative consequences for our efforts.

I thank this committee and Congress for its support of our team and our mission. You have provided key authorities at appropriate times, as in extending through fiscal year 2014 the temporary authority to build the counter-terrorism capacities of Djibouti, Ethiopia, Kenya, and countries engaged in AMISOM. Pursuant to this authority, we have worked with the DoS to plan and execute our support to counter-terrorism capacity-building at a critical time. We are currently providing logistical equipment to Djiboutian and Kenyan forces participating in AMISOM. We appreciate this authority and believe it will enable AMISOM forces to continue their progress against al-Shabaab.

We also appreciate the enhanced train and equip authority under section 1206 of the NDAA for Fiscal Year 2006, as amended in the NDAA for Fiscal Year 2013, to permit small scale military construction among the authorized elements.

Your annual reauthorization of the temporary, limited authority to use operation and maintenance funding for military construction in support of contingency operations in our area of responsibility has permitted us to meet critical operational support needs in a timely fashion, and we appreciate your recognition of its importance.

The recent volatility in North and West Africa demonstrates the importance of sufficient Intelligence, Surveillance, and Reconnaissance (ISR) assets to cover multiple crises simultaneously. ISR capabilities are required to protect American interests and to assist our close allies and partners. We appreciate the authorization in the NDAA for Fiscal Year 2013 of an additional $50 million for ISR in support of our counter-LRA efforts.

We appreciate your continued support for the Combatant Commander Exercise and Engagement Program. This program is the foundation of our exercises in Africa and funds strategic lift requirements as well as providing Service Incremental Funds to our components, ensuring we can provide the forces to work and exercise alongside our African partners.

Finally, we welcome visits by congressional members and their staffs. The members and staff who have had the opportunity to travel in Africa gain a deeper appreciation for the challenges and the many opportunities that are presented in this large and diverse continent.

CONCLUSION

The African continent will continue to present a complex and fluid set of challenges and opportunities. African nations, the African Union, and regional economic communities are increasingly demonstrating their willingness to address African security challenges. At U.S. Africa Command, we will continue to engage with our African partner militaries to strengthen their skills and capabilities, so they are better able to address shared security concerns and are able to contribute to regional stability and security. We also look forward to strengthening our existing partnerships and developing new partnerships, such as we have with the Libyan military.

Our contributions to protecting and advancing our national interests would not be possible without our interagency partners across the government, including the Department of State, U.S. Agency for International Development, the incredibly dedicated women and men of the U.S. intelligence community and others. Our team of soldiers, sailors, airmen, marines and coastguardsmen—and our DOD and interagency civilian teammates—is dedicated to our mission and their achievements would not be possible without the strong support of their families.

Thank you for your enduring support to our men and women in uniform and for your interest in this increasingly important region of the world.

Chairman LEVIN. Thank you so much, General Ham.

General Fraser.

STATEMENT OF GEN. WILLIAM M. FRASER III, USAF, COMMANDER, U.S. TRANSPORTATION COMMAND

General FRASER. Chairman Levin, Ranking Member Inhofe, and distinguished members of the committee: It's an honor and a privilege to be with you here today representing the men and women of TRANSCOM. Our total force team of over 150,000 men and women, military and civilian, is dedicated to providing reliable and seamless logistical support to our warfighters and their families around the globe.

It's also an honor to be here today appearing before you with my good friend and colleague, General Carter Ham. Over the past 2 years I've had the opportunity to work with General Ham as he and his team made significant progress on the African continent and continued to meet the challenges of that expansive, diverse AOR.

Carter and I go way back. We go much further back than just the last couple years of his service in AFRICOM. I've always admired his commitment to his people, his dedication to solving the toughest problems, and his selfless service. Carter, on behalf of all the men and women of TRANSCOM, we wish you and your family all the best in retirement. God bless.

Distinguished members of this committee: Our Active Duty members, National Guard, Reserve, civil servants, merchant mariners, and commercial partners must meet the challenges of the future. They met the challenges of the past while maintaining a high operations tempo of combat operations which they are supporting through sustainment efforts, humanitarian relief, and crisis action responses. These efforts, from support following Super Storm Sandy to developing innovative ways to maximize the throughput into and out of Afghanistan to meet the directed 68,000 troop reduction level by September 30, 2012, were made possible by the TRANSCOM team of dedicated professionals committed to ensuring our joint force maintains global logistics superiority.

Our component and subordinate command team, comprised of the Air Mobility Command led by General Paul Selva, Military Sealift Command led by Rear Admiral Mark Busby, Surface Deployment and Distribution Command led by Major General Tom Richardson, the Joint Enabling Capabilities Command led by Rear Admiral Scott Stearney, and the Joint Transportation Reserve Unit led by Major General Dave Post, continue their flawless execution of our command's mission.

I have had the opportunity to observe firsthand during my travels in Europe, Central Asia, the Pacific, and all around the globe the support these world-class professionals provide. I can tell you they are doing the Nation's business magnificently, without fanfare and often in stressful conditions. I could not be prouder of this total force team.

As we continue to sustain our forces abroad, we're also working towards our goal of becoming the government's transportation and enabling capabilities provider of choice. To meet that goal, we embarked on a comprehensive and collaborative 5-year strategic plan, which will tackle the challenges and take advantage of the opportunities for continuing to project national power and influence. This strategic plan positions us to respond effectively and efficiently to our rapidly changing operating environment, while accounting for the dynamic fiscal landscape that we now face.

We continue to work with our customers and our lift providers to pursue smart transportation solutions to reduce the cost of operations. Strategic guidance requires a military that is smaller and leaner, while at the same time, more agile, flexible, and ready. As the global distribution synchronizer and distribution process owner, TRANSCOM is committed to working with the Military Services, the other combatant commands, government agencies, our allies,

and commercial partners to synchronize distribution planning and synergize our distribution initiatives. This collaborative effort will ensure that we deliver a scaleable and resilient global distribution network from point of origin to point of employment, meeting needs in all operating environments.

As we look towards the future, we're also assessing the mission impact of funding reductions for this year and potentially beyond. Since TRANSCOM requirements are driven by our customer workload and readiness needs, as their demand signals decline, our workload will be reduced. While the impacts of these reductions will not occur immediately, the long-term results will likely affect the business base of our commercial partners and our ability to support other combatant commands in the same manner as we do today. In the coming months, we'll continue to work closely with the Military Services and our commercial partners to mitigate the second- and third-order effects of these reductions on our airlift, sealift, and surface capabilities. We'll keep you informed of our progress.

Preserving our readiness remains critical to maintaining our capability to project power and provide support to our joint forces around the world.

Chairman Levin, Ranking Member Inhofe, and members of this committee, I want to thank you for your continued support of TRANSCOM, of all of our men and women both military and civilian. I am grateful for this opportunity to appear before you today. I ask that my written statement be submitted for the record and I look forward to your questions. Thank you.

Chairman LEVIN. Your statement, of course, will be made part of the record, and we thank you.

[The prepared statement of General Fraser follows:]

PREPARED STATEMENT BY GEN. WILLIAM M. FRASER III, USAF

INTRODUCING THE U.S. TRANSPORTATION COMMAND

MISSION/ORGANIZATION

It is an honor to represent the men and women of the U.S. Transportation Command (TRANSCOM). Our Total Force team of Active Duty, Guard, Reserve, civilian, commercial partners, and contractors leads a world-class Joint Deployment and Distribution Enterprise (JDDE) providing reliable and seamless logistical support to our warfighters and their families around the globe. Our service component commands the Army's Military Surface Deployment and Distribution Command (SDDC), the Navy's Military Sealift Command (MSC), the Air Force's Air Mobility Command (AMC); our functional component command the Joint Transportation Reserve Unit (JTRU); and our subordinate command the Joint Enabling Capabilities Command (JECC) provide tremendous capabilities that we merge into transportation solutions to deliver effective support to the combatant commanders at the best value to the Nation. Together, we deliver global transportation services and enabling capabilities to our warfighters that no other nation can match.

Preserving our readiness remains critical to maintaining the Nation's capability to project power and influence anywhere, anytime. As the Distribution Process Owner (DPO), TRANSCOM focuses on end-to-end performance and on providing the most value by targeting process improvements and enterprise performance measurements. Our mission as Global Distribution Synchronizer (GDS) complements the DPO role by integrating transportation solutions into theater posture plans in the earliest planning phase possible. We are working with all combatant commands (COCOMs), interagency, nongovernmental organizations, supporting nations, and industry partners to develop regional distribution campaign plans, with an eye toward process, global touch-points, and measureable delivery. Additionally, we are hard at work on a series of measures to reduce the cost of operations and maintain

effectiveness to those who depend on us—while encouraging continued and expanded use of the Defense Transportation System (DTS).

PLANNING FOR THE FUTURE

Our goal is to be the U.S. Government's transportation and enabling capabilities provider of choice. To meet the numerous challenges and take advantage of the enormous opportunities for continuing to rapidly project national power and influence well into the future, TRANSCOM has proactively embarked on a comprehensive and collaborative 5-year strategic plan. This strategic plan is positioning us to effectively and efficiently respond to our rapidly changing operating environment while accounting for the dynamic fiscal landscape we now face.

First, we will preserve enterprise readiness by ensuring unfettered access to organic and commercial transportation resources. Our Readiness Roadmap will better leverage our organic assets, as well as the unique strengths and contributions of our commercial partners, and identifies the steps we must take to wisely transition from a decade of conflict to become a leaner, more efficient and more collaborative manager of the defense transportation enterprise.

Second, we will achieve excellence in information technology (IT) management, by promoting increased knowledge-sharing and transparency across the enterprise. In our unique roles as Distribution Process Owner and Global Distribution Synchronizer, we recognize we must develop and sustain a secure information environment that ensures effective knowledge-sharing and decisionmaking even while operating in a contested cyber domain. We have already begun building a functionally-managed IT framework to identify and align resources to our most critical needs.

Third, we are rebaselining our internal roles, functions and responsibilities in order to match human and capital resources for projected future mission activities. This realignment enhances collaboration, matches skills to processes and creates a more disciplined, transparent resourcing process in order to achieve sound resource stewardship while remaining responsive to those who depend on us to effectively execute in an increasingly dynamic operational environment.

Finally, but most importantly, we are better equipping our people with the knowledge, skills, and training to maintain our world-class, customer-focused professionals. The enhancements we are achieving in our diverse workforce of Active, Guard, and Reserve military components, civilian employees, and contractors will further enhance support for global mobility across the transportation enterprise.

SUPPORTING GLOBAL OPERATIONS

Current fiscal realities have resulted in funding reductions for all Services. TRANSCOM requirements are driven by our customer workload and readiness requirements. If COCOM demands are reduced, our workload will also be reduced. While these impacts will not occur immediately, the long-term results may directly impact our ability to execute critical missions of our supported COCOMs.

The capacity to project national power, presence, and influence worldwide is unique to the United States. To support this vital national capability, we lead a team of dedicated professionals in providing global mobility and strategic enablers. TRANSCOM provides the ideal blend of operational expertise and distribution know-how to move and sustain the force worldwide. Together, we deliver unparalleled service to multiple COCOMs in support of their theater campaign plans and contingency operations. Our team has an unrelenting passion to meet a vision of coordinated, synchronized, and responsive end-to-end logistics which ensures that our soldiers, sailors, airmen, marines, coastguardsmen, and U.S. Department of Defense (DOD) civilians always have the support they require.

TRANSCOM oversees the global mobility enterprise; our component commands execute the mission. In 2012, AMC and its Air Force Reserve and Air National Guard partners maintained a high operations tempo supporting requirements around the world. AMC deployed, to multiple locations, a rotational force of over 30 C–130 Hercules tactical airlift aircraft and 60 KC–135 Stratotanker and KC–10 Extender aerial refueling aircraft. The strategic airlift fleet flew over 1,400 C–5 missions and 13,000 C–17 missions supporting the full range of national interests. In total, AMC moved 584,000 tons of cargo, offloaded 194 million gallons of fuel, and moved 1.7 million passengers while flying 127,000 sorties. On the surface, MSC and SDDC transported over 7.4 million tons of cargo worldwide. In addition, MSC's point-to-point tankers delivered 1.4 billion gallons of fuel in support of global DOD requirements.

During 2012, more than 900 JECC personnel performed 27 operational deployments and participated in 39 joint exercises in support of COCOM requirements. JECC's highly skilled Active and Reserve component personnel rapidly deployed as

mission-tailored planning teams to assist combatant commanders in establishing, organizing, and operating joint force headquarters during numerous operations, and provided unmatched deployable joint communications and public affairs expertise, whenever and wherever needed.

Our functional command, the Joint Transportation Reserve Unit, provided necessary augmenting capability to a wide array of functions across the command. This augmentation has been particularly important during numerous surge and contingency operations when our most critical operational and planning functions required the highest level of activity.

SUPPORT TO GEOGRAPHIC COMBATANT COMMANDS (GCCS)

The President directed the reduction of Afghanistan's Force Management Level to 68,000 troops by 30 September 2012. Achieving this force reduction on schedule was possible through close coordination between headquarters, TRANSCOM, our component commands, and our commercial partners. Innovative ways to maximize throughput included expanding options for transiting forces into and out of the CENTCOM Theater. Mihail Kogalniceanu Airfield, Romania, provided an additional transit location for deploying and redeploying forces in support of Operation Enduring Freedom, resulting in the movement of approximately 10,000 troops during the height of the surge recovery of forces from Afghanistan.

Working with our regional and commercial partners, we executed multiple proofs of principle to validate processes and capabilities. As we develop more efficient transportation routes around the globe, we continue witnessing the great effects of maturing routes. We continue to seek new air, ground, and multi-modal routes, adding flexibility and responsiveness to the DTS.

In addition to validating two-way passenger flow through Romania, we are reaping the benefits of last year's initiative to flow air-direct traffic over an Arctic route. This Arctic routing, allowing both commercial and military aircraft to support Afghanistan from the west coast, resulted in 2 million gallons of jet fuel saved last year. This is a savings of $26 million.

Our ground lines of communication continue to mature as well. The success of the distribution network's flexibility was demonstrated by the lack of operational impact resulting from the closure of the Pakistan Ground Lines of Communication (PAKGLOC). The Northern Distribution Network (NDN) absorbed a 46 percent increase in containers, moving over 30,000 containers in total. That capability, coupled with our multi-modal capacity, allowed us to continue uninterrupted support to our warfighters. Additionally, we have successfully reversed our Kazakhstan—Kyrgyzstan—Tajikistan and Uzbekistan routes, allowing the movement of retrograde cargo over the NDN. We are also executing a reverse Trans-Siberia route, which establishes another option for the movement of retrograde cargo. Despite the enterprise's ability to weather the unexpected, the PAKGLOC, when fully operational, remains the quickest and most cost-effective route for supporting operations in theater.

Multi-modal operations continue to provide a middle-ground option between the speed of air direct and the lower cost of surface movement. TRANSCOM, working with industry and partner nations, continues to expand the capabilities of existing locations and add new sites where necessary. For example, following the recent success of air direct shipments through Baku, Azerbaijan, we developed processes and procedures for multi-modal operations. This effort is expected to increase volume while reducing transit time and costs. Hybrid multi-modal operations, leverage a blend of military and commercial airlift, and provide another opportunity to reduce cost without sacrificing effectiveness.

In the U.S. Pacific Command (PACOM) area of operations (AOR), TRANSCOM continued its support of the National Science Foundation's (NSF's) mission. As part of Operation Deep Freeze, we coordinated for the delivery of over 4,000 passengers and 2,150 short tons (STONs) of cargo via C–17 and more than 6 million gallons of fuel and 3,400 STONs of cargo via sealift to McMurdo Station, Antarctica. In February 2012, the NSF discovered the ice pier used in previous years to offload cargo was not capable of supporting ship off-loading operations. TRANSCOM rapidly coordinated the delivery and setup of an Army modular causeway system, which permitted the off-load of nearly 7 million pounds of cargo in 322 containers and the backload of more than 8.7 million pounds of retrograde cargo in 391 containers. This off-load operation, the first of its kind in this environment, spanned 8 days, during subfreezing temperatures and sustained Antarctic winds.

In addition to ODF, TRANSCOM supported numerous operations that enhanced the security and preparedness of U.S. and allied forces in the PACOM AOR. TRANSCOM supported multiple deployments and redeployments in support of Op-

eration Enduring Freedom–Phillipines (OEF–P). We also provided strategic airlift and sealift to military Security Forces and Special Warfare Units to the Republic of Korea, Japan, and Guam in support of PACOM's Theater Security Cooperation program engagement strategies and objectives. TRANSCOM supported U.S. Special Operations Forces Joint Command Exercise Training (JCET) throughout the Asia-Pacific region at the invitation of regional governments, with strategic airlift and sealift of PACOM assets. Support for PACOM's JCS Exercises Terminal Fury in Hawaii, Cobra Gold in the Kingdom of Thailand, Commando Sling in the Republic of Singapore, Balikatan in the Republic of the Philippines, and Key Resolve, and Ulchi Freedom Guardian in the Republic of Korea entailed the movement of 10,452 passengers, 1,298 STONS moved by strategic airlift, and 406,270 square feet (or 22,114 STONS) via sealift.

Additionally, TRANSCOM moved 1,574 STONS of food, water, construction materials, and vehicles to support the PACOM Joint POW/MIA Accounting Command (JPAC) team from Pusan, Republic of Korea, to Nampo, Democratic People's Republic of Korea.

In the U.S. Southern Command's (SOUTHCOM) AOR, TRANSCOM continued to support the secure transport of personnel for detainee movement operations. In coordination with the Office of the Secretary of Defense, the Office of the Secretary of State, Joint Staff, and supported COCOMs, we successfully completed 100 percent of these sensitive missions without incident.

In the U.S. European Command's (EUCOM) AOR, TRANSCOM deployed and redeployed more than 2,233 troops and 1,169 STONs of cargo in support of the Kosovo Balkan force. During December 2012, we conducted the movement planning for 326 personnel and 1,022 STONS of cargo in support of the Patriot Missile Battery deployment into Turkey in support of the North Atlantic Treaty Organization (NATO) defense. Support to EUCOM also included numerous strategic lift missions in support of exercises in several countries to include: Estonia, Georgia, Israel, Latvia, Norway, and Poland. These exercises entailed moving more than 2,732 personnel and over 8,000 STONs of cargo for training events aimed at exercising the ability to deploy, employ, and sustain forces in response to a crisis affecting the EUCOM AOR.

In the U.S. Africa Command's (AFRICOM) AOR, TRANSCOM deployed and redeployed 3,187 troops and 1,297 STONs of cargo in support of Combined Joint Task Force Horn of Africa. We also coordinated and tracked 40 airlift missions moving nearly 300 personnel and over 490 STONs of cargo while supporting contingency operations in northern Africa.

Finally, in the U.S. Northern Command (NORTHCOM) AOR, the Modular Airborne Fire Fighting System equipped C–130 aircraft, provided by our component, AMC, flew 922 sorties and released more than 22.2 million pounds of fire-retardant, combating wildfires in direct support of U.S. Forestry Service operations. The WC–130 Hurricane Hunter aircraft flew over 120 sorties into 32 storms collecting valuable hurricane data for the National Oceanic and Atmospheric Administration. In support of relief efforts in the wake of Super Storm Sandy, TRANSCOM coordinated for nearly 100 C–17 and C–5 missions moving 749 passengers and 3,762 STONs of cargo. Critical supplies delivered included electric utility restoration vehicles, medical personnel, search and rescue teams, blankets, dewatering pumps, and support equipment. Support to NORTHCOM also included lift for training exercises providing realistic homeland defense and defense support to civil authorities training for joint and interagency partners. This entailed moving more than 3,700 personnel and over 1,363 STONs of cargo in support of Exercise Vibrant Response 13, a training event exercising the ability to deploy, employ, and sustain specialized military response forces upon the request of civilian authorities following a catastrophic incident.

SUPPORT FOR THE WARFIGHTER

Global patient movement remains one of our most demanding missions requiring 100-percent accuracy. Last year, in partnership with the medics of AMC, Air Force Reserve Command, and the Air National Guard, we efficiently and effectively provided en route medical care to more than 14,000 patients. Patients requiring critical care support were moved by Critical Care Air Transport Teams, including six patients who were moved by the new Acute Lung Rescue Teams, one from PACOM and five from CENTCOM.

Our partnership with the Military Health System is vital to the success of patient movement. In particular, Landstuhl Regional Medical Center is vital to the support of four COCOMs: EUCOM, CENTCOM, AFRICOM, and U.S. Special Operations Command. The planned Military Construction (MILCON) replacement of this out-

standing hospital will further aid the en route medical care needs of ill and injured servicemembers and their families.

We are working to improve the quality of life for servicemembers and their families by providing convenient and user-friendly online services for scheduling the shipment of household goods. Last year, the Defense Personal Property Program (DP3) through the Defense Personal Property System (DPS) managed approximately 600,000 DOD household goods shipments. DP3 provides the procedures necessary to build the many online resources provided by DPS. These services include Web-enabled counseling, the ability for a DOD customer to score their Transportation Service Provider (TSP) via the customer satisfaction survey, as well as the ability to file an online claim while in direct communication with the TSP.

Finally, the ability to support the warfighter in Afghanistan's mountainous terrain requires reliance on vertical resupply via airdrop operations. Although airdrop cargo amounts decreased from 2011 to 2012, AMC airdropped over 40 million pounds of fuel and combat supplies, significantly reducing exposure to troops on surface roads. With the High Speed Container Delivery System, we are able to support forward deployed warfighters, increasing delivery tonnage to point of need and providing enhanced threat avoidance and tactical maneuverability to airlift aircraft and crews. Civilian causality concerns led to the development of new capabilities such as an extracted container delivery system to improve aerial delivery accuracy. Additionally, enhancements in existing capabilities, such as the low-cost, low-altitude airdrop system and Joint Precision Airdrop System, enhance our delivery capability to warfighters operating at ever increasing, smaller and more austere locations or in proximity to civilian populations.

INTERAGENCY AND OTHER SUPPORT

Cyber threats posed to TRANSCOM, our components, commercial partners, national critical infrastructure, and key resources are a direct challenge to DOD global operations. Among TRANSCOM's top priorities is ensuring freedom of action and protection of mission data throughout the cyberspace domain to plan and execute our global mission. To that end, we continue to strengthen our partnerships with U.S. Cyber Command (CYBERCOM) as well as the Defense Information Systems Agency (DISA) and other interagency and industry partners. It is critical that we protect our essential command and control systems and information from cyber attack or exploitation. TRANSCOM continues efforts to improve readiness and strengthen ties with both our commercial and U.S. Government partners through improved information sharing.

Our role as GDS facilitates enhanced opportunities to support the COCOMs and the Department of State by means of engagement events focused on distribution, transportation, and logistics. Fostering critical relationship-building opportunities based on universal logistics interests is our unique and innovative approach to traditional security cooperation activities. Our GDS responsibilities provide the basis and means for successful strategic engagements as we continue to expand our reach and become more agile. The NDN is a prime example of coordinated and synchronized activities that have maximized strategic distribution flexibility and reduced operational risk. The NDN has minimized reliance on any one nation by offering fair and open competition that facilitates economic development and diplomatic engagement. The strategic impact has improved international relations and expanded commodity resourcing through the development of an integrated and synchronized distribution enterprise.

MOBILITY CAPABILITIES ASSESSMENT-18 (MCA–18)

MCA–18 is an assessment being conducted by TRANSCOM in conjunction with the Office of the Secretary of Defense and Joint Staff. We are assessing DOD's capability to project and sustain forces in support of the defense strategy, through 2018, by examining a range of strategic and operational mobility challenges that include current operations plans, defense scenarios, seminars presented in Chairman Joint Chief of Staff senior leader seminars, and historical operations. MCA–18 will identify and evaluate our capabilities, the constraints associated with projecting and sustaining forces in support of the strategy, and options to mitigate system constraints. We will leverage this assessment as we move forward to complete the congressionally-mandated Mobility Requirements Capabilities Study 2018.

AIR MOBILITY READINESS

With the delivery of the last U.S. Air Force C–17, we will have the planned air mobility force structure to meet the strategic airlift requirements for a single large-

scale operation, while maintaining the flexibility and adaptability to support the Joint Force in another region.

Our other strategic airlifter, the C–5, is critical to our oversized and outsized air cargo capability. Management of this fleet focuses on retirement of the C–5A, the oldest and least reliable aircraft while improving reliability for the remaining C–5s. The Reliability Enhancement and Re-Engining Program (RERP) increases the C–5 fleet mission capable rate from 55 to 75 percent while vastly increasing aircraft performance, range, and fuel efficiency.

Together our C–17 and C–5 fleets continue to improve availability through the replacement of aging components, obsolete components and the Air Force's new programmed phase inspection maintenance process. This change from a "failure of major components" process to a preventive replacement process, along with the retirement of maintenance intensive jets and RERP modifications, will significantly improve strategic airlift aircraft availability, velocity, and capacity to the warfighters.

The KC–46A is critical to the entire Joint and coalition team's ability to project combat power around the world, and provides America and our allies with unparalleled rapid response to combat and humanitarian relief operations alike. The KC–46A offers more refueling capacity and increased capacity for cargo and aero-medical evacuation. The KC–46A will provide outstanding aircraft availability, highly adaptable technology, flexible employment options, and superb overall capability.

The legacy air-refueling fleet includes the KC–10 and KC–135 aircraft providing the backbone for Air Mobility support to our warfighters. The KC–10 Communication, Navigation, Surveillance (CNS)/Air Traffic Management (ATM) Program addresses airspace access and near-term critical obsolescence issues for the 59 KC–10 aircraft fleet. CNS/ATM capabilities are necessary to ensure worldwide flight operations in civil and military air space and meet current Federal Aviation Administration and International Civil Aviation Organization standards.

C–130s continue to be the intra-theater workhorse for airlift operations around the globe, providing critical lift and airdrop capability wherever needed. This versatile aircraft will continue to play an integral role for airlift long into the future.

The Civil Reserve Air Fleet (CRAF) is a voluntary commercial segment of our mobility force, providing additional capability to rapidly deploy forces and equipment globally. Over the past few years, TRANSCOM has encouraged program improvements by way of contracting day-to-day business with preference to those commercial carriers who have modernized their fleet. This approach has provided increased reliability and greater fuel efficiency, through economy of scale and continues to be of value as we adjust to changes in global economic situation and anticipated changes in our future force deployments. We continue to examine the CRAF program for viability and cost effectiveness for future mission needs.

SEALIFT READINESS

During large-scale operations, roll-on/roll-off (RO/RO) vessels are the prime movers of unit equipment for Army and Marine Corps forces. We rely primarily on commercial industry for sealift and complement it with our U.S. Government-owned vessels from the MSC's surge fleet and Maritime Administration's (MARAD) Ready Reserve Force (RRF) when necessary. Our partnership with commercial industry is formalized through agreements such as the Voluntary Intermodal Sealift Agreement (VISA). This agreement and others ensure the availability of a viable U.S. flag maritime industry and the required U.S. citizen mariner pool needed in times of national emergency. We also leverage significant capacity through the Maritime Security Program (MSP). MSP has been an extremely successful program since its inception in the mid 1990's; over 70 percent of the VISA capacity needed for a national emergency would come from our partners in MSP. Additionally, the National Defense Authorization Act for Fiscal Year 2013 has ensured the continued presence of the U.S. flag fleet in international commerce while providing DOD critical continued access to militarily useful RO/RO and other cargo vessels. Preserving these programs preserves the U.S. merchant mariner base, a vital national asset that provides the manpower needed for surge operations.

The National Defense Sealift Fund provides funding for 9 Large Medium-Speed Roll-On/Roll-Off vessels, 5 Roll-On/Roll-Off-Container vessels, and the 46 RRF vessels of our U.S. Government-owned surge fleets. All vessels are critical for the DOD's ability to surge to meet future global requirements. TRANSCOM is working with our commercial and U.S. Government sealift partners to find the most cost effective means to fund these fleets and the critical capacity they provide. Finally, with the average age of the RRF exceeding 36 years, and nearly 1.6 million square

feet of RO/RO capacity retiring over the next 10 years, it is important to begin the process of recapitalizing our organic fleets.

SURFACE READINESS

Successful execution of our mission and the daily support we provide to the warfighter rely on a complex global enterprise of interdependent critical infrastructure. Our Critical Infrastructure Program aligns resources in managing both a COCOM program and a Defense Infrastructure Transportation Sector program, the latter focusing on building relationships and trust among non-DOD critical infrastructure stakeholders, sharing information and collaborating where appropriate. Our critical infrastructure stakeholders range from other Federal agencies to State and local entities, foreign countries, and the private sector.

We continuously monitor the infrastructure network based on threats, hazards, and vulnerabilities. We augment teams who assess risks to infrastructure, advocate initiatives to economically reduce risk, and help develop solutions to preserve our readiness. These efforts are aimed at ensuring that infrastructure is available when required. Through coordination and cooperation with the commercial sector, the National Port Readiness Network delivers an important link between commercial port operations and military readiness at 17 strategic ports. These ports provide the critical services and intermodal links needed to ensure rapid, secure, and effective military mobilization. Improving the resiliency and modernizing our seaports, air nodes, and critical rail and road networks is a TRANSCOM focus area that ensures our ability to support all geographic combatant commanders and respond to emergencies within the homeland, now and far into the future.

Infrastructure improvement projects at the U.S. Army Military Ocean Terminal Concord (MOTCO), in Concord, CA, are essential to TRANSCOM's support of PACOM's operational plans and DOD's military capability in the Pacific Theater. Due to the nature and size of this military mission, no suitable alternatives to MOTCO exist on the West Coast. We continue to work within DOD to find resources to reduce or eliminate any capability gaps and risk at MOTCO to alleviate throughput issues to the Pacific Theater. DOD's current efforts are centered on preserving existing throughput capability at MOTCO's only operational pier configured for movement of containerized ammunition through comprehensive structural engineering assessments. Although the requisite resourcing processes have not yet run their full course, we are working with the U.S. Army to address the deteriorating infrastructure at MOTCO to allow for sufficient and uninterrupted delivery of supplies to the Pacific Theater.

Recently completed and ongoing infrastructure improvement projects at the U.S. Army Military Ocean Terminal Sunny Point (MOTSU), in Sunny Point, NC, are essential to TRANSCOM's support of CENTCOM's operational plans and DOD's military capability in multiple theaters. Specifically, MOTSU's Center Wharf was recently upgraded to support the installation of two new container gantry cranes, which became operational in 2012. These improvements enhance MOTSU's ability to conduct missions and allow the terminal to meet documented throughput requirements, contributing to a resilient capability.

In addition to improving critical infrastructure, DOD must maintain railcar capacity to meet military transportation requirements. TRANSCOM through our Army component, SDDC, is executing an Army program established to preserve and assure access to commercial railcars needed to augment U.S. Government-owned capabilities and meet contingency deployment requirements.

JOINT ENABLING CAPABILITIES

TRANSCOM ensures the readiness and timely deployment of mission-tailored joint capability packages to assist all COCOMs across seven unique functional areas–joint planning, operations, logistics, knowledge management, intelligence support, communications, and public affairs—within hours of notification. JECC forces provide these enabling capabilities and are designated as part of the Secretary of Defense's Global Response Force. As a result of a changing, complex operational environment, the geographic combatant commanders have relied on and will increasingly depend upon TRANSCOM's low density-high demand JECC forces to accelerate the formation and the effectiveness of joint force headquarters and assist joint force commanders in the planning and execution of joint operations. We recognize that JECC's ability to effectively assist COCOMs on short notice depends on the development and maintenance of strong, close relationships with our mission partners and stakeholders.

ENHANCEMENTS TO TRANSCOM READINESS AND DOD SUPPLY CHAIN MANAGEMENT

As the GDS and DPO, TRANSCOM is committed to working with the military Services, COCOMs, governmental agencies, allied, and commercial partners to synchronize distribution planning and synergize distribution initiatives. This collaborative effort will ensure we deliver a scalable and resilient Global Distribution Network from point of origin to point of employment, meeting needs dictated by the operating environment.

A robust global infrastructure network is essential to our Nation's ability to project and sustain its power and influence; therefore, a commitment to obtain the access and agreements necessary to maintain this capability and adequately resource it is imperative. Using strategic-level analysis and subsequent modeling, we have identified requirements in the En Route Infrastructure Master Plan (ERIMP) as both current and anticipated capability gaps and requirements. We will continue to utilize the ERIMP process to identify access requirements and construction projects that will improve our ability to support COCOM global routes.

At TRANSCOM we are constantly focused on reducing costs within the DOD supply chain while simultaneously sustaining or improving service levels to the warfighter. Last year, in collaboration with mission partners from Defense Logistics Agency, General Services Administration, COCOMs, and the Services, we achieved over $500 million in cumulative cost avoidance due to better surface container utilization and better pallet and planeload utilization. This simply better optimized business practices. We have set another target this year to continue finding savings opportunities and will seek to identify an additional $500 million in cost avoidance by the end of fiscal year 2015; to date, we have reached $721 million in cumulative cost avoidance. Our collective efforts earned the prestigious Defense Logistics 2012 Cost Savings and Performance Improvement Award.

To enhance readiness we are identifying new ways to leverage the existing DTS infrastructure and industry resources in support of our global demands, as well as formulating better solutions to improve DTS capabilities. This will not only benefit military aircrew proficiency but will contribute to our organic and commercial viability. In order to accomplish these objectives, the command stood up the Enterprise Readiness Center (ERC) to help capitalize on opportunities to increase DTS volume. The ERC will also seek to improve transportation services to existing customers and drive responsiveness to improved levels by applying enterprise-proven methods. We understand multiple transportation providers exist in today's global distribution network. To that point and with the ERC in place, TRANSCOM will endeavor to become the transportation provider of choice.

We continue to partner with CYBERCOM, DISA, industry, and academia to improve and harden our information technology resources, strengthen cyber defense, and improve our capability to operate effectively in cyberspace. Because of our strong reliance on commercial partners, over 90 percent of DOD deployment and distribution information transactions are handled on unclassified systems, leaving us vulnerable to possible cyber attacks. We are defining standards for processing and handling data that will improve the security of our information through our continued collaboration forums, including our cyber summit, industry day, and an exercise involving the Department of Homeland Security that improved our information sharing processes and relationships.

In order to fully support the needs of the warfighter, we are working with our joint enterprise partners to measure distribution performance. Our focus is to measure the right events at a sufficient level of detail to pursue supply chain optimization opportunities. For example, we are leveraging technology such as electronic data transmitted from commercial partners and system of record database incorporation to capture appropriate time-stamps. This data facilitates performance measurements and root-cause analysis as requisitions flow from suppliers to the warfighter. Through continual collaboration across the DOD, we are developing common and meaningful performance metrics that incorporate best-practices from the commercial and U.S. Government sectors.

BUSINESS TRANSFORMATION—EFFICIENCIES

We continue seeking methods to achieve cost avoidance and improve processes for container management. We have implemented several initiatives to include container detention fee reductions through increased use of U.S. Government-owned containers where cost effective, improving contract provisions with carriers through the recently awarded Universal Services Contract (USC)-7 and accomplishing container buyouts earlier when carrier owned containers are required to meet mission objectives. USC–7 is also enabling us to transform other business areas. This multiple award program, with 22 contracted ocean carriers, supports our worldwide sur-

face shipments. Some changes of significance from USC–6 to USC–7 include measuring carrier performance regionally by COCOM versus global basis; this allows for more relevant "best-value" booking decisions and provides leadership visibility on carriers' performance in each COCOM. We added four electronic data interchange codes, assisting in more accurate measurement of carriers' performance, ensures carriers are appropriately compensated for validated and compensable delays by providing more detailed visibility into the status of shipments.

Our operations focus foremost on effective support to the warfighter; we constantly search for the best, most efficient methods to provide seamless and responsive support. Many times, these transparent efficiencies also result in increased effectiveness. Deployment and Distribution Cost Based Decision Support (D2 CBDS) practice ensures TRANSCOM and COCOM operational decisionmaking incorporates cost consciousness with mission effectiveness through vetted, standardized, and codified operational cost methodologies. D2 CBDS methodologies encompass end-to-end nodes and transportation legs. To ensure second- and third-order effects are adequately considered, all required stakeholders are engaged throughout the D2 CBDS process. D2 CBDS has already produced significant cost avoidance, included under our DPO Strategic Opportunities umbrella, through a number of emerging efforts, including the Tankering Decision Matrix, monitored by the AMC Fuel Efficiency Office, that informs the Tanker Airlift Control Center when it is cost effective to carry fuel to downrange locations due to the prohibitively high costs to deliver fuel in theater.

Going forward, the D2 CBDS Working Group composed of TRANSCOM directorates, COCOMs, and network partners will provide rapid response and subject matter expertise for emerging complex operational costing opportunities.

TRAINING, EDUCATION, AND EXERCISES

TRANSCOM's participation in the Combatant Commanders Exercise Engagement and Training Transformation (CE2T2) Program directly supports U.S. national security interests by ensuring joint force readiness, increasing military capabilities, strengthening alliances and partnerships, and retaining strategic access around the globe. Maintaining freedom of action and global access is as much a requirement for the functioning of our JDDE as it is for the conduct of military operations and requires continuous engagement worldwide. CE2T2 enables this critical engagement; contributes to strategic and logistical access for the U.S. Government; increases readiness across combatant commands; and sustains partnerships with commercial industry and our global core partners in order to provide reliable and seamless logistical support at time of need. As we move forward with a refocus on the Pacific and our forces become more contiguous United States-based, we will see an even greater reliance on the CE2T2 program to maintain our freedom of action and the readiness to project that force to meet national security objectives. Maintaining the CE2T2 Program is critical to TRANSCOM's readiness.

PLATFORM ENHANCEMENTS

Joint Logistics Over the Shore (JLOTS) provides the capability to load and discharge vessels in austere environments into Army and Navy watercraft or lighterage, where ports are damaged, unavailable, or inadequate or access is denied. Among the improvements JLOTS provides is a telescopic crane system that has stabilization technology to permit the selective retrieval of containers to be transferred between vessels or lighterage even under heavy sea states. The second is an interface module that will enhance Army Modular Causeway and the Navy Improved Lighterage Systems, which have differing freeboards.

JLOTS operations are extremely complex and require a detailed working knowledge of requirements, capabilities, and limitations among the Services to successfully plan and execute. As part of our oversight authority for JLOTS, this year we established the JLOTS Working Group with the primary mission to facilitate and streamline the coordination between Services and COCOMs and within the JLOTS community of interest. This group will lead the review of JLOTS initiatives, doctrine, and training as well as advocate for sustained JLOTS capabilities in support of COCOM requirements. JLOTS and Service Logistics Over the Shore capabilities continue to provide a necessary capability to support combatant commanders.

Hybrid airships represent a transformational capability, bridging the longstanding gap between high-speed, lower-capacity airlift, and low-speed, higher-capacity sealift. Across the range of military operations, this capability can be leveraged from strategic to tactical distances. From swift crisis action support to enduring logistical sustainment operations, hybrid airship technology has the potential to fulfill "fac-

tory to foxhole" cargo delivery. We encourage development of commercial technologies that may lead to enhanced mobility capabilities in the future.

FINAL THOUGHTS

We are entrusted with the authority to lead and transform the Joint Deployment and Distribution Enterprise and the incredible responsibility of serving the geographic combatant commanders as they execute our Nation's most demanding military missions. To ensure that we can repeat our successes of the past as we move into a dynamic, resource-constrained future, we must transform the way that we manage the enterprise and make significant cultural changes in the way that we think, train, and execute our missions. Our strategic plan is guiding us in this transformation so that we are postured to support our forces worldwide with all available resources within the U.S. Government and offered by our commercial partners. We will continue to challenge ourselves to be ready for any contingency, peacetime or during conflict, and to meet the needs of our warfighters across the globe. I am extremely proud of the TRANSCOM team and our enterprise partners and the fantastic work they do to support our national security objectives. They know, better than anyone, that "Together, we deliver!"

Chairman LEVIN. We'll start with an 8-minute first round.

General Ham, you made reference to a reduction in flight hours, I believe, that have already been reduced as a result of sequestration. Can you expand a bit on that?

General HAM. Mr. Chairman, most of our operations are funded by the Services through the Service components, Army, Navy, Air Force, Marine Corps, and Special Operations, for AFRICOM. In two of those components, Navy and Air Force, we have had to constrain our flight operations because of the Service component's funding challenges. Two specific examples: I have asked my Air Force commander to maintain a heightened alert posture with transport aircraft to be postured to move crisis response forces more readily. That requires him to sustain flight crews on a short leash, if you will, heightened alert posture. That eats into their normal training and sustainment flights and that's where the Air Force component is having difficulty having sufficient money to do both of those requirements.

On the Navy side, it's similar. I'd prefer, Mr. Chairman, to give you the operational details in a classified setting. But suffice to say that I've had to decrease the frequency of some operational reconnaissance flights, again because of the inability to fund the normal flight operations.

Chairman LEVIN. That's already taken place?

General HAM. It has, sir.

Chairman LEVIN. Thank you.

General Ham, there's been some adjustments to the AFRICOM Commander's In-Extremis Force (CIF) and other contingency response forces which hopefully will put you in a stronger position to respond to a contingency. Have those changes already been made and can you tell us what improvements might be the result?

General HAM. The most notable change, Mr. Chairman, was on the 1st of October a dedicated CIF was established for AFRICOM. This was long in the planning, supported by Admiral McRaven and those in U.S. Special Operations Command. The unit actually is based in Colorado as part of the Tenth Special Forces Group. They always have an element, the immediate response element, forward deployed in Europe and have since October 1, where we have stationed that force in a number of different places in Europe.

There is still some work to be done. That force does not yet have all of its enablers in terms of intelligence, aviation support, and some other capabilities that we would like that force to have. But it is a significant improvement from where we were prior to the 1st of October, where the arrangement was that I shared the CIF with Admiral Stavridis and U.S. European Command (EUCOM).

The other Services have made similar improvements. The Army's regionally aligned force, should there be an operational requirement, I can go to the Secretary of Defense and ask to use that force operationally, should that be necessary. General Amos and the Marine Corps have proposed a new Marine Corps Special Purpose Marine Air-Ground Task Force specifically tailored for crisis response in Africa, not yet formally approved, but we think that that will be available in the relatively near future. I'm most appreciative to General Amos for making that force available.

Chairman LEVIN. Thank you.

Now, the forward element that you've made reference to which is deployed in Europe, in your judgment is it able to get to Africa more quickly actually from where it's deployed in Europe than it would be if it were somehow deployed in Africa? I know it sounds a little bit counterintuitive, but is it actually not the case that you can actually get from, particularly if it's in Italy or Southern Europe, to Africa more quickly because of the capabilities and the infrastructure than would be the case if you could find a location in Africa?

General HAM. Mr. Chairman, what we're seeking to do is use the CIF along with two other forces to build a theater response capability, with one element based in Djibouti where we do have an enduring presence—that force is now stood up—one in Southern Europe that could respond across Northern Africa, and another in a site to be determined, but that would be principally focused on response in West Africa. I think that would give us a significantly improved posture from what we have today.

Chairman LEVIN. Thank you.

On the cybersecurity issue, General Fraser, have you experienced cyber attacks to the degree that I indicated in my opening remarks? If so, with what effect? What are your plans to address this threat?

General FRASER. Thank you, Mr. Chairman. As you've stated in your remarks, we are—and as best as I can tell—continue to be, the most attacked command. In fact, as I testified last year, in 2011 we had nearly 45,000 attacks. This last year, in 2012, it actually had quadrupled. It is an area that we have significant concerns about, but we have taken a lot of actions, and it is not in one area. We're taking a holistic approach as we work this specific issue.

If I might highlight just a couple of things.

Chairman LEVIN. Please.

General FRASER. First off is we had within the command a number of what I would call touch points, by which industry and others can come into the command and they could connect with us. Our objective was to develop more of what we term a secure enclave and collapsing that network so that there were fewer touch points in order to get into the command. This would enhance our abilities

to have a defensive posture, so that if people were trying to get into our network we would be able to see it, and we could defend it. We have been successful in that, as we have collapsed this to fewer touch points and have not had any significant intrusions into our network.

Another area that we're working on very closely is with our commercial partners. We have moved out in a very deliberate manner with commercial partners and have actually held three forums this last year where we brought in other agencies, to include law enforcement and others, with Chief Executive Officers and Chief Information Officers who actually came to TRANSCOM, and we focused on this cyberthreat that is there. These forums were very well-attended, upwards of nearly 100 each time that we held these conferences.

We were able to brief them in, to give them some information that they did not have before, and allowed them to further go back and take a look at their networks and how they are working with us.

From that came an agreement, in working with our partners, that we began to write into our contracts the need for more cyber awareness/cybersecurity. So what we started doing was, last year in the spring time, writing into our contracts the need for us to have an understanding of what their information assurance plan is. We were not directive in this but we wanted to know, "what are you doing to protect your network?"

Also in that contract, we stated that we wanted to have an agreement as a part of a collaborative nature to know when their networks were—in which they had activity that got into their network—either having data that was exfilled from their network or if they had someone in that was playing with their data. So we made sure that we had in the contracts that we would have this reporting that would come back to us.

When we get those types of reports, then we have a process and procedure by which we would ensure that law enforcement is advised, that we would offer any assistance that we have, and then we would stand up a team to determine what impact this might have had to our operations.

The other things that we have continued to do is to reach out to other agencies to ensure that we're not missing anything in the defense of our network. So it's a collaborative nature in working with all of our partners, collapsing the network to a secure enclave, and then writing it into our contracts to better understand what the threat may be.

Chairman LEVIN. Thank you very much, General. If you could furnish to the committee some examples of that contract language, not necessarily with the names of the contractors, just the actual kind of language which you're incorporating relative to cyber attacks in your contracts, we would appreciate it if you would do that.

General FRASER. Yes, sir.

[The information referred to follows:]

Section 941 of the National Defense Authorization Act for Fiscal Year 2013 directs the Department of Defense (DOD) to establish procedures requiring cleared defense contractors to report to DOD when a covered network of a contractor is successfully

penetrated. The implicit objective of this section is to provide DOD with greater visibility into adversary cyber activity on cleared defense contractors' networks and information systems. Since U.S. Transportation Command's (TRANSCOM) cyber contract initiative only provides visibility into contractors doing direct business with TRANSCOM, the section 941 initiative may provide the command with additional information in which to understand the adversary's intentions, objectives, and capabilities. The command is awaiting DOD implementation of section 941. At this time, TRANSCOM does not require any additional cyber assistance from the Senate Armed Services Committee.

We have separate cybersecurity language for transportation contracts and nontransportation contracts. The same language goes in all transportation contracts. [See "Transportation Contract Cyber Language" document.]

There are three levels of cybersecurity language for nontransportation contracts: Basic Language, Standard Language, and Advanced Language. TRANSCOM, in conjunction with our customers, determines which level of language is necessary for a particular contract. [See "Non-transportation Contract Cyber Language" document.]

TRANSCOM includes the cyber language in newly issued contracts and notifies the offerors during solicitation. [See "Transportation Solicitations Instructions to Offerors Cyber Language" document.]

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TRANSPORTATION CONTRACT CYBER LANGUAGE

Transportation Contracts Cyber Security Performance Work Statement (PWS) Language

1.0 Information Assurance

1.1 Requirement for Contractor Information Assurance (IA) Report

The Contractor shall provide an Information Assurance Report to describe their environment that safeguards DOD non-public information resident on or transiting the contractor's unclassified information systems from unauthorized access and disclosure. Protection measures applied should consider the risks (i.e. consequences and their probability) of loss, misuse, unauthorized access, or modification of information. The report shall address the SANS (SysAdmin, Audit, Network, Security) Institute's Twenty Critical Security Controls for Effective Cyber Defense: Consensus Audit Guidelines (http://www.sans.org/critical-security-controls) and be provided in accordance with the attached template at Attachment XX to the PWS. The contractor is encouraged to provide additional information above and beyond what is outlined in the SANS guidelines to enhance the government's understanding of their information security posture. The report will be updated 30 days prior to exercise of an option period, if applicable.

1.2 Cyber Security Incidents

1.2.1 Reporting Requirements

The contractor shall report to the following two Government organizations as soon as possible upon discovery of any suspected cyber intrusion events that affect DOD information resident on or transiting the contractor's unclassified information systems.

1. USTRANSCOM Global Command, Control, Communications and Computers (C4) Coordination Center (GCCC)
   E-mail: ustcJ6-gccc@ustranscom.mil
   Commercial Phone: 618-229-4222

2. USTRANSCOM Deployment and Distribution Operation Center (DDOC)
   E-mail: ustc-ddocchief@ustranscom.mil
   Commercial Phone: 618-220-7700

Initial report shall be provided even if some details are not yet available, with follow-on detailed reporting within 72 hours. Reportable cyber intrusion events include the following:

1. A cyber intrusion event appearing to be an advanced persistent threat
2. A cyber intrusion event involving data exfiltration or manipulation or other loss of any DOD information resident on or transiting the contractor's, or its subcontractors', unclassified information systems
3. Intrusion activities that allow unauthorized access to an unclassified information system on which DOD information is resident or transiting

Definition of advanced persistent threat: An extremely proficient, patient, determined, and capable adversary, including two or more of such adversaries working together.

1.2.2 Incident Report Content

The incident report shall include, at a minimum, the following information:

1. Applicable dates (date of suspected compromise and date of discovery)
2. Threat methodology (all known resources used such as Internet Protocol (IP) addresses, domain names, copies malware, etc.)
3. An account of what actions the threat(s) may have taken on the victim system/network and what information may have been accessed
4. A description of the roles and functions of the threat-accessed system
5. An initial list of potentially impacted government programs and each program's classification
6. What information may have been exfiltrated that may impact government programs
7. A list of all employees and subcontracted employees who work or have worked with the victim system/network
8. A point of contact to coordinate damage assessment activities

1.2.3 Incident Report Submission

The contractor will submit unclassified network cyber incident reports to the USTRANSCOM Technical Information Analysis Center (TIAC) and USTRANSCOM designated government personnel via encrypted email or another mutually agreed upon secure communications method. Copies of malware require special handling and pre-coordination must be accomplished prior to submission.

ATTACHMENT:
ATTACHMENT XX , CYBER LANGUAGE FOR TRANSPORTATION CONTRACTS

Vendor Assessment Guidelines for Twenty Critical Security Controls for Effective Cyber Defense: Consensus Audit Guidelines (CAG)

General. Organizations should compare all 20 control areas against their current status.

The 20 Critical Controls are:

1. Inventory of Authorized and Unauthorized Devices
2. Inventory of Authorized and Unauthorized Software
3. Secure Configurations for Hardware and Software on Laptops, Workstations, and Servers
4. Secure Configurations for Network Devices such as Firewalls, Routers, and Switches
5. Boundary Defense
6. Maintenance, Monitoring, and Analysis of Security Audit Logs
7. Application Software Security
8. Controlled Use of Administrative Privileges
9. Controlled Access Based on the Need to Know
10. Continuous Vulnerability Assessment and Remediation
11. Account Monitoring and Control
12. Malware Defenses
13. Limitation and Control of Network Ports, Protocols, and Services
14. Wireless Device Control
15. Data Loss Prevention
16. Secure Network Engineering
17. Penetration Tests and Red Team Exercises
18. Incident Response Capability
19. Data Recovery Capability
20. Security Skills Assessment and Appropriate Training to Fill Gaps

The entire text of the 20 Critical Security Controls is available for reference at:

http://www.sans.org/critical-security-controls/

Procedures:

1. Review each control.
2. Determine what procedures and tools exist within your organization to meet this control.
3. Document the result of 1-2 using the suggested template provided.
4. Provide any additional information about your company's cyber security posture.

Company (Name): Information Assurance Report

Executive Summary: (descriptive self-assessment of the company's overall information security posture)

A. Assessment of Twenty Critical Security Controls for Effective Cyber Defense: Consensus Audit Guidelines (CAG)

1. Control 1. Inventory of Authorized and Unauthorized Devices

   a. Procedures and Tools supporting this control:
      (List the procedures and tools used in your organization for this control)
   b. Method to achieve control metric:

2. (Continue for remaining 19 controls).

If a particular control does not exist or is not used within your organization, please state this.

B. **Assessment of Additional Security Measures for Effective Cyber Defense**

1. Measure. (Title of additional measure/control)

   a. Procedures and Tools supporting this measure/control:
      (List the procedures and tools used in your organization)
   b. Method to achieve measure/control metric:

2. (Continue for remaining measures/controls)

NON-TRANSPORTATION CONTRACT CYBER LANGUAGE

Basic Language

1. Security

1.1. Handling of Non-Public Information

In performance of this contract, the contractor may have access to sensitive, non-public information. The contractor agrees (a) to use and protect such information from unauthorized disclosure IAW Directive-Type Memorandum (DTM) 08-027 - Security of Unclassified DOD Information on Non-DOD Information Systems, 31 July 2009; (b) to use and disclose such information only for the purpose of performing this contract and to not use or disclose such information for any personal or commercial purpose; (c) to obtain permission of the Government Program Manager before disclosing/discussing such information with a third party; (d) to return and/or electronically purge, upon Government request, any non-public, sensitive information no longer required for contractor performance; and (e) to advise the CO and/or COR of any unauthorized release of such information. Upon request, the contractor shall have its employees assigned to this contract execute a non-disclosure agreement for delivery to the Government. The Government will require contractor personnel to sign a non-disclosure statement to protect non-public information of other contractors and/or the Government.

Standard Language (Include BASIC LANGUGE and the below language through paragraph 1.10)

1.2. Requirements for Contractor Provision of Security Plan, Information Assurance Controls

The contractor shall establish an Information Assurance Program to implement and sustain appropriate Information Assurance management, operational, and technical controls and processes required to safeguard DOD non-public information resident on or transiting the contractor's unclassified information systems from unauthorized access and disclosure. Protection measures applied must be commensurate with the risks (i.e. consequences and their probability) of loss, misuse, unauthorized access, or modification of information. The contractor shall submit for Government approval an overarching security plan that describes their strategy for implementation of Information Assurance and Industrial Security requirements throughout the life of the contract. The security plan shall address the security controls described in National Institute of Standards & Technology (NIST) Special Publication 800-53 (current version), Recommended Security Controls for Federal Information Systems and Organizations (http://csrc.mist.gov/publications/PubsSPs.html), and should be tailored in scope and depth appropriate to the effort and the specific unclassified DOD information.

1.3. Periodic Government Inspections

The contractor shall authorize Government inspections and reviews to assure compliance with DOD Information Assurance requirements throughout the contract performance period. The contractor shall be responsible for taking corrective action based upon the impact and severity of identified weaknesses.

1.4. Remote Access

Contractor Furnished Equipment (CFE) employed for remote access to a Government network must meet equivalent Government Furnished Equipment (GFE) Information Assurance computing requirements. The contractor shall ensure that all CFE (hardware and software) employed to access these environments meet the following minimum Government Information Assurance requirements and provide periodic certification of compliance as a pre-requisite to being granted network access.

(a) Use of personal systems is prohibited;
(b) Operating systems and applications must be configured for compliance with the DISA Gold Disk and applicable Security Technical Implementation Guides (STIGs);
(c) DOD approved anti-virus and anti-spyware software must be installed and signatures must be configured to automatically update on a daily basis;
(d) DOD approved personal firewall must be utilized and configured to permit traffic by exception only, dropping all other traffic. If the personal firewall provides intrusion detection or prevention, the signatures or rules must be updated at the same intervals as the anti-virus software.
(e) Computers must be Information Assurance Vulnerability Management (IAVM) compliant;
(f) Computers must be scanned with the DOD version of E-eye Retina vulnerability scanner (or current approved DOD scanner solution) at a minimum of every 30 days. All vulnerabilities must be remediated and reported to the cognizant Information Assurance Manager;
(g) Contractor employees must possess a current Government issued Common Access Card (CAC) and install Government certified CAC readers; and
(h) Verification of compliance with these requirements must be provided to an appointed government representative on a monthly basis.

1.5 Detect, Analyze, Respond

1.5.1. Reporting Requirements

The contractor shall report to the USTRANSCOM Technical Information Analysis Center (TIAC) and USTRANSCOM designated Government personnel within 4 hours of discovery of any suspected cyber intrusion events that affect DOD information resident on or transiting the contractor's unclassified information systems. Initial report shall be provided even if some details are not yet available, with follow-on detailed reporting within 24 hours. Reportable cyber intrusion events include the following:

(a) A cyber intrusion event appearing to be an advanced persistent threat;
(b) A cyber intrusion event involving data exfiltration or manipulation or other loss of any DOD information resident on or transiting the contractor's, or its subcontractors', unclassified information systems;
(c) Intrusion activities that allow unauthorized access to an unclassified information system on which DOD information is resident or transiting.

Definition of advanced persistent threat: An extremely proficient, patient, determined, and capable adversary, including two or more of such adversaries working together.

1.5.2. Incident Report Content

The incident report shall include, at a minimum, the following information:

(a) Applicable dates (date of suspected compromise and date of discovery);
(b) Threat methodology (all known resources used such as Internet Protocol (IP) addresses, domain names, copies malware, etc.);
(c) An account of what actions the threat(s) may have taken on the victim system/network and what information may have been accessed;
(d) A description of the roles and functions of the threat-accessed system;

(e) An initial list of potentially impacted Government programs and each program's classification;
(f) What information may have been exfiltrated that may impact Government programs.
(g) A list of all employees and subcontracted employees who work or have worked with the victim system/network; (h) A point of contact to coordinate damage assessment activities.

1.5.3. Incident Report Submission

The contractor will submit unclassified network cyber incident reports to the USTRANSCOM Technical Information Analysis (TIAC) and USTRANSCOM designated Government personnel via encrypted email or another mutually agreed upon secure communications method. Copies of malware require special handling and pre-coordination must be accomplished prior to submission.

1.5.4. Incident Response Coordination

In the event of a known or potential intrusion, the contractor agrees to allow follow-on actions by the Government to further characterize and evaluate the suspect activity. The contractor acknowledges that damage assessments may be necessary to ascertain intruder methodology and identify systems compromised as a result of the intrusion. Company acknowledges that in certain cases a complete forensic analysis may be necessary to ascertain intruder methodology and identify systems compromised as a result of the intrusion. Once an intrusion is identified, the company agrees to take all reasonable and appropriate steps to preserve any and all evidence, information, data, logs, electronic files and similar type information reference NIST Special Publication 800-61: Computer Security Incident Handling Guide, (current version) related to the intrusion for subsequent forensic analysis so that an accurate and complete damage assessment can be accomplished by the Government. The contractor is not required to maintain an organic forensic capability, but must ensure data is preserved until forensic analysis can be performed by the Government (e.g. removing an affected system, while still powered on, from the network meets the intent of this requirement). Any follow-on actions shall be coordinated with the contractor via the Contracting Officer's Representative (COR).

1.6. Law Enforcement/Counterintelligence

In the event of a known or potential intrusion, the contractor shall consent to responding counterintelligence or law enforcement investigative agency requests to apply forensic analysis tools to contractor information systems affected by the intrusion, including monitoring tools, imaging tools, and any other techniques that the agency seeks to apply to effectively analyze the intrusion. The contractor shall allow the responding counterintelligence and/or law enforcement investigative agency to image affected systems, including systems containing proprietary information. Nothing in this contract shall limit the ability to conduct law enforcement or counterintelligence activities, or other activities in the interest of the Government.

1.7. Information Sharing

The Government may use and disclose reported information (e.g., information regarding threats, vulnerabilities, incidents, or best practices) that does not include attribution information at its discretion to assist entities in protecting information or information systems (e.g. threat information products, threat assessment reports); provided that such use or disclosure is otherwise authorized in accordance with applicable statutes, regulations, and policies.

1.8. Confidentiality and Non-Attribution Statement

The Government shall take reasonable steps, by controlled access and need-to-know procedures, to protect against public release of attribution information of the contractor. The Government may use and disclose reported information that includes attribution information only on a need-to-know basis to authorized persons for cyber security and related purposes (e.g., in support of forensic analysis, incident response, compromise or damage assessments, law enforcement, counter intelligence, threat reporting, and trend analysis). The Government may disclose attribution information to support contractors that are supporting the Government's cyber security and related activities if the support contractor is subject to legal confidentiality requirements that prevent any further use or disclosure of the attribution information. The Government agrees to consider available exemptions of the Freedom of Information Act to protect against disclosure of attribution information of the contractor to unauthorized persons. Within a reasonable period necessary to perform an analysis after completion of the assessment, all contractor proprietary information or third party proprietary information in the possession of the Government as a result of the assessment will be destroyed unless other disposition is agreed upon in writing by the Parties or is required by law, Executive Order or regulation.

1.9. Information Assurance Training

Contract employees physically assigned to USTRANSCOM at SAFB shall attend/complete security training as prescribed by DOD and USTRANSCOM instructions. At a minimum this includes: Employee Initial Security Training, Annual Security Awareness Training, Operations Security (OPSEC), DOD Antiterrorism Level 1 Training, Personally Identifiable Information (PII) Training and any Security Stand Down Day Training scheduled by the Commander. Contract employees assigned elsewhere shall attend security training established by their respective government security offices and/or installations.

CONTRACTING PERSONNEL: Paragraph 1.10 (below) is the exact language as DFARS 252.239-7001. If you include paragraph 1.10 in your PWS, do not include DFARS 252.239-7001.

1.10. Information Assurance Workforce Improvement Program (IAWIP)

Information Assurance Contractor Training and Certification (JAN 2008)

(a) The Contractor shall ensure that personnel accessing information systems have the proper and current information assurance certification to perform information assurance functions in accordance with DOD 8570.01-M, Information Assurance Workforce Improvement Program. The Contractor shall meet the applicable information assurance certification requirements, including –

(1) DOD-approved information assurance workforce certifications appropriate for each category and level as listed in the current version of DOD 8570.01-M; and

(2) Appropriate operating system certification for information assurance technical positions as required by DOD 8570.01-M.

(b) Upon request by the Government, the Contractor shall provide documentation supporting the information assurance certification status of personnel performing information assurance functions.

(c) Contractor personnel who do not have proper and current certifications shall be denied access to DOD information systems for the purpose of performing information assurance functions.

ADVANCED/DEVELOPERS LANGUAGE (Include BASIC and STANDARD LANGUAGE and below language through paragraph 1.17.)

1.11. Developer Environment

The contractor development environment shall be physically and logically isolated from other networks, to include its enterprise unclassified network. Security guidelines for the environment must be documented and the security program implemented shall address the security controls described in NIST Special Publication 800-53 (current version), Recommended Security Controls for Federal Information Systems and Organizations (http://csrc.mist.gov/publications/PubsSPs.html).

1.12. System Design, Information System Security Engineering Principles; DOD, NIST Directives

The contractor shall ensure that information system security engineering is employed during any/all changes to the system architecture. Such modifications will be made in compliance with all analogous or interfacing Information Assurance component(s) of the Global Information Grid (GIG) Architecture and will be designed to make maximum use of the DOD enterprise Information Assurance capabilities and services. As part of the contractor's change control process, the contractor shall ensure participation by an Information System Security Engineer or a qualified Information Assurance representative to evaluate of the impact of each change on security. The contractor shall document the results of this evaluation.

1.13. DOD Information Assurance Certification Accreditation Process Requirements

The contractor shall be responsible for the development of system security documentation to facilitate the security accreditation of the system according to DODI 8510.01 DIACAP and the associated Mission Assurance Category (MAC) and Confidentiality Level (CL) as defined in DOD Instruction 8500.2, Information Assurance (IA) Implementation (current version). The contractor shall update the DOD Enterprise Mission Assurance Support Service (eMASS) system as required and provide supporting IA documentation for upload as artifacts in eMASS. For {SYSTEM}, the MAC will be Level {X} and the CL will be {X}.

1.14. Software Assurance and Security Engineering Practices

In coordination with the Government, the contractor shall design, develop and implement secure applications and configurations through applying applicable DOD STIGs, checklists, vendor security guidance, industry best practices, and applicable vendor product security patches. The contractor shall ensure applications are in compliance with DOD Instruction 8500.2 Information Assurance Implementation (current version) and DODI 8551.1 Ports, Protocols, and Services Management (PPSM) (current version). The contractor shall leverage, to the maximum extent possible, automated tools to identify and remediate vulnerabilities or weaknesses in the application design/coding, such as those described in Common Weakness Enumeration/System Administration, Networking, and Security Institute (CWE/SANS) TOP 25 Most Dangerous Programming Errors and Open Web Application Security Project (OWASP) Top Ten, that could be exploited by unauthorized sources.

The Information System Security Engineer shall participate in Government and contractor formal and informal design reviews to identify potential security weaknesses, deficiencies, and/or vulnerabilities in the design. The Information System Security Engineer shall also ensure appropriate security requirements are included as part of the requirements traceability matrix and are evaluated as part of the security test and evaluation (ST&E). As part of the contractor's change control process, the contractor shall ensure participation by the Information System Security Engineer or a qualified Information Assurance representative to evaluate the impact of each change on security. The contractor shall document the results of this evaluation.

1.15 Non-Secure Software

If the Government determines, after a security audit (e.g. ST&E), that software delivered under this task order is non-secure, the Government will provide written notice to the contractor of each non-conformity. Software shall be "non-secure" under this task order if it contains a programming error listed on the current approved version of the CWE/SANS TOP 25 (which can be located at http://www.sans.org/top25-programming-errors) or a web application security flaw listed on the current approved version of the OWASP Top Ten (which can be located at http://www.owasp.org/index.php/Category:OWASP_Top_Ten_Project).

The contractor shall have thirty (30) days after receipt of such notice (Remedy Period) to remedy each non-conformity by modifying/replacing and redelivering the software to the Government; or shall notify the Government within 15 days as to why the remedy cannot be implemented in 30 days, and propose a timeline for correction. If the Government determines, after a security audit following a Remedy Period, that the redelivered software is non-secure, and thus non-conforming, the Government may reject the delivery, provide notice of the non-conformance, and document the contractor's performance record. Alternatively, the Government may accept non-conforming software, receive appropriate consideration (equitable price reduction on a fixed price contract, reimbursement for costs of security audit, reimbursement for costs to correct the non-compliances, etc.), and document the contractor's performance record

1.16. Malicious Code Warranty

The contractor represents and warrants that the software shall be free from all computer viruses, worms, time-outs, time bombs, back doors, disabling devices and other harmful or malicious code intended to or which may damage, disrupt, inconvenience or permit access to the software user's or another's software, hardware, networks, data or information.

1.17. Source Code Configuration Control (Versioning)

The contractor shall utilize a strict version control process for software development and provide two copies of source code for all software versions developed under this contract. The source code will be provided on optical removable media (burned for read only) or another mutually agreed type of media.

TRANSPORTATION SOLICITATIONS INSTRUCTIONS TO OFFERORS CYBER LANGUAGE

For commercial contracts, include the following as an addendum to FAR 52.212-1

Information Assurance & Cyber Security. The offeror shall submit an Information Assurance Report that describes their environment for adequately safeguarding DOD non-public information resident on or transiting on the contractor's unclassified information systems from unauthorized access and disclosure. Protection measures applied should consider the risks (i.e. consequences and their probability) of loss, misuse, unauthorized access, or modification of information. The report shall also address the SANS (SysAdmin, Audit, Network, Security) Institute's Twenty Critical Security Controls for Effective Cyber Defense: Consensus Audit Guidelines (http://www.sans.org/critical-security-controls) and be provided in accordance with the template at Attachment XX to the PWS. Offerors may provide additional information to support their security posture.

For commercial contracts, include the following as an addendum to FAR 52.212-2, to state how the Offeror's Cyber Security submission will be evaluated:

Information Assurance & Cyber Security: To be rated Acceptable, the offeror must submit an Information Assurance Report that describes their environment for adequately safeguarding DOD non-public information resident on or transiting on the contractor's unclassified information systems from unauthorized access and disclosure AND address the SANS (SysAdmin, Audit, Network, Security) Institute's Twenty Critical Security Controls for Effective Cyber Defense: Consensus Audit Guidelines (http://www.sans.org/critical-security-controls).

Chairman LEVIN. Also, you are aware, I believe, that we included a provision in the National Defense Authorization Act for Fiscal Year 2013—it was section 941, which requires certain contractors to report to DOD about penetrations of covered networks and information systems. If you could, after using that or reviewing that language, if you would let us know if there's anything else that we need to do to be helpful to you in your efforts, please let us know.

General FRASER. Thank you, sir. We will, and we look forward to the Secretary's guidance in accordance with the language as written.

Chairman LEVIN. Very good. Thank you so much.

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

Let me start off with something a little unpleasant, but it deserves to be brought up, I think, over and over again, even though the media doesn't care about it, the whole Benghazi thing. It's incontrovertible right now that the second attack, the one on the annex, was one that was premeditated, it's one that was a terrorist-coordinated attack. We knew that the day after. At the very latest it would have been on the 12th (September 2012) that we knew that. Everybody knew that. They've even testified before this committee that they knew.

Yet, this administration sent out Ambassador Susan Rice to lie to the American people and say that this is something that was a response to a video. All that's behind us now. I think it's going to go down in history as one of the really great cover-ups. That's beyond us, and again, the press doesn't care. It's really disturbing to me.

But this thing just doesn't go away. Yesterday, CBS came up with some documents and I'll read just two sentences from this release: "The documents viewed by Intelligence Committee members indicated numerous other changes were made to the talking points, including the removal of certain references on the attacks."

Now, what they're talking about here and why this is different, all this stuff happened before the attack, saying it was going to happen.

"The source who reviewed the documents also flagged several emails prior to Benghazi attacks from the officials in Libya to Washington that supposedly specifically warned of an imminent attack within days before this attack."

I only bring this up to ask you the question—I don't believe them, but I do believe you, General Ham. I've gotten to know you very well. We've worked closer together probably than you have with any other member on your AOR. Let's assume this is right. Did anyone tell you prior to this, as the AFRICOM Commander, that they were predicting this was going to happen?

General HAM. Sir, I've looked at the intelligence over and over and, while clearly the situation in Benghazi was worrying, I do not find intelligence that——

Senator INHOFE. They didn't tell you——

General HAM. No, sir.

Senator INHOFE.—what I'm reading right now? They didn't tell you?

General HAM. No, sir.

Senator INHOFE. I believe you. I believe you.

All right. I'd like to ask both of you this question. In my opening statement I talked about sequestration, and how critical this is because it's on the heels of an expanded budget that would take us down by $487 billion and so we're all concerned about it. So 6 weeks ago, I talked to the commands, all six of them, and asked them the question that in the event it becomes inevitable—and I didn't think it would; at that time we had, in fact, Senator McCain and I and several other of the Senators here, said that we thought there was a way to do this where it could have been less of a threat.

But I said at that time, in the event we're wrong and that they end up having to do this, wouldn't it be better to take that same top line and work within that so that the commanders would be in a position to make those adjustments, as opposed to just a formula that cuts across. They all said yes, it would. Do you two agree with them?

General HAM. I do, Senator.

General FRASER. Yes, sir, I do.

Senator INHOFE. Thank you.

General Fraser, I don't quite understand how this works. There's not going to be time for you to explain it, but TRANSCOM and its components are paid for their Services by their customers, the Service components and other agencies. Are they finding themselves strapped to the point where you're not getting the adequate funding through this very unique mechanism that you would really need to do the job to your expectations?

General FRASER. Senator, as of right now, we are a Working Capital Fund, the Transportation Working Capital Fund.

Senator INHOFE. Yes, Working Capital Fund.

General FRASER. We generate revenue. They have the resources and then we accomplish the mission that they task us to do. Then they pay for that service that is provided.

Senator INHOFE. Does that put you in a position where you're not really in the same strapped situation that many of the other Services are?

General FRASER. Sir, I am in a strapped situation because over time the Working Capital Fund has been drawn down. I am directed to have 7 to 10 days of Working Capital Fund available to me in order to be able to respond in a timely manner and, having those resources with all the authorities and responsibilities that I do, I can execute operations and then I go back later and get paid. What has been happening though is coupled with the closure of the Pakistan border and actually having to execute different routes that have been more expensive, those bills have been higher and we've been relying on the Working Capital Fund. This is one example that's been drawing down the fund.

The Services also have other problems in paying their Service-level bills and things of that nature, therefore drawing down the Working Capital Fund. So we are seeing some issues there.

Senator INHOFE. Thank you very much.

General Ham, you and I have talked about this before. We did something pretty smart on this committee way back on September 11 or shortly after that when we recognized, with the squeeze

that's going on in the Middle East and a lot of the terrorist activity going down through Djibouti and the Horn of Africa, to assist the Africans, not to do something for them, but to assist them in building their five African brigades.

It started off, as was anticipated—at least in my mind it was—and then it seems to have slowed down. I know you have the same commitment to complete those standby brigades, but are you getting there as fast as we ought to get there?

General HAM. We are not, Senator. Each of the five regional economic communities of the African Union has a plan to establish a regional standby force. Those plans have not progressed in some cases in any material way, and today, none of the five regions has, in my military view, the capability that they ought have to be able to respond in short order to regional crises.

Senator INHOFE. I think that's right. I know that the Economic Community of West African States (ECOWAS) was among the first ones, and a lot of that was under the leadership of President John Kufuor, former President of the Fourth Republic of Ghana. They were a little bit ahead. But it hasn't reach that, and I regret that you're going to be stepping down in April and will be replaced by General Rodriguez, and we're going to be trying to give new attention to that.

The LRA, any update you'd like to give us on that? I'd like to mention—I think I did in my opening statement—that a lot of people think this is just one guy that's mutilating kids and that was true the first time that I saw the product of his labor, where they would cut the ears and the noses off those little kids and force them to kill their parents and all that. That has expanded into a major terrorist group. So I think it's one that has gotten little pockets of followers around now where it's not quite one general unit.

Are you satisfied that we're doing what we should be doing? I think your answer is going to be yes because I know you're working very hard on it. Any comments on that?

General HAM. Senator, the work does continue. Again, as I mentioned in my opening comments, I think it is a pretty good model of a way in which we can provide, for lack of a better term, unique U.S. military capabilities to enable an African force. We do a lot of intelligence. We help them with funding for rotary and fixed wing aircraft, mobility, information-sharing, communications leaflets that have elicited numerous defections and the like.

Just in terms of money, sir, over the last year we've spent $138 million on counter-LRA, expected to be about $157 million this year. It's not an inexpensive proposition, but in terms of achieving the desired state of minimizing the effectiveness of the LRA, bringing Kony to justice, and simultaneously building the capacity of the African forces, I think we're doing okay.

Senator INHOFE. I do, too. I think you're doing a great job there. While you say it's not cheap, it is pretty cheap when you consider the other operations that are going on. You might occasionally have a helicopter or something like that, but it's primarily intelligence, communications, and coordination. I think you're doing a great job.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Inhofe.

Senator Reed.

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

First, let me thank and commend General Ham for his extraordinary service to the Nation and the Army. You've done a remarkable job, sir, and we thank you. I know foremost in your thoughts has always been the men and women you lead, and it's been evident in your contribution to the Nation. Thank you, sir.

Let me ask a question. First, with the collapse of the Qadafi regime in Libya and turmoil in the Maghreb, there has been the fear that weapons, particularly the Manportable Air-Defense Systems (MANPADS), are filtering through and proliferating. Can you give us a sense in open session of your take on that particular issue?

General HAM. I would, Senator. The details probably ought to be in a separate session, but it's very clear that in the collapse of the Qadafi regime, weapons, MANPADS, crew-served weapons, individual weapons, explosives, have gone really in two directions. We thought initially that most would transit into northern Mali and we certainly have seen significant evidence that that has been the case. AQIM, other organizations, are significantly better armed now than they were before.

What we didn't see quite so quickly, but now believe certainly to be the case, is movement of weapons in the other direction, some of which we believe have ended up in Syria. General Mattis is more qualified to speak on that than I am, but certainly that proliferation of weapons, I think, poses a continuing destabilizing effect across the region.

Senator REED. Not just the United States, but the North Atlantic Treaty Organization and all of our allies have a proactive program to interdict these systems and to, obviously, prevent their dispersal?

General HAM. Senator, there is a multifaceted approach for the U.S. Government, principally led by the State Department in terms of strengthening border security and helping the host nations deal with this. There's a small component that is a weapons buyback program. We have a small role along with others in the U.S. Government to facilitate that program. I would characterize it as having, frankly, modest success. Still, many thousands, particularly of the MANPADS that we believe existed in Libya prior to the revolution, remain unaccounted for.

Senator REED. This leads to another issue, too, is that in your mission in Africa a great deal depends on local governance, policing borders, interdicting weapons. That role is a shared role, not only with you, with the Department of State, with nongovernmental organizations in certain cases. We frequently talk about the impact of sequester and other budget restrictions on DOD operations. Are you seeing significant impacts on your State Department and those non-DOD assets that you depend upon?

General HAM. Not yet, Senator. We haven't seen it manifest itself. But clearly if sequester continues for the balance of this year, I believe that there will be some very real consequences in what our brethren at State are able to deliver.

Senator REED. That will have an impact on issues like we just talked about?

General HAM. Yes, sir, certainly.

Senator REED. Let me ask just another final question with respect to Mali. We engaged over the course of several years in trying to develop a professional military force in Mali. We did tactical training, we had Special Operations Forces troops there, et cetera. Then there was a coup. We talked with General Rodriguez about this. As we go forward, we're going to have to continue to partner with indigenous forces, but we also have to emphasize the proper role of the military.

Can you comment upon that, since you observed some of the effects of our training and our lack of training when it came to the roles of government?

General HAM. Yes, sir, certainly. In Mali both good and bad, I suspect. The unit with which we were primarily engaged was not a unit that participated in the coup. It was the parachute regiment, which was actually repressed by those who did lead the coup. But we did have interaction with others in the Malian Government, in the Malian military.

My greatest disappointment is the senior leaders in the former Malian military with whom we interacted, while they didn't support the military coup, they took no action to resist it. I think there are some lessons learned in that for us, that in our training, as you mentioned, Senator, we have to focus not only on technical and tactical training, but more on values and the professionalism that is required of a military in a democratic society. We can improve and need to improve in our engagement in that area.

Senator REED. Thank you very much.

General Fraser, Senator Levin and I were in Afghanistan and Pakistan about 6 weeks ago and I got the impression that the retrograde operations are picking up momentum significantly. The Pakistan ground lines of communication (PAKGLOC) was opening up in Pakistan. Can you comment on where we are in terms of that retrograde operation?

General FRASER. Yes, sir. Thank you very much. It is continuing to accelerate. We have multiple lanes that we're able to use out of Afghanistan now because of the agreements that have been struck with a number of different nations. The proofs of principle that we have executed are showing us that we have the right process, we have the right procedures in place. Do we have the level of velocity that we want to have? Not yet. It will continue to improve as time goes on.

I was in Pakistan last month and had very good discussions with them. Shortly after that, with all the agreements in place, and all the processes for getting the right permits, it was not long after that, that we executed our first proof of principle of exporting items from Afghanistan. It was containers initially. The process went very smoothly. The containers arrived down in Karachi. The next level that we're going to work is some wheeled armored vehicles.

So that is continuing to move in the right direction. I am encouraged by what I am seeing. I am also encouraged by what's going in. When the border closed, the Karachi port was full of over 7,000 pieces of equipment, containers, things of this nature. We are at less than 2,000 now. We have been moving that into Afghanistan since last year and it continues to get better.

We also did a new import process by which we moved some containers that were shipped in the local area into Karachi. This is going to open up the Foreign Military Sales (FMS) equipment that has been held in a couple of locations, and just last week we sent a booking notice to our commercial partners that we're going to start booking more cargo for the FMS equipment.

Additionally, in the agreement we agreed that we will not take a pause at the border crossings; we'll continue to ramp up, and we've continued to increase the number of bookings that will come as far as exports go. I'm encouraged by what I'm seeing, especially on this last visit out there, that the capacity is built. We need to now continue to accelerate the velocity.

Senator REED. Thank you much, sir, and thank you, General.

Chairman LEVIN. Thank you, Senator Reed.

Senator McCain.

Senator MCCAIN. I want to thank the witnesses. General Ham, I'd like to echo the views of my colleagues and the American people in thanking you for your outstanding service to the country. I'm sure you feel some sense of relief from not having to appear before this committee again.

General Ham and General Fraser, very briefly, we talk about the sequestration effects on our ability and our readiness and our capabilities. What is the effect the you're seeing and foresee that we will see on the morale and eventually retention of the men and women who are serving today of this profound uncertainty that affects their lives?

General HAM. Senator, you captured exactly the right word. It is uncertainty in both the military ranks and in our civilian workforce. They're not sure what to expect of their government. The looming threat of furlough for our civilian employees; for our military members and for their families, the programs that this committee and this Congress have supported, will those be sustained.

I don't think we yet understand what effect this uncertainty may have in the recruiting and retention of our civilian workforce and perhaps even more importantly, on the recruiting and retention of what, I think, is the crown jewel in all of this, and that's the sustainment of the incredibly talented All-Volunteer Force we have. I think there are a lot more unknowns right now, sir, than knowns.

Senator MCCAIN. But there could be some—all of that could be in some jeopardy?

General HAM. I believe it is, sir.

Senator MCCAIN. General Fraser?

General FRASER. I would agree with General Ham. We hear this from our workforce, both the military and the civilians. Most certainly I would highlight our civilian workforce and the significant concerns that they have at this time of a potential furlough.

The loss of potentially 20 percent of their income between April and the end of September is undue burden and undue stress upon them and their family members. It also goes into other areas about security from a perspective of their job. The reason I highlight this is because the workforce has begun talking to us that if they have issues with financial obligations and we understand the fact that

they have security clearances and financial responsibility is a piece of that. This could be an unintended consequence of that.

Now, there are ways to adjudicate that, but I think it shows this uncertainty, the concern and the stress that's upon our family members and the other things that General Ham——

Senator MCCAIN. So over time both you and General Ham agree this could affect morale and retention and over time, recruitment?

General FRASER. Yes, sir, I agree.

General HAM. I do, sir.

Senator MCCAIN. General Ham, prior to the attack in Libya were you aware of the multiple attacks against western interests in Benghazi, including the British ambassador, the Red Cross, the U.S. consulate, and the British pulled their mission out of Benghazi and the Red Cross suspended operations? Were you aware of all of that?

General HAM. Yes, sir.

Senator MCCAIN. So what was your assessment of the threat?

General HAM. That the threat in Benghazi and more broadly——

Senator MCCAIN. In Benghazi?

General HAM.—in eastern Libya it was growing, that there was a renewed presence of extremist organizations that posed a threat, not only to western interests, as exhibited by these attacks, but also to the fledgling Libyan Government.

Senator MCCAIN. Did you recommend any changes in force posture or alert status based on this threat picture, particularly on the date of September 11?

General HAM. Sir, as 11 September approached and there were the obvious concerns of the anniversary event, we did posture Marine Corps forces afloat in West Africa, Fleet Antiterrorism Support Teams in Southern Europe, the personnel recovery team with aviation at Camp Lemonnier in Djibouti, and we ensured that we had access to the shared EUCOM–AFRICOM CIF, which was at that point based in Europe.

Senator MCCAIN. But, General Ham, 7½ hours went by and we were unable to get any forces there. As you are well aware, two of the Americans were killed in the last hour. That doesn't seem to me that you had forces there capable of responding. Certainly they didn't respond.

General HAM. Sir, they didn't. As I replayed the events of that evening over and over in my mind, when the first attack commenced and then essentially ended shortly, about an hour or so after it began, I didn't know at that point that there was going to be a second attack. If I could turn the clock back I'd do it differently.

Senator MCCAIN. I say with respect that if an attack had taken place, that already we didn't know the whereabouts of the Ambassador at that time, it seems to me that would bring some urgency to getting some forces there.

Did you discuss this with Secretary Panetta or General Dempsey or the President during these attacks?

General HAM. We did, sir. I happened to be in Washington that day and did meet personally with General Dempsey and with then-Secretary Panetta shortly after the first attack began.

Senator MCCAIN. Were any of your recommendations, were you told not to execute?

General HAM. No, sir. I requested forces be placed on alert both overseas and in the contiguous United States. The Chairman and the Secretary approved that.

Senator MCCAIN. Did you believe at the time that, given the nature of the weapons used in this attack, that it was a coordinated terrorist attack?

General HAM. In the first attack, I will admit during, as the events were unfolding, it was unclear to me. But it became clear within a matter of a few hours that this was a terrorist attack, at least in my opinion.

Senator MCCAIN. See, this is the conundrum we face here, is that you and General Dempsey and Secretary Panetta all testified that they knew right away that it was a terrorist attack. Yet the American people literally for weeks, at least 2 weeks, were told we don't know. This disconnect between the assessment that you, the Chairman of the Joint Chiefs of Staff, then-Secretary of Defense all immediately concluded, as those of us who are not nearly as knowledgeable as you are, because we don't believe that people bring rocket-propelled grenades and mortars to spontaneous demonstrations—for 2 weeks in the height of a presidential campaign, the American people were told by the President of the United States, "We don't know."

Of course we did know. Of course we did know. That's why some people are a little bit offended that some of us continue to pursue this issue. Four people died and four people's families deserve to know exactly what happened and what transpired. Particularly again two of those brave Americans died in the last hour of a 7½ hour attack.

So it seems to me that, given September 11th, given the warnings, given the entire situation, why we were unable with all the forces—you just enumerated so many of them—that we have in the region, we were unable to get forces there in order to save especially the last two individuals' lives, is something that I think the American people deserve to know.

I thank you both.

My time is up. Thank you, Mr. Chairman.

General Ham, would you want to respond to that? I'd be glad to hear that.

General HAM. Mr. Chairman, if it's okay.

Yes, sir, as I began to say, Senator McCain, that that night stays with me, as I know it does with you and with others. As I said, we didn't know that there was going to be a second attack and we thought, frankly, that after what we felt was the culmination of the attack at the Special Mission Facility, that frankly the effort now shifted to recovery of Ambassador Stevens, who was then the lone unaccounted for American.

Again, in the context of then, not now, with the dispatch of the small team from Tripoli to Benghazi, we thought assurances from the Libyans, which obviously proved to not be fulfilled, that that recovery mission was going to proceed in good order. It did not.

Sir, if I could turn the clock back, I would make different decisions based on what I know now as opposed to what I knew then.

Senator MCCAIN. I thank you, General, for that very candid response. Again, I thank you for your service and we're very grateful for it.

Chairman LEVIN. Thank you, Senator McCain.

Senator Donnelly.

Senator DONNELLY. Thank you, Mr. Chairman.

To General Ham and General Fraser, thank you for your service. General Ham, thank you so much for everything you've done for our country in your career.

General Ham, has the AFRICOM region become as central a center for terrorist activities as the CENTCOM region has been?

General HAM. Sir, I don't think it quite yet rises to that level, but it certainly is trending in that direction.

Senator DONNELLY. As you look at it, do you see it as an increasingly, as you said, growing area, that we may look at this in a few years and see this as equal to or more even than the CENTCOM region at this time?

General HAM. It's hard to predict in the future, Senator. Remember that it is in the CENTCOM region that is the home of al Qaeda. I don't see any indication that al Qaeda main, if you will, or al Qaeda's senior leadership seeks to reposition to Africa. But certainly their associates and affiliates and an increasing number of people who adopt that al Qaeda ideology are present in Africa.

Senator DONNELLY. Now, as we look at lessons learned from Afghanistan and Iraq, is our plan in AFRICOM—you talked about the five regional forces that are developing over there between the countries on the military side—is our plan to have them stand up and be the main force, with us guiding behind the scenes, in the AFRICOM region?

General HAM. Sir, countering the effects of these violent extremist organizations, terrorist organizations, has to be a very broad approach. There is a military component and that's what I am principally engaged with. But I recognize that the military component will not be decisive. There is a military component that has to contribute to security and stability, but it really is the U.S. Government's interaction with African nations and regional organizations to address the underlying causes. Good governance, economic development, health care, education, all of those programs, I think, will have a longer and more lasting effect. But the military component helps set the conditions under which those longer-term operations and activities can take place.

Senator DONNELLY. As we look at this, I know the French have a presence in Mali. Are we primarily on our own other than that, or are other nations in there with us?

General HAM. Senator, there are a number of nations, both African and from outside the region, who are contributing in meaningful ways to the operations in Mali. A number of European countries have pledged training through the European Union and also bilateral relationships. Many of them are already on the ground in Mali and in other West African countries.

I think in principle there is broad agreement that, while the initial reaction and operation by France was necessary, this must

transition to an African-led activity as quickly as the conditions allow. I think that's the next transition point.

Senator DONNELLY. Are we the point of the spear in coordinating all the other nations on these efforts?

General HAM. No, sir, we're not. The ECOWAS is the principal coordinating organization. We and many other nations are supporting ECOWAS in their efforts.

Senator DONNELLY. How do we increase as we look at this the chance for success of those regional armies? You had talked about they are not where we had hoped they would be and we look toward a path forward. How do they stand up quicker, better, more successfully?

General HAM. I think it requires a multi-pronged approach. Part of it is our bilateral efforts and the bilateral efforts of other contributing nations, many of which are in Europe, but increasingly Brazil and India and others, to build the capabilities of individual African states. But there has to be, in my view, a more focused and coordinated effort from the African Union directing the regional economic communities and establishing standards and expectations for the regional standby forces. I think that principally is a diplomatic effort in engaging the African Union.

But I am encouraged because there is for the first time a Memorandum of Understanding between the African Union and the U.S. Government that formalizes our relationship. So I'm hopeful that we can make some progress in the near-term.

Senator DONNELLY. Do we have metrics as we look forward? There's no guarantee you can hit numbers or plans or whatever, but here's where we hope to be next year in Africa, here's where we hope to be the following year, here's where we hope this to have expanded in 5 years, so that we can start to turn the tide back on this.

General HAM. Sir, we at AFRICOM have developed each year and refine each year, in concert with the U.S. ambassadors, what we call a country plan that does, in fact, establish specific programs with measurables, that says where do we want to go. We don't yet have that same kind of arrangement with the regional organizations and I think that's a next step for us.

Senator DONNELLY. General Fraser, you had talked about cybersecurity before in regards to TRANSCOM. Do you know the source of the cyber attacks that are taking place?

General FRASER. Sir, a number of them are scanning the network, they're just hackers trying to come in. So we see a myriad of attacks. There is also some advanced persistent attacks out there that we continue to defend against.

Senator DONNELLY. Are any of these of country of origin elsewhere that you know of?

General FRASER. Sir, we continue to do the analysis on the various threats that we have out there and some of these are passed over actually to another agency to delve deeper into that because of the sophistication that is used.

Senator DONNELLY. In working with our contractors and suppliers, is there or have you detected any effort that these cyber attacks using the contractors and suppliers to be a back door into your systems?

General FRASER. Sir, I've had one report where we are working with a company, but that was principally a download of data and activity that occurred on their network. It was not a back door attack into us.

Senator DONNELLY. General Ham, in regards to Benghazi, one of the great concerns of everyone, including you and everyone else, has been the time it took for response. So as we look forward, are there plans being made with State, with the consuls, with the embassies, to see how we can reduce that time level before you are there?

General HAM. Those discussions are underway, Senator, in a number of different ways. One, is should there be an increased presence of Marine Corps security guards at diplomatic facilities in Africa and other places around the globe. That discussion continues.

But I think the fundamental discussion that's occurring between Department of State and DOD and, in fact, more broadly across the government is the fundamental nature of DOD's security role with regard to diplomatic presence. The primary responsibility has been with the host nation, and if we're going to alter that that has some consequences. If we're going to posture forces that can respond in crisis on very short timelines in a geographic area as large as Africa, then that also has some consequences.

We've taken some initial steps in that, as I outlined, in terms of having an east, west, and north response force. But even that, the distances involved, and the times involved, preclude response within an hour or so. This will take us, I think, some further study and some hard choices, some hard resourcing choices, about how quickly must DOD be postured to respond in response to a State requirement.

Senator DONNELLY. Thank you both very much. General Ham, again, thank you for all the years of service to our men and women.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Donnelly.

Senator Fischer.

Senator FISCHER. Thank you, Mr. Chairman.

Thank you both for being here today.

General Ham, I'm concerned about the threats in Africa as we see them growing and they continue to grow. With the reductions in funding that we've talked about here, do you believe that we're going to have to start to rethink our strategy and maybe look for more direct involvement by the United States in that area?

General HAM. Senator, I think with sequestration I do believe we will have to revisit the Defense Strategic Guidance of January 2012. I don't know that that will necessarily shift us to a strategy that gives primacy to U.S. intervention as opposed to building partner capacity and reliance upon other nations. That'll be a difficult choice to make. It's perhaps faster for us to respond, but in the longer-term, I think that increases the demands on U.S. military forces, rather than what we seek to do through building partner capacity is to eventually reduce the demand, the global demand for U.S. forces, by increasing the capabilities of others.

Senator FISCHER. What areas do you think that we need to start to focus on? If we are looking at cuts then, besides the partner-

ships, what areas? I believe that General Rodriguez testified before the committee that he felt we needed to see increases in surveillance, aircraft, satellite imagery. Do you agree with that assessment or where would you look to change the focus then?

General HAM. Senator, I would agree. The most significant shortfall I have at present and projected into the future is ISR, the ability to see, know, and understand the operating environment. So I think that shortfall will continue to have the greatest impact on the command.

Senator FISCHER. Do you see other areas where we need to focus on as well?

General HAM. I think one of the programs I like a lot that this committee and Congress have supported are the so-called dual key authorities that DOD and Department of State, that those two Secretaries can control together in an effort to help build partner capacity in nations. I think that's an area where we can probably operate more efficiently and with greater prioritization.

I think in general, Senator, that's what the budget constraints are going to cause us to do, is to take a much sharper prioritization to our military-to-military engagements in Africa. There are some exercises and other training opportunities that we have been doing in past years that, frankly, will probably fall by the wayside.

Second, I think it will drive us to an increased multinational approach to building partner capacity, as opposed to our exclusively, almost exclusively, bilateral building partner capacity activities, to date.

Senator FISCHER. Senator Inhofe and Senator Donnelly both alluded to this, and you answered in response to their questions about your timing, being able to respond to crisis within your command. As we see terrorist networks overlapping across commands, how do you think the coordination works between the regional commands that we currently have today, and is that going to help us at all in responding quicker to crises?

General HAM. We have some good examples recently in our collaboration with both CENTCOM and EUCOM. The Secretary of Defense has given us in Djibouti and Yemen some authorities to do very rapid sharing of forces between the two combatant commands, though the geographic boundary exists right there. That allows General Mattis and I to very quickly transition a capability, a military capability that was dedicated to me, to operate in support of him in Yemen or someplace else, or vice versa.

I think we will need more of that kind of flexibility because the threats that we face, of course, don't respect our boundaries. They work transnationally and regionally. We have to be increasingly flexible in applying our authorities and our capabilities across those boundaries.

But I'm encouraged, Senator, by the direction in which we're moving.

Senator FISCHER. Thank you, General.

General Fraser, thank you for coming to my office to visit with me. I appreciated the information that you provided.

You said that the number of attacks has increased fourfold in the last year, is that correct?

General FRASER. Yes, ma'am, that's correct.

Senator FISCHER. You talked about the collaborative nature that you have with regards to those cyber attacks with private sector partners, correct?

General FRASER. Yes, ma'am.

Senator FISCHER. This interaction with your private sector partners, do you believe that's the most effective way to share information, and is it a good approach to take?

General FRASER. Ma'am, that's not the only thing that we're doing. As I mentioned earlier, in coordination with the newly stood-up cyber center that we have on our operations floor in what we call the fusion center, this neighborhood watch capability that we have, where everyone is working together in a collaborative nature, is actually enhancing us all, from our commercial partners as well as us just in TRANSCOM, in our ability to maintain the connectivity that we need to accomplish our job.

So it's all of that working together that is making us as effective as we are. Why we're able to get together and work this in a collaborative nature is because everybody understands the importance of it. So I am encouraged by what we're doing. We continue to move forward in a partnership with them and sharing this information.

Senator FISCHER. Why are you such a prime target?

General FRASER. I believe it's because 90 percent of what we do is on the unclassified network. We do have a number of things that we can do from sensitive operations or movement of sensitive or classified cargo. We do that on the SIPRNET, on the high side, and through other means. But because of how much business that we do with industry and with our commercial partners, that's done on the unclassified side. So, therefore, I also think that's one reason.

Another reason is, too, because there's no other nation that can do what we do and do it the way we do it in order to deploy, sustain, and then redeploy our troops and respond in a timely manner for support of a humanitarian crisis to save lives, decrease human suffering, or respond to a crisis in another region where we've supported other combatant commands. So I believe there's a learning that others want to know.

As I visit other countries and I talk to them about it, they don't have a transportation command. They don't have the collaborative nature that we have here as we reach across and we are actually developing a global campaign plan for distribution which synchronizes across all the combatant commands, to be able to be agile, flexible, and responsive with our forces. So I think there's a learning that's also going on to get an understanding as well as they try to collect the data.

Senator FISCHER. Just briefly now, without the investment of TRANSCOM, are your private sector partners viable? If not, what happens?

General FRASER. There's significant concern in the industry right now and we are working through both the land, air, and maritime executive working groups to understand what the future's going to look like. Because of the budget uncertainty that we have with a CR, we see that we are not doing the level of work that we had anticipated, programmed, and forecast for the future. So when the 2013 budget was built, rates were built, they expected a certain amount of business, both organically and with respect to all the

Services, but they're under pressure, and so the inability to do things such as exercises that have been changed, revamped, and consolidated.

There's also a further reduction that's going to be taken with sequestration. So this lack of predictability, the lack of flexibility that's there, they are feeling the pinch. They have come to me and they've talked to me, which is why we're bringing this into the executive working groups to make sure that we're all on the same sheet of music and have the same understanding of what the business is going to look like for the future.

That lack of predictability and stability right now creates great uncertainty. We have already had, as a result of the change in operations in Iraq, all very positive, but because the capacity that had been built on the air side of the business, we have had several companies that have actually had to go into bankruptcy and into restructure. There is one that has had to shut their doors. They are no longer in the business.

There is also concern in the maritime industry now as the amount of cargo that we're moving starts to come down. So they're looking to shift their business into different lanes and going into different areas.

The other impact as a second-, third-order effect is potentially, because of the high cost of crews, there has been some discussion about reflagging some of the ships from U.S. flags, and this could result in a change-out of the crews as well. So, there is concern across all the industries.

Senator FISCHER. Thank you, sir, very much.

Chairman LEVIN. Thank you very much.

Thanks to Senator King for his courtesies.

Senator Graham.

Senator GRAHAM. I want, ought to thank Senator King, too. We have a markup in Judiciary about the assault weapons ban, which is obviously an important topic to everyone in the country. I'm going to try to get to that. But Senator King, thank you very much. Mr. Chairman, thank you for allowing me to go out of order here.

General Ham, thank you for your service to our country. I want to get right into some questions I think are important, at least in my mind.

Do you know a Lieutenant Colonel Wood?

General HAM. Sir, I've met him briefly, and yes, I do know who he is.

Senator GRAHAM. He was assigned to the site security team in Benghazi, Libya. Is that correct General?

General HAM. In Tripoli, yes, sir.

Senator GRAHAM. In Tripoli, a 16-person team providing additional security to our Ambassador and our State Department officials in Libya. Is that correct?

General HAM. Yes, sir, it is.

Senator GRAHAM. He says that he reported to you three times a week or someone in your command through video teleconferencing about the situation in Libya. Is that an accurate statement?

General HAM. Partially, sir. The special security team, a DOD entity, operated exclusively under what we call Chief of Mission

authority, meaning, they took all of their direction from the Chief of Mission.

Senator GRAHAM. Right. They were under their operational control. But he told you or your command what was going on in Libya; is that correct?

General HAM. Yes, sir. There was frequent communication.

Senator GRAHAM. As a matter of fact, I want to compliment your organization for informing the Chairman of the Joint Chiefs and the Secretary of Defense. My point is that through Lieutenant Colonel Wood's interaction with your command, he was able to know of the August 16 cable from Ambassador Stevens telling the State Department: "We cannot defend the consulate if attacked in a coordinated way." Secretary Panetta and General Dempsey said that they knew of all the communications coming out of Libya to the State Department regarding the threat environment in Benghazi and Libya, in general. I think that has a lot to do with your command, I want to compliment you on that.

Do you have any idea how the Secretary of Defense could have known of the reporting from the State Department about the threat condition in Benghazi and the Secretary of State be unaware?

General HAM. Sir, I don't have any insight into that.

Senator GRAHAM. Thank you.

Just for the record, Lieutenant Colonel Wood requested an extension to go past August 2012 to help the Ambassador. The Ambassador wanted his team to stay there. Would you have approved that request if it had come before you?

General HAM. Sir, it would not have been mine to approve, but——

Senator GRAHAM. Would you have supported the request?

General HAM. I would and I did, and I explained that to Ambassador Stevens, that if there were a request to extend the team, we at AFRICOM were prepared to do so.

Senator GRAHAM. He was sent home in August, at the same time these cables were coming from our Ambassador, that we cannot defend the consulate from a coordinated attack.

Lieutenant Colonel Wood said on October 12 to Congress it was only a matter of time until we were attacked. We were the last flag flying. So hats off to Lieutenant Colonel Wood.

Do you know a Representative Jason Chaffetz?

General HAM. I do, sir.

Senator GRAHAM. He visited you on October 5 at your headquarters in Stuttgart, Germany. Do you recall that visit?

General HAM. I do, sir.

Senator GRAHAM. You went together on October 6 to Tripoli to visit the Embassy Country Team. Do you recall that visit?

General HAM. Yes, sir.

Senator GRAHAM. Do you recall him asking you what military assets you ordered deployed to Libya once you learned that the Embassy's Special Mission Compound in Benghazi was under attack? According to Representative Chaffetz, you responded that you could have deployed assets; however, it was not requested. Do you recall saying that?

General HAM. Not in those specific terms, Senator. I recall having a discussion about the forces that were available, the forces I

requested of Secretary of Defense be placed on heightened alert, in some cases——

Senator GRAHAM. Did you ever recommend to Secretary Panetta, General Dempsey, the President, or anyone in authority to move assets into Libya?

General HAM. Yes, sir, and they approved that and the teams did move.

Senator GRAHAM. So what was the closest team?

General HAM. The team that was best postured to move was the Fleet Antiterrorism Security Team in Rota.

Senator GRAHAM. So when did they begin to move?

General HAM. I don't know precisely when they began to move. They arrived in Tripoli about 24 hours after the attack.

Senator GRAHAM. I guess my point—were fighter aircraft available in Aviano that could have gotten into Libya within 24 hours?

General HAM. They could have been, sir. I did not so request——

Senator GRAHAM. Did you ever suggest that we deploy any military asset quicker than 24 hours?

General HAM. I did not. I considered, but did not request the deployment of fighter aircraft.

Senator GRAHAM. Did anybody ever ask you, General Ham, what do we have to get to the aid of these folks quickly? Did anyone ever suggest that we use an F–15 or F–16 to buzz the compound once the Ambassador was found missing?

General HAM. Not to my knowledge, sir.

Senator GRAHAM. Were you ever told to stand down in any of your efforts to move people into Libya because we were concerned about violating Libyan air space?

General HAM. No, sir.

Senator GRAHAM. Were you ever tapped on the shoulder by anyone and told, "you're going ahead of yourself here?" No one ever suggested to you to stop what you were doing?

General HAM. No, sir.

Senator GRAHAM. Did you know when the attack was going to be over when it started?

General HAM. Certainly not.

Senator GRAHAM. What kind of reaction was there in the system when the Ambassador was found missing?

General HAM. Shock, to be sure; an all-out effort to find him and hence the diversion of the unmanned system to get that overhead as quickly as possible.

Senator GRAHAM. An all-out effort. Did we have air assets within 2 to 3 hours of Libya? Were there any 130s available to go in? Were there any AC–130 gunships?

General HAM. I know for a fact there were no AC–130s in the theater. I would have to check if there were any C–130s.

Senator GRAHAM. Could you do this? Could you give this committee in writing a detailed analysis of the military assets available that could have gotten into the Benghazi area within 12 hours?

General HAM. Yes, sir.

Senator GRAHAM. Please tell us what you recommended, who you recommended it to, and what to do with those assets.

General HAM. I will, sir.

[The information referred to follows:]

[Deleted.]

Senator GRAHAM. Did you ever talk to the President of the United States?

General HAM. Not on this matter, no, sir.

Senator GRAHAM. When the Secretary of Defense turned to you and said, "there's really nothing we can do within 24 hours to help these people," what was his reaction?

General HAM. Sir, it wasn't that kind of a conversation. The initial discussion was about the initial reports of an attack, trying to gather information, what's happening, what forces are available to respond. That's what precipitated the alert to the Fleet Antiterrorism Security Team, and to the CIF.

Senator GRAHAM. Just finally, did it become apparent to everybody in the room, there's nobody can get there within 24 hours?

General HAM. Pretty quickly. Not necessarily the 24 hours, because the Fleet Antiterrorism Security Team and the CIF could have arrived earlier. But then, again, knowing what we knew then, different than what we know now, the attack culminated and seemed——

Senator GRAHAM. Did you stop their deployment?

General HAM. We did not. We timed the deployment, then, in concert with the embassy to say, "when do you want this, when do you need this team to arrive?"

Senator GRAHAM. Thank you. My time has run out.

Thank you.

Chairman LEVIN. Thank you, Senator Graham.

Senator King.

Senator KING. General Ham, just for the record, you used a term that gave me a start. You said "Al Qaeda-Main." Can we make it clear that there's no "e" on the word "main" in that phrase? [Laughter.]

General HAM. Certainly, Senator, yes. "Al Qaeda senior leaders."

Senator KING. I appreciate that.

The question's been asked and I think Senator Graham's questions were around this. I'm less interested in the details of what happened and more interested in what do we learn from it. I think the question's been asked several different ways. I don't want to prolong it, but it seems to me the strategic challenge—and it's fortuitous that you two fellows are here at the same time—is how do we decrease response time while still maintaining a relatively small footprint? That really, it seems to me, is the ongoing strategic issue. I know you've talked about it. I don't expect a lengthy answer, but I think it has to do with transportation, because we don't want a big base in Africa, I don't think. But on the other hand, as we learned in Benghazi, we want to be able to get people—and not necessarily in the context—the Benghazi case was a State Department emergency. There may be other emergencies where American interests are threatened on a short-term basis.

I just suggest to you, I hope that's something that's in the planning and discussion stages, because I think that's the strategic challenge that we face. Do either one of you want to address that?

General HAM. I'll start, Senator, if that's okay. I do agree with you. The challenge for us, I think, begins—first of all, we're much better at prevention than we are at response. Prevention is a lot cheaper, but that necessitates better understanding of the operating environment, and hence my concern for increased ISR, so that we have that better understanding and we can perhaps, as we have done in some places, a preventive deployment, if you will, a reinforcement to prevent an activity from occurring, rather than responding to crisis.

General FRASER. Sir, if I might add on TRANSCOM's part, one of the things that I find that is good about the command is the flexibility and the agility that we have, so that we have a rather robust intelligence shop. We maintain constant contact with all of our combatant commands, so that when there is an event, whether it's an attack, whether it is a natural disaster, an earthquake, a tsunami, whatever it may be, one of the things that we initially do as part of our process is to start looking at what is in the system and what I have available.

As soon as we know that, then we're able to take action and, dependent upon what it is that we may be responding to, we have authorities, for instance, to start putting aircraft on alert, to put crews into crew rest so that they'll be immediately able to respond. We have different levels of alert postures. Those are some of the things that we start doing right away.

Numerous times they're never called upon. But immediately within the system, the global nature of the mission and the fact that we're around the globe somewhere, we're able to put our hands on assets dependent upon the combatant commander's needs. So there's a lot of flexibility and agility in the system.

If I might add, I do have a concern as we move to the future. Because of the cuts that are occurring, there's going to be an impact, I think, long-term second- and third-order effects of this readiness and this posture level. So will we have that flexibility and agility in the system if the readiness levels begin to lower to lower levels, and what risk will that present to the system and the rapid response that is required in the future? So it is something we're going to have to keep an eye on. It's something that we'll make sure that we continue to work with our combatant commands and our commercial partners.

Senator KING. I appreciate it. I think to me, the Benghazi situation gives us an opportunity to learn. One of my principles in a situation like this is after-action assessment and what could we have done differently. I'm sure you've done that. But to me, the fundamental question is how do we get assets where they're needed in a fairly short time, whether it's 2 hours, 4 hours, 6 hours? It depends on the circumstances. But I'm sure you're working on that, your command is working on that.

General Ham, I certainly appreciate your service to the country and wish you the best of luck. I'll join Senator McCain. I'm sure that one thing you won't miss is appearing before this committee. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator King.

Senator Ayotte.

Senator AYOTTE. Thank you, Mr. Chairman.

I want to thank both of our witnesses that are here today for their distinguished service. I very much want to thank you, General Ham, with your impending retirement, for everything that you've done in AFRICOM.

I want to reiterate what you also heard from some of my colleagues. I was deeply impressed when General Dempsey testified before the committee, certainly the level of briefings that you had provided up the chain of command with regard to the deteriorating security situation in eastern Libya. So I very much appreciate that.

I have a follow-up question to what Senator Graham was asking you about with regard to what happened in Benghazi. When General Dempsey testified before this committee along with Secretary Panetta, he said that essentially you had recommended the extension of the site security team in Libya, in other words, the 16-person team that Senator Graham was asking you about, the security team that was present, that was not extended. It went there until August 5.

When General Dempsey testified before this committee, he said that you personally had recommended the extension of the special security team, you were aware and briefed on the August cable that the Ambassador had indicated that the consulate could not withstand a coordinated attack. According to General Dempsey's testimony, you were told no, that there wouldn't be an extension.

So how did that come about? Who told you no? Who made the call that the site security team should not be extended?

General HAM. Senator, to the best of my knowledge, there was no request from the Department of State to DOD to extend the team. That's how the process began, was a request from State to Defense for this augmentation, Senator, twice extended. But I'm unaware—I do not believe there was a request for a third extension.

My support for the extension was, first, we were postured to do so, that if State so requested we had the people ready—some of them were those who were already deployed that would be extended. Some would be replacement persons. So we were ready to respond to an extension should one be directed.

But there was also, I will admit to a selfish motivation. Though the team operated exclusively under the Ambassador's authority, it was good for us to have military people in Libya who were establishing contacts, building rapport, building relationships, building their understanding of Libya, that we knew would pay off for us in establishing a military-to-military relationship with the Libyans. So I had a selfish motivation in the DOD presence.

Senator AYOTTE. So as General Dempsey told us, he said that you actually called the embassy to ask whether they wanted an extension of it. Do you recall doing that?

General HAM. I do, Senator. I had numerous conversations by phone or by secure video teleconference with Ambassador Cretz and with Ambassador Stevens, and Ambassador Stevens visited the AFRICOM headquarters on August 20 and we had face-to-face discussions then as well.

Senator AYOTTE. So when you had these conversations, what were you told in terms of why they were not asking to keep the security team there?

General HAM. I did not have that discussion with Ambassador Stevens. It was simply my point to him to say: "You know, if State asks and the Secretary of Defense, obviously my boss, approved it, we were postured to support the team."

Senator AYOTTE. Did you think it was a good idea that the team remain longer?

General HAM. In my personal view, yes, ma'am.

Senator AYOTTE. Did you express that to the State Department?

General HAM. Only to Ambassador Stevens, and previously to Ambassador Cretz, and certainly to General Dempsey.

Senator AYOTTE. Just so we understand, when the British Ambassador's convoy was attacked, this team actually helped recover and helped them when they were attacked, as I understand it. So it had provided substantial assistance when there had been other attacks in the area, particularly on our allies.

General HAM. Senator, some members of the team did occasionally travel into Benghazi at the request and direction of the Ambassador and, as you might expect, from U.S. military personnel, if there was a mission to be accomplished they were going to find a way to try to do it.

Senator AYOTTE. Just trying to understand what occurred and also what lessons we can take from this. As I understand it, you have at AFRICOM headquarters, interagency representatives, where you have from nine different Federal agencies that meet together to talk about and coordinate AFRICOM's activities. Could you explain what that is and how does that working group work together, and thinking about it in light of a situation like this, where what we don't want is DOD thinking this is what we should be doing to protect the consulate and this is the best course of action, but Department of State not taking that information in.

Could you tell me, did that working group take up the security? Does it take up security issues? Did it in this instance?

General HAM. Senator, one of the directions given to AFRICOM is a mission set very similar to other geographic combatant commands. But there's a special direction that says that in Africa we will give particular attention to a whole-of-government or interagency approach to achieving the U.S. interests in Africa. That's resulted in a presence within the command, as you mentioned, for multiple different U.S. Government agencies. They don't sit as one body, but rather they are interspersed throughout the command.

What those non-DOD personnel bring to us for the most part is African expertise and experience and the particular experience and expertise of their home organizations, be it the Departments of Homeland Security or Agriculture or Treasury; certainly State and the Foreign Service and the U.S. Agency for International Development, and many other organizations.

They're coordinated by a very senior Foreign Service officer who serves as my deputy commander for civil-military activities, a very senior Foreign Service officer, a three-time ambassador. He coordinates the interagency role in the government.

So what that says is that we have an opportunity because of the presence of those interagency personnel in the command to have a very strong connective relationship with the U.S. country teams, who are also multiagency, but also back to the agency headquarters in Washington. That gives us some great benefits.

Senator AYOTTE. It sounds like a very good working group. In the context of what happened in Benghazi and thinking about the protection of the consulate, the prior course of attacks that, of course, you reported up the chain of command, was that ever discussed in that interagency working group in terms of the deteriorating security situation and what actions we should be taking to ensure protection of personnel and to deal with the situation there?

General HAM. Yes, ma'am. It was a serious point of discussion for a number of months—growing concern over the increasing presence of individual extremists, some of them with strong al Qaeda links, growing concern over an expanding network, particularly in eastern Libya, and this caused us to concentrate our intelligence collection efforts, which were few, frankly, but those that we did have, to coordinate our collection efforts in eastern Libya to better understand the emerging situation.

Senator AYOTTE. I know that my time is up. One of the things that I'm struggling with—I think about that group and I know that, as I understand it, your deputy in that group is a pretty senior ranking official in the State Department—why we wouldn't have thought about having the communication of extending the site security team, in light of all these discussions and the situation as it was unfolding in Benghazi. Was that just not an issue taken up by that group?

General HAM. Ma'am, we did have that discussion. As mentioned, Senator, we were prepared to extend the team. I do not know the decisionmaking process within State that led to an extension not being requested.

Senator AYOTTE. So this was discussed with this team. There was—as I understand it, Chris Dell is your deputy on that team, who is a pretty high-ranking official in the State Department. But when you had these discussions you don't know why they didn't go up and the decision in the State Department wasn't made to extend the team?

General HAM. I do not, Senator.

Senator AYOTTE. Thank you, sir.

Chairman LEVIN. Thank you, Senator Ayotte.

Now we have finished our first round. Is there anyone who wishes to ask any additional questions at this time? [No response.]

If not, we thank you both. A special thanks again to those who work with you, and a special good luck to you, General Ham.

We'll stand adjourned.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR BILL NELSON

IN-TRANSIT VISIBILITY OF THE SUPPLY CHAIN

1. Senator NELSON. General Fraser, the U.S. Transportation Command (TRANSCOM) is the Department of Defense (DOD) lead for in-transit visibility (ITV) throughout the supply chain. Government Accountability Office (GAO) reports that although DOD has taken steps to improve in-transit tracking, no one organization is aware of all such efforts across DOD. GAO further states that there are at

least 34 such individual efforts across DOD, with only informal coordination amongst them. As DOD is projected to spend $455 million on these efforts from 2012 to 2015, are you going to take an active role in these individual efforts?

General FRASER. DOD efforts and projected expenses cited are those of the four Services and defense agencies like the Defense Logistics Agency (DLA). TRANSCOM's responsibility as DOD lead proponent for ITV is to collaborate with the Services/agencies to eliminate overlaps and to ensure synergy among their programs.

Yes, TRANSCOM has been actively involved in this mission and will continue to be so. The Deputy Secretary of Defense, Supply Chain Integration, is currently drafting DOD Strategy for Improving Asset Visibility (Tracking) and ITV with input from TRANSCOM, the Services, and DLA. Our understanding is this document will further define the centralized roles of TRANSCOM in coordinating the DOD ITV efforts.

JACKSONVILLE PORT AUTHORITY

2. Senator NELSON. General Fraser, the National Defense Authorization Act for Fiscal Year 2008 directed the Secretary of Defense to develop and implement a plan to optimize the use of strategic ports. Despite a 2008 study which ranked Jacksonville as the number one east coast strategic port, Jacksonville Port Authority (JAXPORT) saw a decrease in volume of military cargo. We corresponded a year ago on this particular topic, specifically regarding the overall selection process and movement of cargo through strategic seaports, as well as best-value practices and processes for planning, routing, and booking cargo. At the time, the audit of the Surface Deployment and Distribution Command to determine cost effectiveness of cargo movement procedures was ongoing, but the results were not expected in the near-term. Will you provide an update regarding the status of your review?

General FRASER. The GAO audit referred to in our March 2012 correspondence is complete. The review of DOD preparations for the Afghanistan drawdown (GAO–13–185R) was completed December 2012. This audit, however, does not address your concerns regarding the cost effectiveness of cargo movements and the relative impact to seaports such as the JAXPORT.

DOD has 22 designated Strategic Seaports and 17 of them are commercial. Such designation does not guarantee throughput of military cargo or DOD business. However, JAXPORT has been, and remains, one of our busiest seaports. Many factors are considered when selecting seaports for inbound and outbound military cargo. For most missions, port selection is initially recommended by the combatant command at Force Flow conferences and is documented in the Joint Operations Planning and Execution System. The type of cargo and the overland cost to transport the cargo is also considered. Additionally, a significant portion of the surface cargo is often booked with a commercial carrier using the door-to-door method. In such cases, the carrier decides which seaports to use based upon a business analysis taking advantage of their network and infrastructure. This is often the best-value option for the government.

Since March 2012, we have processed 1,928 pieces of redeployment/retrograde cargo through JAXPORT in support of drawdown efforts in Iraq (Kuwait) and Afghanistan. During the same time frame, JAXPORT processed 1,269 pieces of cargo in support of U.S. Africa Command (AFRICOM) missions. The 101st Combat Aviation Brigade from Fort Campbell, KY, deployed through JAXPORT recently, and we forecast increased traffic via Jacksonville for 2,723 pieces of Foreign Military Sales (FMS) bound for Afghanistan. Finally, we are conducting a feasibility analysis using JAXPORT for expanded agricultural inspections of cargo returning from Afghanistan.

QUESTIONS SUBMITTED BY SENATOR CLAIRE MCCASKILL

BUILDING SECURITY CAPACITY

3. Senator MCCASKILL. General Ham, one of AFRICOM's central missions is to strengthen the defense capabilities of African states. In January 2013, an International Security Advisory Board report on "Security Capacity Building" found that the United States annually spends more than $25 billion on what is broadly classified as security capacity of the recipient states. The report found that we have a multiplicity of programs spread across different departments and agencies where there may or may not be coordination in resourcing and execution. A lack of coordination could easily lead to duplication of effort and waste of resources that would

be better spent elsewhere. As the combatant commander, what policies are in place to ensure efforts are coordinated with our diplomatic missions and other Federal agencies to ensure duplication is not occurring?

General HAM. AFRICOM coordinates directly with the Department of State (DOS) and U.S. Embassy country teams as we plan our programs. We encourage a transparent approach to capability development to include inviting members from the Office of the Secretary of Defense (OSD) and DOS to the initial stages of proposal development. Our excellent working relationship with DOS and OSD and the growing number of Offices of Security Cooperation in African nations facilitate this dialogue and help ensure that the U.S. Embassy Chief of Mission has all the required information to provide final approval to our programs—a key method for ensuring that all agencies are involved.

4. Senator MCCASKILL. General Ham, while many at the DOS and the U.S. Agency for International Development (USAID) welcome the ability of DOD to leverage resources and to organize complex operations, there also is concern that the military may overestimate its capabilities as well as its diplomatic role, or pursue activities that are not a core part of its mandate. The highly unequal allocation of resources between the DOD, USAID, and DOS could hinder their ability to act as equal partners and could lead to the militarization of development and diplomacy. How are you balancing our military presence in Africa with our diplomatic responsibilities?

General HAM. The U.S. Ambassadors are the lead for U.S. diplomatic, informational, military, and economic development in each African nation. AFRICOM fully supports them and DOS to ensure a balanced and synchronized effort between diplomatic, development, and military presence in African nations. Traditional U.S. military engagement strategy has been grounded in threat-based analysis. To meet our growing responsibilities in Africa, the command will complement this traditional framework with a partnership-based analytical approach to planning. We will develop strategies to use our military capabilities in a supporting role with our interagency team in an effort to assist our partners in building resilient, democratic security institutions.

QUESTIONS SUBMITTED BY SENATOR JOE MANCHIN III

EQUIPMENT IN AFGHANISTAN

5. Senator MANCHIN. General Fraser, Foreign Policy Magazine's Situation Report reported on Tuesday, March 5 that the Army is planning on leaving about $6 billion worth of equipment in Afghanistan post-2014, after moving about $21 billion of equipment out of the country. I do not want a single soldier to die trying to move equipment out of Afghanistan, but—at the same time—this seems like a tremendous waste of resources at a time of fiscal crisis in this country. What was TRANSCOM's role in determining what equipment was worth returning to DOD's inventories outside of Afghanistan?

General FRASER. The individual Services make the determination of what equipment will be returned to DOD's inventories. TRANSCOM's role is to provide the transportation of equipment back to the United States or other locations via military or commercial means.

6. Senator MANCHIN. General Fraser, how does the Afghanistan retrograde situation compare with that of Iraq?

General FRASER. The retrograde of materiel out of Iraq was significant and challenging. The reduction of troops and equipment out of Afghanistan is much more challenging and is being conducted with deliberate and careful planning. Additionally, Afghanistan's road system is not as developed and there is no neighboring country like Kuwait which allows U.S. Forces to stage vehicles and equipment for processing and onward movement to the United States. Also, Afghanistan, unlike Iraq and Kuwait, does not have access to a seaport.

To mitigate any challenges, TRANSCOM has focused on increasing our strategic flexibility. The past year has seen the successful reversal of the flow on multiple ground routes to include: the Afghanistan to Europe Route, the Trans-Siberian Route, the Kazakhstan, Kyrgyzstan, Tajikistan route, as well as reestablishing bidirectional flow on the Pakistan Ground Lines of Communication (PAKGLOC). Additionally, we are expanding our multi-modal options to include retrograde operations through Baku, Azerbaijan.

7. Senator MANCHIN. General Fraser, what was the value of equipment left in Iraq?

General FRASER. The Services are in the best position to provide an overall cost analysis of equipment in theater. TRANSCOM assists the Services with calculating the transportation cost and readily supports equipment movement once the Services make a determination of what is to be returned to the United States.

8. Senator MANCHIN. General Ham, I recently received an interesting briefing from the Henry Jackson Society on those convicted of planning or perpetrating al Qaeda related terrorist offenses in the United States. Of the 171 individuals convicted of al Qaeda-related offenses studied by the researchers, about half had received terrorist training of some kind. Of these, nearly 70 percent trained in Afghanistan, but 5 percent trained in Somalia. What is the current status of terrorist training in the AFRICOM Area of Responsibility (AOR), particularly in Somalia?

General HAM. [Deleted.]

9. Senator MANCHIN. General Ham, what is AFRICOM doing to manage this challenge?

General HAM. We believe that African nations are best suited to address security challenges in Africa. AFRICOM will continue to work as one element of a total U.S. Government approach to enable our African partners to address security challenges. Our efforts focus on intelligence-sharing and capacity-building so that Africa nations are better able to prevent or defeat terrorist training activities within their borders.

10. Senator MANCHIN. General Ham, under your leadership, the United States has expanded its presence in Africa, including through the establishment of new bases in Niger and Burkina Faso primarily tasked with counterterrorism and surveillance missions. Will these bases continue to serve primarily as platforms for surveillance, or will we begin to see a larger U.S. troop presence and expansion of the mission at these bases?

General HAM. Our presence in Niger and Burkina Faso is served by operating locations rather than by long-term enduring bases. We do not intend to increase U.S. troop presence or expand the mission in Niger or Burkina Faso beyond what is necessary to support our ongoing operations. We maintain a low profile presence while bringing to bear unique U.S. capabilities in accomplishing our mission.

11. Senator MANCHIN. General Ham, over the next year, do you anticipate that the United States will conclude additional status of forces agreements with African nations, as we did with Burkina Faso on February 28?

General HAM. The United States most recently concluded a Status of Forces Agreement (SOFA) with Niger on January 28, 2013. The United States currently has status protection agreements with 32 of 54 nations in the AFRICOM AOR. Of those, six are global SOFAs which contain all of the immunity privilege provisions the United States normally seeks to ensure mission accomplishment and status protections for U.S. uniformed and civilian members of DOD.

The United States is currently in the process of negotiating a SOFA (renewal and update of existing agreement) with Morocco, as well as concluding SOFAs with Cape Verde (new) and Uganda (renewal and update). In addition, DOD has coordinated with DOS to deliver our global SOFA text to 10 other nations in the AOR in the past year. We are hopeful that we will be able to successfully negotiate and conclude these agreements.

QUESTIONS SUBMITTED BY SENATOR JAMES M. INHOFE

BENGHAZI

12. Senator INHOFE. General Ham, terrorist attacks in Benghazi on September 11, 2012, that left four Americans dead—Ambassador Chris Stevens, Sean Smith, Tyrone Woods, and Glen Doherty. Deaths that I believe could have been prevented. What has become clear is that the United States was woefully unprepared for what occurred in Benghazi. Warning signs went unheeded—when tragedy struck, forces weren't ready to respond. What is also clear is that following the attack, the administration provided the American people inaccurate information about the true nature of the catastrophic events in Benghazi. Secretary Panetta and General Dempsey admitted before this committee last month what most of us knew all along: it was immediately apparent to the Obama administration that the deadly assault on our

Benghazi annex was unequivocally a coordinated terrorist attack. What was your assessment of the threat in Libya prior to the attack?

General HAM. Due to the presence and activities of al Qaeda operatives and other extremist networks in the region, there was a general agreement in the Intelligence Community that Benghazi and northeastern Libya were high-threat areas. However, there was no specific, credible intelligence that an attack against the U.S. Special Mission Facility or annex was being prepared.

13. Senator INHOFE. General Ham, were you aware of the multiple attacks against Western interests in Benghazi in the months before the events of September 11, 2012, including against the British Ambassador, the Red Cross, and the U.S. Consulate?

General HAM. Yes.

14. Senator INHOFE. General Ham, were you aware that the British pulled their mission out of Benghazi and the Red Cross suspended operations?

General HAM. Yes.

15. Senator INHOFE. General Ham, did you make or recommend any changes in AFRICOM force posture or alert status in the region based on the threat picture? If not, why not?

General HAM. Yes, DOD posture across the world on September 11, 2012, was commensurate with the anticipated threat and force protection conditions across individual regions. Our forces maintained heightened awareness, however; we were not aware of specific threats to U.S. personnel in Libya. We were also unaware of Ambassador Stevens' travel to Benghazi as it is not customary for U.S. Embassies to advise DOD of ambassadors' travel.

16. Senator INHOFE. General Ham, did you talk with Secretary Panetta, General Dempsey, and/or the President during the attacks, and if so, what was discussed?

General HAM. Yes. I spoke with Secretary Panetta and General Dempsey. Secretary Panetta, General Dempsey, and I discussed the situation, threats, and forces available.

17. Senator INHOFE. General Ham, when and how did you find out about the attack in Benghazi?

General HAM. I was in Washington, DC, when I received the notification call from my AFRICOM operations center at approximately 1620 EDT.

18. Senator INHOFE. General Ham, what options did you recommend to the President, Secretary of Defense, and/or the Chairman of the Joint Chiefs?

General HAM. [Deleted.]

19. Senator INHOFE. General Ham, what forces were available forces and what direction did you give your forces?

General HAM. [Deleted.]

20. Senator INHOFE. General Ham, were you told not to execute any of your recommendations?

General HAM. No.

21. Senator INHOFE. General Ham, do you believe the attack was a coordinated terrorist attack?

General HAM. Yes. It was clear to me soon after the first attack that this was more than a demonstration.

22. Senator INHOFE. General Ham, did the State Department ask for assistance in securing the attack sites after the Americans had been evacuated to facilitate the investigation?

General HAM. No.

23. Senator INHOFE. General Ham, knowing what you know now, would you make any different immediate recommendations or take different actions?

General HAM. Had we known then what we know now, I suspect Ambassador Stevens would not have travelled to Benghazi and the DOS would have sought DOD assistance in evacuating all Americans from Libya.

24. Senator INHOFE. General Ham, does the growing terrorist threat, and lack of warning of this attack, indicate we are under-resourcing our counterterrorism efforts in the Sahel?

General HAM. AFRICOM's intelligence, surveillance, and reconnaissance (ISR) requirements continue to increase based on the growing terrorist threat in our AOR. ISR assets are low-density/high-demand assets that are in demand across the globe.

We recognize that we are one part of an overall U.S. counterterrorism strategy. We will continue to work with the DOS to enable partners to strengthen their counterterrorism capabilities.

AFGHANISTAN REDEPLOYMENT

25. Senator INHOFE. General Fraser, unlike Iraq, Afghanistan presents a much more significant logistical challenge for the movement of people and equipment into and out of the theater. Until last fall, the military used a mix of commercial and military surface transportation along five major ground routes through Pakistan to deliver approximately 40 percent of total cargo into Afghanistan. TRANSCOM also used a series of three northern routes though Central Asian countries called the Northern Distribution Network (NDN) to deliver another 40 percent, and Air Mobility Command (AMC) aircraft to move the remaining 20 percent. However, TRANSCOM will remain challenged to move the sheer volume required to meet the President's December 2014 deadline for the withdrawal of the majority of combat forces from Afghanistan. What difficulties do you foresee with getting DOD equipment and personnel out of Afghanistan?

General FRASER. None at the present time; however, floods, renewed strikes/disputes, sectarian violence, and upcoming elections could disrupt future cargo along the PAKGLOC. Afghanistan is a logistically challenging area of operations. Limited surface routes and geopolitical sensitivities have the potential of negatively affecting our ability to support retrograde operations out of Afghanistan. To mitigate these challenges, TRANSCOM has established multiple transportation routes, including airlift between the continental United States and Afghanistan, as well as commercial surface and multi-modal transportation routes. TRANSCOM is providing the strategic flexibility needed to meet U.S. Central Command's (CENTCOM) redeployment timeline and is ensuring that there are no single points of failure in the transportation enterprise.

The past year has seen the successful reversal of the flow on multiple ground routes to include the Afghanistan to Europe Route, the Trans-Siberian Route, the Kazakhstan, Kyrgyzstan, and Tajikistan route; as well as reestablishing bi-directional flow on the PAKGLOC. Additionally, we are expanding our multi-modal routing options to include retrograde operations through Baku, Azerbaijan.

In order to increase operational flexibility, decrease transportation costs, and provide additional geopolitical theater engagement opportunities, we are partnered with DOS, CENTCOM, and U.S. European Command (EUCOM) to open new ground and multi-modal routes while continuing to synchronize our efforts with CENTCOM. One example of increasing flexibility is the passenger (PAX) transit option at Mihail Kogalniceanu (MK), Romania. Our efforts to open an additional transit location for PAX movements culminated in the successful bi-directional movement last September and this past February. Nearly 12,600 passengers have transited MK.

26. Senator INHOFE. General Fraser, does DOD have sufficient capacity to meet the drawdown timeline through 2014?

General FRASER. TRANSCOM currently has enough capacity to meet the 2014 drawdown timeline. We are in the process of increasing capacity by opening new routes and new modes through several proofs of principle. Once fully realized, these routes will provide additional operational flexibility to the CENTCOM Commander during the Afghanistan drawdown. These efforts will increase cost-effectiveness and provide additional geopolitical engagement opportunities.

27. Senator INHOFE. General Fraser, has DOD determined what equipment you will be returning to the United States?

General FRASER. The Services have made decisions on some equipment that will be returning to the United States. TRANSCOM has been transporting this equipment back to the United States for over a year. The Services are still deciding on other equipment that may be declared excess and offered to other countries as Excess Defense Articles (EDA).

28. Senator INHOFE. General Fraser, do you have the authorities you need to return all required equipment?

General FRASER. Yes, we have the authorities to return all required equipment to the United States or other U.S. locations.

29. Senator INHOFE. General Fraser, why has it taken so long to finally open and use the PAKGLOC?

General FRASER. After the November 26, 2011, friendly fire incident in Pakistan, the initial talks between the United States and the Government of Pakistan to reopen the PAKGLOC began on April 27, 2012. Those talks resulted in a decision to establish a Memorandum of Understanding (MOU) on principles and procedures for cargo movement through Pakistan. On May 15, 2012, Pakistan's Defense Committee of the Cabinet authorized the Ministries/Departments to conclude the ongoing negotiations and shift the bilateral discussions to a more formal negotiation.

On July 11, 2012, 1 week after Pakistan formally reopened the PAKGLOC, Pakistan indicated that the cargo backlogged in Karachi would move under existing, pre-November 2011 arrangements. The U.S. Embassy and Pakistan counterparts then agreed that no new transit fees would be charged on cargo transiting Pakistan.

Negotiations for the Terms of Reference (ToR) took place from August to November 2012 with formal signing on November 1, 2012. On November 7, the Exchange of Letters between Pakistan and the North Atlantic Treaty Organization was signed, which brought all of our International Security Assistance Force partners under both the MOU and the ToR.

U.S. Forces Afghanistan developed Proof of Principles (PoPs) to incrementally test the new agreements, processes, and the newly established Universal Service Contract-7. Our PoPs are complete and customers are now starting to shift sustainment and retrograde cargo to the PAKGLOC.

30. Senator INHOFE. General Fraser, what difficulties are you encountering with this route?

General FRASER. None at the present time; however, floods, renewed strikes/disputes, sectarian violence, and upcoming elections could disrupt future cargo along the PAKGLOC. TRANSCOM, while balancing requirements and capacity, will continue to ship cargo along other transit routes, as a hedging strategy to ensure flexibility and minimize the effects of any disruption along the PAKGLOC.

31. Senator INHOFE. General Fraser, is Pakistan cooperating with us?

General FRASER. Pakistan is cooperating in restoring the flow of the PAKGLOC. We have communicated our expectations and they understand that if the PAKGLOC is not meeting our requirements we will use our other available routes, which would divert business from Pakistan. It is in both our interests to maximize the cargo flow along the PAKGLOC.

32. Senator INHOFE. General Fraser, why does TRANSCOM continue to move most of DOD supplies through the NDN when Pakistan is open and less expensive to use?

General FRASER. TRANSCOM supports warfighter and Service priorities by providing a transportation network that maximizes strategic flexibility and reduces operational risk across a variety of routes and modes, both into and out of Afghanistan. Additionally, we are actively engaged with Pakistan to fully realize the potential velocity and cost savings associated with transiting the PAKGLOC; while at the same time, balancing the operational requirement for multiple transportation options.

The PAKGLOC is through the PoP process that was aimed at ensuring the viability of the route under the newly negotiated Terms of Reference. We are now increasing our bookings of new cargo to this route.

33. Senator INHOFE. General Fraser, what difficulties are you encountering with the NDN route?

General FRASER. TRANSCOM continues to optimize the use of the NDN route. This is not one singular route, but a network of roads and rail lines throughout Europe, Russia, the Central Asian States, and the Caucasus. Each month thousands of containers of cargo destined for Afghanistan flow across the NDN with few issues or interruptions. We continue to work with the NDN nations to improve the processes and strengthen our relations with these partnering countries. As for retrograde, countries directly adjacent to Afghanistan require new processes and procedures for export of cargo out of Afghanistan. We continue to work closely with these

nations to meet these specific export requirements, and in some cases, improve velocity by replacing manual processes with technology.

34. Senator INHOFE. General Fraser, if operations in the CENTCOM and AFRICOM AOR do not substantially subside to support the rebalance to the Asia-Pacific region, which is a major premise of the new Defense Strategic Guidance, what increased risks do you assess will occur for TRANSCOM as it relates to operational tempo and meeting global airlift requirements?

General FRASER. TRANSCOM supports warfighter and Service priorities, as directed by the Joint Chiefs, by providing a transportation network that maximizes strategic flexibility and reduces operational risk across a variety of routes and modes. TRANSCOM continues to execute movements as prioritized by the National Command Authority to ensure the right level of effort is provided to support the national strategy.

35. Senator INHOFE. General Fraser, what difficulties do you foresee with getting DOD equipment and personnel out of Afghanistan with a year-long Continuing Resolution (CR) and sequestration?

General FRASER. As a service provider, TRANSCOM operations are funded through a Working Capital Fund. When transportation services are requested, the supported command and Services provide the funding required. Therefore, the availability of funds for TRANSCOM contingency operations will be dependent upon the availability of funds to the combatant commands and the Services to conduct operations. The redeployment of troops and equipment out of Afghanistan is no different from any other TRANSCOM supported movement and is dependent upon availability of the Services' funds to reimburse our Working Capital Fund for transportation services provided. Today, the Afghanistan redeployment is funded through supplemental Overseas Contingency Operation (OCO) funds provided to the Services. Therefore, the lack of adequate OCO funds and affects of sequestration on these funds have a more significant impact on accomplishing the redeployment mission than a year-long CR.

AFRICOM FORCE REDUCTIONS

36. Senator INHOFE. General Ham, AFRICOM is an economy of force effort—an effort I support but one that raises concerns about adequacy of resources. Its forces are completely shared with EUCOM. Admiral Stavridis said the drawdown of 11,500 troops, most coming from the loss of two Army brigades, will be mitigated by rotating troops through EUCOM from a "dedicated brigade in the United States." With decreasing military resources and increasing threats in Africa, what is the impact on AFRICOM operations given that AFRICOM was created as an economy of force command?

General HAM. We are allocated forces through the Joint Staff process from a variety of sources, including the National Guard and units stationed in the United States and Europe. In a crisis, forces in Europe are often the closest forces and may be the quickest to respond to incidents on the continent. Therefore, I'm concerned about the impact of a drawdown in Europe on the command's ability to respond to developing crises.

37. Senator INHOFE. General Ham, having flown all over Africa, it would take aircraft departing from Germany approximately 8 hours to fly to central Africa with limited to no airfields and installations for use by our military. What is the impact of having a majority of AFRICOM forces in Europe?

General HAM. [Deleted.]

38. Senator INHOFE. General Ham, how can AFRICOM rapidly respond to crisis in central or southern Africa?

General HAM. Based on time/distance factors, AFRICOM's ability to respond rapidly to crises in central and southern Africa is limited. In order to better respond, we require increased intelligence emphasis and resources to gain a better understanding of the environment to posture forces in a location to more quickly respond to a developing crisis.

39. Senator INHOFE. General Ham, what is the status of ISR assets in AFRICOM today and in the future?

General HAM. [Deleted.]

40. Senator INHOFE. General Ham, how will the lack of a 2.0 carrier presence in the Gulf impact AFRICOM?

General HAM. Given current and projected operations, I see no significant impact to AFRICOM.

41. Senator INHOFE. General Ham, the headquarters for AFRICOM is in Stuttgart, Germany. A recent DOD report supports keeping the headquarters at Stuttgart. Do you agree with the report?

General HAM. Yes.

42. Senator INHOFE. General Ham, what are your thoughts of same day moving AFRICOM somewhere on the continent of Africa?

General HAM. Due to the expense of moving the headquarters and potential resistance from some African nations, I believe this is not feasible in the foreseeable future.

43. Senator INHOFE. General Ham, what other basing is AFRICOM currently looking at near- and far-term on the continent of Africa and how will that impact AFRICOM's operations?

General HAM. AFRICOM is not looking for additional basing on the African continent. We continue to maintain a low-cost, small-footprint approach to achieving our security objectives, and have significantly reduced the number of enduring locations on the African continent in favor of non-enduring expeditionary operating locations.

MALI

44. Senator INHOFE. General Ham, the United States has been supporting French military in Mali by providing refueling, airlift, and intelligence support. Last week, the President informed Congress that he was deploying another 40 U.S. military personnel to Niger to help conduct surveillance operations in Africa, particularly in Mali and Algeria. The purpose of the deployment is to provide support for intelligence collection and facilitate intelligence sharing with French forces conducting operations in Mali, and with other partners in the region. What support is the United States providing the French, Mali, and surrounding African countries?

General HAM. We are currently supporting French forces and those of the African-Led International Support Mission to Mali with intelligence sharing, ISR, and refueling. We provided airlift support to France and Chad to move forces and equipment.

AFRICOM is not currently engaged in capacity-building with the armed forces of Mali, consistent with U.S. legal prohibitions on the provision of security assistance to any military force that has been involved in a military overthrow of a democratically-elected government.

45. Senator INHOFE. General Ham, under what legal authority is the United States assisting the French and Mali forces?

General HAM. AFRICOM is executing operations in support of France as directed in the Secretary of Defense-issued execution orders. We are not currently engaged in capacity-building with the armed forces of Mali, consistent with U.S. legal prohibitions on the provision of security assistance to any military force that has been involved in a military overthrow of a democratically-elected government.

46. Senator INHOFE. General Ham, what is the U.S. strategic goal in supporting French operations in Mali?

General HAM. Our mission in Mali is to provide support to French military operations to stabilize the situation and allow for follow-on deployment of designated Economic Community of West African States and other forces forming the African-Led International Support Mission in Mali.

47. Senator INHOFE. General Ham, who defines and what is the end state for U.S. support for French operations in Mali?

General HAM. The end state for DOD support to French operations is established by the Secretary of Defense. The end state is the French military support requirements are met, and the French military can support its own operations in Mali.

48. Senator INHOFE. General Ham, do you foresee U.S. operations expanding in Mali?

General HAM. AFRICOM is not currently engaged in capacity-building with the armed forces of Mali, consistent with U.S. legal prohibitions on the provision of security assistance to any military force that has been involved in a military overthrow of a democratically-elected government. In the future, we look forward to establishing a normal military-to-military relationship with Mali.

SECURITY ASSISTANCE AND ENGAGEMENT PROGRAMS

49. Senator INHOFE. General Ham, you have been strong supporters of our security assistance and engagement programs, whether it is foreign military financing (FMF), FMS, international military education and training (IMET), or our train-and-equip programs. Have these programs been successful in AFRICOM? If so, do you have any examples?

General HAM. All of the security cooperation programs that you mentioned have been very successful. We greatly appreciate the opportunity that the authorized train-and-equip programs provide and have seen successes. The Raven Program for Ugandan African Union Mission in Somalia operations provided valuable intelligence leading to increased tactical success on the ground. Counterterrorism unit train-and-equip programs with Chad allowed them to act as an important partner to France in the mountains of Northern Mali and assistance to the Kenyan Ranger Strike Force led to the capture of Kismayo in Somalia. Small boat programs in Kenya and Djibouti have made infiltration into those countries more difficult and forced al Qaeda to invest in slower and less secure means of conducting asymmetrical warfare. The consistent annual appropriation for train-and-equip programs, particularly 1206, is leading to a steady increase in capability of key nations in Africa.

In Morocco, we concluded a $2.4 billion FMS case for 24 F–16 aircraft and are negotiating a case for sale of 108 M1A1 main battle tanks. These assets will ensure interoperability with the United States and assist Morocco with countering transnational threats in a volatile region in our AOR. FMF is supporting vital programs such as Defense Institution Building in Africa's newest country, South Sudan. FMF also supports Africa Union and United Nations peacekeeping operations through maintaining South Africa and Botswana's C–130 transport aircraft, and provides Cameroon with surveillance radar to monitor trafficking in the Gulf of Guinea.

The IMET program provides valuable training and builds enduring relationships with key partners. For example, we currently have a senior officer from Libya attending Naval War College in Newport, RI, and a colonel from the South African Air Force attending Air War College at Maxwell Air Force Base, AL. We also utilize IMET to reinforce the warrant officer and noncommissioned officer (NCO) corps of our partners' military forces through attendance at our Services' warrant officer and NCO academies. IMET, at all levels, builds enduring relationships and helps shape participants' views toward the United States.

CAMP LEMONNIER, DJIBOUTI

50. Senator INHOFE. General Ham, Camp Lemonnier in Djibouti is our only enduring base on the African continent. The airfield, which we share with our host government, serves as a critical hub of operations for Combined Joint Task Force-Horn of Africa and as logistics support for humanitarian and other theater cooperation missions with our allies. Recently, the Government of Djibouti has expressed concern about the impact of our operations at their international airport. In addition, as our interests grow on the continent, the need for more resources may drive a request for additional areas at their airport at the same time we are investing hundreds of millions of dollars in new facilities for our forces at Camp Lemonnier. Are you aware of any operational constraints at Camp Lemonnier that have you concerned over the long-term?

General HAM. Yes. We are working with the host nation to mitigate operational and safety concerns about remotely piloted aircraft operating out of Djibouti's international commercial airport by developing an alternate location for such operations.

51. Senator INHOFE. General Ham, should we continue to grow our presence and invest in new facilities at Camp Lemonnier or should we look for new locations to place forces around the continent?

General HAM. Camp Lemonnier (CLDJ) is strategically important to U.S. interests and provides support for four separate combatant commands, each having a vested interest in its development. CLDJ is our only forward operating site on the

African continent and is a critical platform in the fight against violent extremist organizations.

We appreciate your support for our four highest military construction projects at Camp Lemonnier. Many CLDJ facilities are inadequate to support the amount of personnel currently operating from CLDJ. A conservative, time-phased investment in CLDJ's infrastructure and facilities will enhance strategic and operational readiness and effectiveness, improve force protection, and the quality of life for each of these organizations.

COUNTERTERRORISM STRATEGY IN AFRICA

52. Senator INHOFE. General Ham, we are seeing that Al Qaeda and other terrorist groups are developing operational networks that are increasingly complex and global in nature. Over the past decade, we have successfully directed our military and intelligence capabilities at fighting terrorism. Yet, it appears the United States is putting relatively little effort into a long-range or comprehensive plan, but we are putting a great deal of effort into trying to stop terrorists. Do you believe the United States has adequately focused its intelligence collection capabilities on Africa?

General HAM. Intelligence requirements in Africa continue to increase based on the growing terrorism threat. Over the last year, we have seen an increase in intelligence prioritization for AFRICOM. Despite this, significant shortfalls remain, therefore, AFRICOM requires increased national intelligence emphasis and resources.

53. Senator INHOFE. General Ham, do you believe AFRICOM has enough of the right assets in the right places to execute an effective counterterrorism strategy in the whole of Africa?

General HAM. [Deleted.]

54. Senator INHOFE. General Ham, are you concerned about the potential influence of terrorist groups on large numbers of Western Sahara refugees living in camps in southern Algeria?

General HAM. [Deleted.]

55. Senator INHOFE. General Ham, do you believe that our current counterterrorism strategy has kept pace with the increasingly globalized nature of al Qaeda and affiliated terrorist networks?

General HAM. [Deleted.]

56. Senator INHOFE. General Ham, how are you measuring your effectiveness in AFRICOM?

General HAM. AFRICOM measures effectiveness in its theater campaign plans by assessing progress in the military objectives and effects.

AFRICOM's military objectives are specific, measureable, and achievable within 5 years. They are assessed no less than semi-annually using a comprehensive and integrated process of objective, subjective, and perceptive indicators. The assessment encompasses all theater intelligence, operations, exercises, and security cooperation activities.

C–5/C–17 OVERFLY HOURS

57. Senator INHOFE. General Fraser, for the past 2 years, DOD said it had too much strategic airlift, so Congress reduced the strategic airlift requirement from 313 to 301 and now down to 275. Will you have to increase your reliance on commercial carriers as the organic fleet reduces to 275?

General FRASER. No, the change in numbers will not require an increased reliance upon Civil Reserve Air Fleet (CRAF) commercial carriers. We have conducted a comparison of the current strategic guidance to those requirements outlined in Mobility Capabilities and Requirements Study 2016. The comparison validated 275 aircraft (223 C–17s and 52 C–5Ms) and our CRAF partners' ability to support a large scale operation in one region, with a capability to deny the objectives of an opportunistic aggressor in a second region, while defending the Homeland and providing support to civil authorities.

58. Senator INHOFE. General Fraser, what risks do you see at the 275 level to accomplishing your mission?

General FRASER. The TRANSCOM mission is to support the President's strategic guidance. Recent assessments indicated that a fleet with 30.4 million ton miles per day (MTM/D) capacity will support that strategy. A fleet of 223 C–17s and 52 C–5Ms provides at least 30.4 MTM/D capacity and therefore supports the strategic guidance with moderate risk.

59. Senator INHOFE. General Fraser, will overflying C–5s and C–17s impact long-term readiness of both fleets?

General FRASER. Yes, overflying the C–5 and the C–17 past their planned service life impacts the programs, but it is possible with Service Life Extension Programs (SLEP) and additional spare parts.

Based on engineering analysis, it is estimated the C–5 can fly 33 percent over the current usage rates without impacting scheduled inspection intervals such as programmed depot maintenance. If the aircraft operates beyond its planned life, the Air Force will start reducing the inspection intervals proportionally to compensate for increased stresses. Based on projected usage rates, the C–5 will have approximately 15,000 flying hours of structural service life remaining at its currently planned 2040 retirement date.

Flying past the planned service life will impact aircraft spares. If the flying hours are increased or extended, then spare parts demands increase commensurately. This will result in an increase in not mission capable for supply rates in later years of the program if spare parts are not funded and procured.

Each C–17 is programmed to fly 30 years at 1,000 hours per aircraft per year. At current usage rates, the first aircraft will reach its life expectancy in 2022. Over the past 12 years the fleet has flown an average of 1,093 hours/tail/year. Flying beyond 2022 will require more frequent structural inspections. The C–17 enterprise is evaluating a plan to extend the service life of the aircraft from 30,000 to 60,000 flying hours provided funding is available to support a SLEP.

In summary, flying past programmed service life is possible, but requires additional funding to assess structural integrity of the aircraft and modernization of both the airframe and spare parts pools.

REGIONALLY-ALIGNED BRIGADES

60. Senator INHOFE. General Ham, the Army has aligned the 2nd Brigade, 1st Infantry Division, with your command as a test bed for the Army's regionally-aligned brigade concept. Do you believe one brigade is sufficient to support your area of operations?

General HAM. Yes. One brigade is sufficient for our planned engagements when coupled with the forces of the other Service components allocated to the command.

61. Senator INHOFE. General Ham, do you have the resources to support the test bed?

General HAM. Yes. We appreciate the U.S. Army selecting AFRICOM as the first combatant command with a regionally-aligned brigade.

62. Senator INHOFE. General Ham, does AFRICOM have the infrastructure to support the 2nd Brigade Combat Team should the entire brigade be deployed to your area of operations?

General HAM. AFRICOM does not intend to employ the entire brigade at one place or all at the same time. The intention is for the brigade to employ tailored elements to support short duration security cooperation activities which strengthen the defense capabilities of African partners and regional organizations.

63. Senator INHOFE. General Fraser, what risks do you see with TRANSCOM's ability to support the Army's regionally-aligned brigade concept?

General FRASER. I am aware the Army is working on the regionally-aligned brigade concept. The concept creates a relationship between a combatant command and an Army Brigade Combat Team that the combatant command commander can use for theater campaign plan engagements and exercises. I have seen a draft execution order that implements a rotational brigade for EUCOM in fiscal year 2014. The rotational force is limited to a battalion with some brigade level enablers and brigade level command and control. In the case of EUCOM, the Army is creating a prepositioned set of equipment for the rotational force to use. At this point, I do not envision any problems supporting the Army concept. We will continue to assess it for any mobility implications as Army implementation progresses.

QUESTIONS SUBMITTED BY SENATOR ROGER F. WICKER

LIBYAN BORDER SECURITY

64. Senator WICKER. General Ham, one area of concern I have regarding the security situation in Libya is the inability of Libyan forces to control border crossings. Without the ability to establish effective control over its borders, it is unlikely the Libyan Government will be able to manage the flow of terrorists and smugglers into and out of the country, threatening Libya's long-term stability and viability. Has the Libyan Government asked for U.S. assistance to enhance their border control capabilities?

General HAM. Yes. In September 2012, representatives from the Libyan Ministry of Defense and Customs Agency visited the U.S./Mexico border in Arizona to observe how the U.S. secures its borders. As a result of that trip, the Government of Libya submitted a FMS request for equipment in support of their Border Security Forces. However, when the new Defense Minister was confirmed in December 2012, the request was cancelled. Our Office of Security Cooperation is currently working with the leadership of the Libyan Border Security Force to coordinate for a new equipment request.

AFRICOM has submitted a proposal to assist Libya with their Border Security via a $7 million Global Security Contingency Fund (1207a) proposal to create, train, and equip two quick-reaction Border Security Companies—one for the east and one for the west. When executed, Marine Corps Forces Africa will train the companies at a location to be determined, but likely at a base in Europe (due to security concerns in Libya).

65. Senator WICKER. General Ham, how would you envision assisting the Libyan Government in establishing control, especially with regards to the sparsely populated regions that compose Libya's inland regions?

General HAM. [Deleted.]

66. Senator WICKER. General Ham, what types of vehicles and equipment would be most useful, given the difficulties inherent to the geography and climate?

General HAM. I believe a holistic approach to Border Security in Libya is the key to future success. Important initiatives would be the construction of a series of national command and control centers, a comprehensive communications system to support all levels in the system from the individual guards on the borders up to the commander, and a national-level ISR system. The sale or provision of vehicles, weapons, and personal gear, such as body armor, night vision goggles, and uniforms, would also be a part of this effort.

Appropriate vehicles would reflect a mixture of civilian trucks and sport utility vehicles, with some tactical vehicles in support of specialized missions. The Libyan Special Operations Forces and the quick-reaction Border Security Forces should use heavier tactical vehicles for use in engagements with violent extremist organizations; and with some lighter and more mobile vehicles (such as the tactical dune buggies used by U.S. Special Operations Forces) when conducting ground-borne ISR.

Appropriate ISR systems would include ground surveillance radars, tower-mounted cameras, and unarmed, unmanned aerial vehicles, although manned aircraft would also be appropriate.

The Border Security Forces also require a networked command and control system that provides the Libyan Border Security Forces with a common operating picture, which would be generated by their ISR assets and daily communications with their border guards.

QUESTIONS SUBMITTED BY SENATOR KELLY AYOTTE

BENGHAZI ATTACK AND DOD RESPONSE

67. Senator AYOTTE. General Ham, was AFRICOM on a heightened state of alert on September 11, 2012, and if so, what actions did AFRICOM take based on this heightened state of alert?

General HAM. Yes, DOD posture across the world on September 11, 2012, was commensurate with the anticipated threat and force protection conditions across individual regions. Our forces maintained heightened awareness, however, we were not aware of specific threats to U.S. personnel in Libya. We were also unaware of Ambassador Stevens' travel to Benghazi as it is not customary for U.S. Embassies to advise DOD of ambassadors' travel.

68. Senator AYOTTE. General Ham, based on the previous attacks in Benghazi and the known deteriorating security situation in eastern Libya, why weren't our forces in Europe and Djibouti better postured to respond?

General HAM. DOD posture across the world on September 11, 2012, was commensurate with the anticipated threat and force protection conditions across individual regions. Our forces maintained heightened awareness, however, we were not aware of specific threats to U.S. personnel in Libya. We were also unaware of Ambassador Stevens' travel to Benghazi as it is not customary for U.S. Embassies to advise DOD of ambassadors' travel.

AFRICOM RESOURCES

69. Senator AYOTTE. General Ham, based on the previous attacks on U.S. and other western targets in Benghazi in the months preceding the September 11, 2012, attack that left four Americans dead, do you believe more than 7 percent of AFRICOM's ISR requirements should have been met?

General HAM. [Deleted.]

70. Senator AYOTTE. General Ham, in the months preceding the September 11, 2012, attack in Benghazi, did you request additional ISR assets for AFRICOM?

General HAM. Yes. The command was allocated additional ISR assets in response to the increased terrorism threat across Africa.

71. Senator AYOTTE. General Ham, who did you make those requests to and what was their response?

General HAM. AFRICOM submits annual ISR requirements to the Joint Staff. ISR is allocated through a formal Global Management Process and reviewed/adjusted bimonthly through a process managed by the Joint Staff.

72. Senator AYOTTE. General Ham, last month, General Rodriguez said that the current ISR allocation "does not provide sufficient quantity or sensor mix to achieve the objectives which the Joint Staff directed to AFRICOM." Is that accurate?

General HAM. [Deleted.]

BOKO HARAM IN NIGERIA

73. Senator AYOTTE. General Ham, has Boko Haram conducted terrorist attacks?

General HAM. Yes. Boko Haram conducts terrorist attacks against the Christian populace, Muslim communities, the Nigerian Government, Nigerian infrastructure, and Western interests.

Recent prominent Boko Haram attacks, which I believe are best understood as terrorist acts, include the March 18, 2013, bus bombing targeting the Christian community in Kano. The most notable anti-Western Boko Haram attack was the August 2011 car bomb detonated against the United Nations' Headquarters building in Abuja.

In 2012, Boko Haram and its faction Ansaru, were responsible for up to 170 armed attacks, 46 bombings, and 21 suicide car bomb operations.

74. Senator AYOTTE. General Ham, do you believe Boko Haram is a terrorist organization?

General HAM. Yes, my personal opinion is they are a terrorist organization. However, I understand the challenges involved with the policy decisions to formally designate them as a terrorist organization and the different perspectives other policymakers have regarding the nature of Boko Haram.

75. Senator AYOTTE. General Ham, how can we increase pressure on Boko Haram?

General HAM. We will continue to work with the Nigerian Government through the U.S. Embassy in Abuja. This ongoing dialogue will focus increasing pressure on Boko Haram and support the Nigerian military as they increase their counterterrorism capabilities to address the threat posed by Boko Haram.

76. Senator AYOTTE. General Ham, would it be helpful to U.S. interests or to AFRICOM if we designated Boko Haram as a foreign terrorist organization?

General HAM. Yes, my personal opinion is that designating Boko Haram as a terrorist organization will provide additional authorities to act against this organiza-

tion. I recognize there are challenges involved with the policy decisions to formally designate them as a terrorist organization.

77. Senator AYOTTE. General Ham, do you believe the United States should designate Boko Haram a foreign terrorist organization?

General HAM. Yes, my personal opinion is they are a terrorist organization and should be so designated.

MARINE CORPS SECURITY GUARD DETACHMENTS

78. Senator AYOTTE. General Ham, are there U.S. diplomatic facilities in Africa today that do not have a Marine Corps Security Guard Detachment?

General HAM. Yes.

79. Senator AYOTTE. General Ham, how many Marine Security Guard Detachments are there?

General HAM. There are 34 Marine Corps Security Guard Detachments supporting U.S. diplomatic facilities in Africa.

80. Senator AYOTTE. General Ham, what is DOD doing to address this and how can Congress help?

General HAM. DOD is supporting DOS's efforts to look at reassessing diplomatic security. As part of this review, DOD considered how the role, mission, and resourcing of the Marine Corps Security Guards could be adapted to respond to this new threat environment. In the near-term, DOD has agreed with DOS to add 35 Marine Corps Security Guard detachments globally over the next 2 to 3 years. DOD is working with DOS now to identify specific locations for the new detachments.

DOD has also initiated coordination with the DOS to expand the Marine Corps' role beyond their primary mission to protect classified information. This could include expanded use of non-lethal weapons, and additional training and equipment, to support the embassy Regional Security Officer's response options when host nations' security force capabilities are at risk of being overwhelmed.

QUESTIONS SUBMITTED BY SENATOR LINDSEY GRAHAM

LIBYA

81. Senator GRAHAM. General Ham, please provide a detailed analysis of the military assets that could have arrived in Benghazi within 12 hours, and the approximate arrival time for each asset.

General HAM. [Deleted.]

82. Senator GRAHAM. General Ham, what assets did you ask for or recommend deploy to Libya on September 11 and 12, 2012?

General HAM. [Deleted.]

83. Senator GRAHAM. General Ham, who did you speak to when you requested the above assets? Please provide the approximate time of the request.

General HAM. [Deleted.]

84. Senator GRAHAM. General Ham, what military assets did eventually deploy to Libya? Please provide the arrival time and date for each asset's arrival in Libya.

General HAM. On September 11, 2012, the diverted surveillance aircraft arrived on station over the Benghazi facility approximately 2300 (EET) hours after directed to move from its previous position. It was replaced by another asset to maintain continual coverage.

On September 12, 2012, at approximately 0130 EET, a small U.S. element from Tripoli landed in Benghazi.

On September 12, 2012, at approximately 2100 EET, the Fleet Anti-Terrorism Security Team platoon and associated equipment arrived in Tripoli and at approximately 2130 EET, the Special Operations Forces deployed from the United States, and associated equipment, arrived at an intermediate staging base in southern Europe.

[Whereupon, at 11:21 a.m., the committee adjourned.]

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2014 AND THE FUTURE YEARS DEFENSE PROGRAM

TUESDAY, MARCH 12, 2013

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

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

The committee met, pursuant to notice, at 9:35 a.m. in room SD–G50, Dirksen Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Reed, Nelson, Udall, Blumenthal, Donnelly, Hirono, Kaine, King, Inhofe, McCain, Sessions, Wicker, Ayotte, Fischer, Graham, Blunt, and Lee.

Committee staff members present: Peter K. Levine, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Joseph M. Bryan, professional staff member; Jonathan S. Epstein, counsel; Richard W. Fieldhouse, professional staff member; Creighton Greene, professional staff member; and Thomas K. McConnell, professional staff member.

Minority staff members present: Steven M. Barney, minority counsel; Ambrose R. Hock, professional staff member; Daniel A. Lerner, professional staff member; and Robert M. Soofer, professional staff member.

Staff assistants present: Kathleen A. Kulenkampff, Bradley S. Watson, and Lauren M. Gillis.

Committee members' assistants present: Carolyn Chuhta, assistant to Senator Reed; Jeff Fatora, assistant to Senator Nelson; Casey Howard, assistant to Senator Udall; Marta McLellan Ross, assistant to Senator Donnelly; Nick Ikeda, assistant to Senator Hirono; Karen Courington, assistant to Senator Kaine; Steve Smith, assistant to Senator King; Christian Brose, Paul C. Hutton IV, and Elizabeth Lopez, assistants to Senator McCain; Lenwood Landrum, assistant to Senator Sessions; Brandon Bell, assistant to Senator Chambliss; Joseph Lai, assistant to Senator Wicker; Brad Bowman, assistant to Senator Ayotte; Peter Schirtzinger, assistant to Senator Fischer; Craig Abele, assistant to Senator Graham; Charles Prosch, assistant to Senator Blunt; and Robert Moore, assistant to Senator Lee.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Good morning, everybody. Today's hearing continues a series of posture hearings that the Senate Armed Services Committee (SASC) is conducting on our combatant commands. Today we receive testimony from the U.S. Strategic Command (STRATCOM) and the U.S. Cyber Command (CYBERCOM), a sub-unified command of STRATCOM.

Let us welcome General C. Robert Kehler, USAF, the Commander of STRATCOM; and General Keith A. Alexander, USAF, the Commander of CYBERCOM. I thank them both. We thank you for your great work. We thank you. If you would pass along our thanks to those who work with you for their service, we would greatly appreciate it.

This hearing comes at a time when the Department of Defense (DOD) and other Federal agencies face the twin threat of sequestration and an expiring Continuing Resolution (CR) and we will want to hear from our witnesses what impact budget restrictions and uncertainty are likely to have on their programs and their operations over the coming months.

General Kehler, here are five of the issues that I hope you'll address this morning: First, are you satisfied with the status of our nuclear deterrence?

Second, are you satisfied with the National Nuclear Security Administration's (NNSA) ability to maintain our nuclear stockpile so we can ensure without testing that the stockpile remains safe and meets military requirements?

Third, do you believe we have the ability to protect our space assets and to reconstitute them, if necessary, given the growing congested and contested nature of space?

Fourth, DOD has allocated a block of the electromagnetic spectrum that connects our space, cyber, and electronic warfare assets to our forces. STRATCOM is the lead combatant command for synchronizing spectrum operations. How concerned are you about preserving DOD's access to this block of spectrum, given the competing pressure to allocate more spectrum towards commercial use?

Fifth and finally, what is your view on the links between the space and cyber domains and the potential for integration of capabilities and operations in both domains?

Now, relative to CYBERCOM, for years, and especially since DOD proposed to establish a CYBERCOM, the SASC has emphasized the lack of an effective, mature policy, strategy, rules of engagement, doctrine, roles and missions, and command and control arrangements that are so critical to managing this vital but complex new domain. Progress in this area has been slower than we desired, but appears to be picking up some steam.

After Congress failed to pass comprehensive cyber security legislation, the President developed and issued an Executive order aimed at improving the security of critical infrastructure and to better share cyber threat information. The President has also recently issued a classified Presidential Policy Directive governing cyber operations. DOD, working through the interagency planning process, has developed a set of emergency action procedures for cyber crisis situations similar to the processes in place and regularly exercised for nuclear and ballistic missile defense operations.

The Joint Staff is ready to issue its first-ever document covering cyber doctrine. Finally, we understand that the Joint Staff states that it will soon issue rules of engagement for military commanders.

The fact that these foundational policy frameworks and planning actions are now just taking shape serves as a stark illustration of how immature and complex this warfare domain remains.

The National Defense Authorization Act (NDAA) for Fiscal Year 2013 included a sense of Congress provision that raised serious concerns about the complications that could be caused by making CYBERCOM a full unified command. The NDAA also included a provision that requires the Secretary of Defense to create a process for designated defense contractors to report to DOD when networks containing DOD information are successfully penetrated, and we'd be interested in hearing the views of our witnesses on our recent important addition to the law in that regard.

Meanwhile, China's massive campaign to steal technology, business practices, intellectual property, and business strategies through cyberspace continues, and it continues relentlessly. Last year's report by the National Counterintelligence Executive, plus the recent report by the Mandiant Corporation and the very recent Cyber National Intelligence Estimate, all leave little doubt that China's actions are a serious threat to our Nation's economic well-being and to our security.

It's long past time when the United States and our allies, who are also being attacked in this way, should be imposing costs and penalties on China for their behavior. The Defense Science Board (DSB) released a study in January that provides a grim assessment of the ability of DOD and the owners of critical infrastructure to defend vital systems and networks against capable adversaries. In light of vulnerabilities highlighted in that report, the DSB suggests building resilience into our forces and infrastructure in addition to trying to improve defenses.

We look forward to hearing from General Alexander on the extent to which CYBERCOM is capable of preventing adversaries from seriously damaging our critical infrastructure.

We have a long way to go to protect our vital infrastructure and services from damaging cyber attacks. That's why I supported the Lieberman-Collins bill that the Senate failed to act on last year. That's the reason why the President issued his recent Executive order. That's the reason why all of us are deeply concerned about this issue and look to working together to try to address the threat that exists particularly from China in that area.

Senator Inhofe.

STATEMENT OF SENATOR JAMES M. INHOFE

Senator INHOFE. Thank you, Mr. Chairman. I agree with all of your statements and I am very concerned. I think it's a very significant hearing with both Generals Kehler and Alexander. I want to thank both of you for the time that you've given me personally to help me along, particularly you, General Alexander, because it's a tough issue that not many of us understand, certainly not as well as you do.

The importance of our nuclear forces for the security of the Nation and that of our allies was made clear by Deputy Secretary of Defense Carter before this committee just last month. Even in the face of the drastic budget cuts and all of this brought about by sequestration, he said: "We in the Department of Defense will try to protect our nuclear capabilities to the maximum extent possible," and that "the nuclear deterrence is the last thing that you want to do serious damage to." While we all agree with that in this room, there are a lot of people out there who really don't, because it's not as well-understood as the conventional threats that face us.

It's troubling, General Kehler, the statement that you made to the House Armed Services Committee (HASC) last week. As sequestration impacts continued to grow, you said: "Reduced readiness and curtailed modernization will damage the perceived credibility of our capabilities, increasing the risk to achieve our primary deterrence and assurance objectives." You're exactly right and I'm glad you made that very bold statement. In other words, if we don't consistently demonstrate a commitment to modernizing our nuclear deterrent both in words and in funding, our allies might lose confidence in the U.S. nuclear umbrella, while potential adversaries could be led to believe that they hold a nuclear advantage over the United States, which I think that gap is closing. It disturbs me.

While the President has been absent on the issue, I was pleased to hear him acknowledge in his State of the Union message the need to strengthen our own missile defense capabilities.

Now, on the cyber end of it, I do agree—and I'm skipping a lot of my opening statement because some of the contents made references to China, because that is a fact and it would be redundant. But this administration has thus far failed to implement an effective cyber deterrence strategy that dissuades those seeking to hold our economic and national security interests at risk in cyberspace. Not a day goes by where it is not reported that our national security is being exploited in the cyber domain. Nation states such as Iran and China have been exposed publicly for attempting to gain access to national secrets and undermine our defense and economic interests. Criminal and terrorist organizations continue to actively pursue and exploit malicious capabilities, with little resistance or consequences.

Despite my concern on White House policy, progress is being made within DOD. Organizations and structures are maturing, and DOD is beginning to rise above the interagency gridlock that's sought to undermine DOD's reach.

I'm happy to welcome General Alexander and applaud him and his team for the progress that they have made in just the last year in developing the foundations necessary to start developing an offensive cyber capability. I will confess to them the conversation that you and I had. My concern over your future is to make sure you're there long enough until we can find somebody who understands this very complicated issue and can deal with it as effectively as you have.

Certainly more must be done and the resources must be allocated. However, progress is being made and I'm pleased to see DOD is moving past the defense-only mind set. I think we need to

get beyond that so that we can understand that there's an offensive angle to this that's going to have to be pursued.

So under sequester, every DOD account will be subject to the highest level of scrutiny. The threats we face, however, are blind to our fiscal woes and are emboldened by our dysfunction. Every dollar we spend has to be maximized, and those going toward nuclear deterrence, missile defense, and cyber should be placed at a premium. That's nuclear deterrence, missile defense, and cyber; that's what is the most significant part, I believe, of the hearing that we're having today.

Thank you, Mr. Chairman.

[The prepared statement of Senator Inhofe follows:]

PREPARED STATEMENT BY SENATOR JAMES M. INHOFE

Thank you, Mr. Chairman. I want to thank General Kehler and General Alexander for their many years of service to our Nation and acknowledge the dedication of the brave men and women under their command, whose main mission is to protect this nation against strategic attack.

The importance of our nuclear forces for the security of our Nation and that of our allies was made clear by Deputy Secretary of Defense Carter, when he told this committee last month that, even in the face of the drastic budget cuts brought about by the sequester, "we in the Department of Defense will try to protect our nuclear capabilities to the maximum extent possible, "and that nuclear deterrence "is the last thing that you want to do serious damage to."

Yet, his comments seem to foretell that despite the Department of Defense's best efforts, we can expect shortfalls in funding for the nuclear modernization commitments that were the basis for the President's policy to reduce U.S. nuclear forces, as well as the Senate's support for the New Strategic Arms Reduction Treaty (START) treaty.

It is important to recall the linkage between nuclear force reductions and the need to modernize our nuclear infrastructure and weapons. Indeed, the President's own 2010 Nuclear Posture Review stated, "these investments are essential to facilitating reductions while sustaining deterrence under New START and beyond,"

It was terribly troubling to hear General Kehler tell the HASC last week that, as the sequester impacts continue to grow, "reduced readiness and curtailed modernization damage the perceived credibility of our capabilities, increasing the risk to achieving our primary deterrence and assurance objectives." In other words, if we do not consistently demonstrate—both through words and funding—a commitment to modernize our nuclear deterrent, our allies might lose confidence in the U.S. nuclear umbrella, while potential adversaries could be led to believe they might hold a nuclear advantage over the United States.

Another important rationale for the President's decision to reduce both the role and numbers of nuclear weapons is what the 2010 Nuclear Posture Review refers to as "the growth of unrivaled U.S. conventional military capabilities." Yet, we have heard from the Chairman of the Joint Chiefs of Staff and the Service Secretaries that the sequester and future years funding reductions will have real, negative consequences for our ability to deal with crises around the world.

I would like to hear from General Kehler what these trends portend for the role of U.S. nuclear forces in our military strategy, especially in light of the fact that virtually all the other nuclear powers are modernizing their nuclear forces and placing more reliance on nuclear weapons in their national security strategy. Under these circumstances, further reductions in our nuclear arsenal would be ill advised.

I was pleased to hear the President finally acknowledge, in his recent State of the Union address, the need to "strengthen our own missile defense capabilities." I hope the use of the phrase, "our own," was a specific reference to our ground-based midcourse defense system, which I believe has suffered from neglect over the past 4 years and now must be expanded and modernized to stay ahead of the ballistic missile threat to the Homeland.

Unfortunately this administration has thus far failed to implement an effective cyber deterrence strategy that dissuades those seeking to hold our economic and national security interests at risk in cyberspace. Not a day goes by where it is not reported that are national security is being exploited in the cyber domain. Nation states such as China and Iran have been exposed publicly for attempting to gain access to national secrets and undermine our defense and economic interests. Crimi-

nal and terrorist organizations continue to actively pursue and exploit malicious capabilities with little resistance or consequences. This must change. More must be done to make it clear that there will be consequences for anyone who seeks to undermine our national security through cyberspace. While the White House has been quick to blame Congress on the need for cyber legislation, it has been slow in developing and implementing the far more important strategy for exposing, countering, and deterring our adversaries.

Despite my concerns on White House policy, progress is being made within the Department of Defense. The organizations and structures are maturing and the department is beginning to rise above the interagency gridlock which has sought to undermine the Pentagon's reach. I am happy to welcome General Alexander and applaud him and his team for the progress they have made in just the last year in developing the foundations necessary to start developing the offensive cyber capabilities and personnel necessary to defend the Nation and project power in the cyber domain.

Certainly, more must be done and resources must be allocated; however, progress is being made and I am pleased to see for the Department is moving past its defense only mindset. The full spectrum of cyber defense—from our mainframe computers to our network switches to our endpoints—must not be overlooked and the asymmetric and relatively low cost potential of offensive cyber must be a priority.

Under sequester every Department of Defense account will be subject to the highest level of scrutiny. The threats we face however are blind to our fiscal woes and are emboldened by our dysfunction. Every dollar we spend must be maximized and those going towards nuclear deterrence, missile defense and cyber should be placed at a premium. The full spectrum of strategic capabilities must not be overlooked, as they are the Nation's ultimate insurance policy.

Chairman LEVIN. Thank you so much, Senator Inhofe.

General Kehler.

STATEMENT OF GEN. C. ROBERT KEHLER, USAF, COMMANDER, U.S. STRATEGIC COMMAND

General KEHLER. Good morning, sir. With your permission, I'd like to make my full statement a part of the record, please.

Chairman LEVIN. It will be.

General KEHLER. Good morning, sir, and Senator Inhofe, distinguished members of the committee: I am honored to join you today. It's a privilege to begin my third year leading the outstanding men and women of STRATCOM.

I'm also pleased to be here with General Keith Alexander, whose responsibilities as the Commander of CYBERCOM and Director of the National Security Agency (NSA) cover some of the most critically important national security subjects. General Alexander and I and our staffs are in constant contact, I greatly value his leadership, his vision, and his counsel.

Uncertainty and complexity continue to dominate the national security landscape, even as the United States transitions from a decade of active conflict in Southwest Asia. Uncertainty and complexity make this transition unlike any we have experienced in the past. Many regions of the world remain volatile and increasing economic and infrastructure connections mean regional issues can quickly have global consequences. Events over the past year validate this perspective.

Since my last appearance before the committee, we have seen violent extremists continue to act against or threaten U.S. interests, citizens, allies, partners, and our Homeland. Cyber activities increased in both quantity and intensity, with the potential for greater exploitation of U.S. intellectual property, institutions, and critical infrastructure.

Iran's nuclear ambitions remain concerning. North Korea conducted a missile launch in violation of its obligations under multiple United Nations (U.N.) Security Council resolutions and announced last month it conducted another nuclear test. Civil war continues in Syria. Russia and China continue to improve and demonstrate their strategic capabilities.

Fiscal uncertainty is adding unique challenges. Not only are the additional sequestration reductions steep, but the law allows little flexibility in how to apply them, and we're working from a CR while the Services are transitioning contingency needs to the base budget—all of this during a time when continued readiness is essential, modernization is overdue, violent extremists remain active, threats in space and cyberspace are increasing, and the possibility of nuclear and ballistic missile proliferation persists.

As we confront these challenges, our enemies and potential enemies are watching. In this uncertain and complex world, STRATCOM remains focused on conducting the missions that are most critical to protect our core national security interests, and my priorities support this focus. Our fundamental purpose remains constant: With the other combatant commands, we must deter, detect, and prevent attacks against the United States, assure our friends and allies of our security commitments to them, and, if directed, employ appropriate force to achieve national objectives should deterrence fail.

To do this, our men and women wield a range of complementary capabilities to create the tailored effects the Nation needs. Our primary objective is to prevent conflict by influencing in advance the perceptions, assessments, and decisions of those who would consider threatening our vital national interests. Ultimately this requires the continuing credibility of America's military capabilities, brought to bear in concert with other elements of national power.

While our heritage in STRATCOM is nuclear and our nuclear vigilance will never waver as long as those weapons exist, today's STRATCOM is far more diverse and versatile than ever before. Mr. Chairman, I am pleased to report that STRATCOM is capable of executing its assigned missions today. However, given the potential impact fiscal uncertainty and declining resources could have on STRATCOM, I am concerned that I may not be able to say the same in 6 months or a year.

I'm most concerned with the impact financial uncertainty is having on our people. Uniformed and nonuniformed members alike have managed the effects of sustained high-stress combat deployment and operational tempos. They willingly take personal risks for their country, but they are fearful of taking financial risks for their families. Hiring restrictions, salary freezes, and the likelihood of unpaid furloughs are especially troubling to our civilians. By the way, civilians comprise about 60 percent of the STRATCOM headquarters staff. They hold key leadership positions. They represent critical expertise and they make up much of the essential workforce which provides crucial functions like intelligence, maintenance, and sustainment.

Because they are such dedicated patriots, I believe our military and civilian members will cope with the effects of financial uncertainty in the near term. But I worry that over time our most expe-

rienced professionals will retire early and our best young people will leave to pursue more stable opportunities elsewhere. We are detecting hints of that now. Beyond the human dimension, sequestration will eventually impact the command's readiness and curtail growth in new areas like cyber and cyber defense.

Now, even though the Services are trying to give STRATCOM's missions as much priority treatment as possible within the law—and you heard that from Deputy Secretary Carter last month—we could not remain immune. So while the immediate impact will vary by command, overall in STRATCOM the effect is a bit like an avalanche. Seemingly small initial impacts are going to grow. As time passes, we will see greater impacts and potential impacts to things as Senator Inhofe mentioned, like the nuclear deterrent, to global strike, to missile warning and missile defense, the situational awareness in both space and cyberspace, and to our support to warfighters around the globe.

In the longer term, continuing in this financial path will affect STRATCOM's modernization and long-term sustainment needs, potentially eliminating or jeopardizing a number of important recapitalization efforts. Of course, ultimately such reductions could impact our ability to deter and assure.

Mr. Chairman, STRATCOM's responsibilities have not changed, but the strategic and fiscal environment in which we must carry them out is much different than a year ago. I remain enormously proud of the superb men and women I am privileged to lead and potential adversaries must know that we can meet our mission responsibilities today. But the pathway we're on is creating growing risk to our defense strategy and our ability to execute it.

I look forward to working with this committee and Congress on these difficult and complex challenges. I will certainly carry back your message of appreciation for the men and women who we are privileged to be associated with. I look forward to your questions. Thank you.

[The prepared statement of General Kehler follows:]

PREPARED STATEMENT BY GEN. C.R. KEHLER, USAF

Mr. Chairman and distinguished members of the committee, I am honored to join you today. It is my privilege to lead U.S Strategic Command (STRATCOM), and on behalf of our 54,500 outstanding military and civilian men and women I am pleased to report STRATCOM remains capable and ready to meet our assigned missions. I thank Congress and this committee for your support and I look forward to continuing to work together to ensure our national security today and tomorrow.

STRATCOM TODAY

Uncertainty and complexity continue to dominate the national security landscape. Today's operating environment is increasingly characterized by the potential for persistent conflict across all domains—air, sea, land, space and cyberspace—where state and non-state actors alike can employ highly adaptive combinations of strategies, tactics and capabilities to simultaneously and quickly exploit and transit political, geographic and domain boundaries. These hybrid threats are challenging earlier assumptions; stressing our plans, practices, and organization; compelling unity of effort; and demanding flexible and innovative approaches to create effects tailored to the unique actors, circumstances and scenarios we face. In short, yesterday's battlefield is rapidly becoming tomorrow's global battlespace.

Events continue to validate this perspective. Even as the United States continues to transition from today's conflicts, the reality of preparing for tomorrow's challenges has emerged. Violent extremists continue to threaten U.S. interests, allies, partners, and the Homeland. Their acts remind us that we must remain both vigi-

lant and engaged with our combatant command (CCMD) partners to prevent a terrible connection between such extremists and weapons of mass destruction (WMD). In December 2012, North Korea conducted a missile launch in violation of its obligations under multiple United Nations Security Council resolutions and announced last month it conducted another nuclear test. Iran continues to pursue its ballistic missile program and its nuclear ambitions. The Arab Spring continues to unfold and the outcome remains unresolved. Syria, a state with significant stocks of chemical weapons, continues to be gripped by civil war.

We continue to see improvements in more traditional militaries whose capabilities can range from low-end conventional, to sophisticated, all-domain regional and global (including WMD). China conducted a successful anti-ballistic missile test and continues to modernize its nuclear forces. South and East China Sea tensions rose between China and the Philippines (Scarborough Shoals) and Japan (Senkaku/Diaoyutai Islands) respectively. Russia continues to modernize its nuclear forces and increase its level of strategic military activity.

Hostile cyber activities have increased in both quantity and intensity, and the potential exists for even greater activity against U.S. intellectual property, institutions, and critical infrastructure. U.S. national power relies heavily on cyberspace and the capabilities it enables; therefore, we must continue to improve the protection and resilience of our networks as we work to increase cyber capacity and capability.

Fiscal uncertainty presents our people with an unprecedented combination of professional and personal concerns as well. The all-volunteer military and civilian team has performed beyond our greatest expectations and is the envy of the world; but some of the best young uniformed and non-uniformed people assigned to STRATCOM are questioning their future. The uncertainty surrounding civilian hiring restrictions, salary freezes, and the possibility of unpaid furloughs is especially troubling since 60 percent of the STRATCOM headquarters staff and much of the essential workforce which supports our missions and sustains our mission critical platforms and systems are civilians. Preserving this combat-experienced military-civilian team in the face of further force reductions, a potential decline in readiness and unpaid furloughs is one of my greatest concerns.

The possibility of dramatic budget reductions creates additional problems. The inflexible nature of cuts associated with sequestration and the associated out year budget cuts of over $50 billion per year across the Department of Defense, will likely cause dramatic decreases in force readiness that will eventually impact our ability to deter aggression and assure allies and partners. The impact of across-the-board reductions and out year budget cuts to readiness accounts will cascade as time passes; recovery from such cuts will take longer and be more difficult to achieve. Similarly, cuts to investment accounts will delay often deferred and much needed modernization to the nuclear enterprise, curtail the expansion of cyber capabilities needed to meet the growing threat, and will delay other key capabilities. In all cases risk will increase.

The challenges inherent in these examples remind us that as we plan, prepare and apply current capabilities to existing problems, we must also remain aware of and prepared for the unexpected. Within the new defense strategy we must maintain the organizational, programmatic, and intellectual flexibility to deal with surprise and meet the uncertainties of tomorrow's unforeseen problems.

STRATCOM remains focused on conducting the missions most critical to protect the core national security interests described in the 2012 defense strategic guidance: defeating al Qaeda and its affiliates and succeeding in current conflicts; deterring and defeating aggression by adversaries, including those seeking to deny our power projection; countering WMD; effectively operating in cyberspace, space, and across all domains; maintaining a safe and effective nuclear deterrent; and protecting the Homeland.

While our heritage is nuclear and our nuclear vigilance will never waver as long as nuclear weapons exist, today's command is far more diverse and versatile. The missions and forces assigned to this command allow us to gain a global perspective and to create synergy from a range of strategic capabilities—those that can impact many people or systems, affect large physical areas, act across great distances, persist over long periods of time, change the status quo in a fundamental way, and provide the President ready military options in extreme circumstances—that is unique among the CCMDs. STRATCOM's nuclear and conventional strike, space, cyber, and other capabilities remain foundational to confronting the challenges of the future. The United States can neither deter adversaries and assure allies nor prevail in war without them—simply put, STRATCOM's responsibilities and capabilities underwrite freedom of action for our Nation and generate viable options for our national leaders. Our seemingly diverse missions share commonalities: they are strategic in

nature, global in scope, and they are interdependent with the responsibilities and capabilities of the other CCMDs, the whole of the U.S. Government, and key allies.

21ST CENTURY DETERRENCE AND ASSURANCE

Future conflict will:

- Encompass all domains (air, sea, land, space, and cyberspace, all tied together through the electromagnetic spectrum)
- Cross traditional geographic and manmade boundaries
- Involve a wider range of actors with access to advanced, low-cost capabilities
- Likely involve the U.S. homeland and multiple combatant commands
- Demand that the United States continue to evolve toward an interdependent joint force that is integrated in every aspect

STRATCOM's primary mission objective is to deter strategic attack on the United States, our allies and partners by making anyone who might contemplate such an attack recognize that they will not achieve their goals and will pay an extraordinary price if they try. We employ many means to influence the perceptions and assessments of others; but the continuing credibility of America's capabilities is the most effective deterrent against a strategic attack on the United States.

Deterrence and assurance have been part of the national lexicon for well over half a century and, for many of those decades, strategic deterrence was synonymous with nuclear deterrence (i.e., using nuclear weapons to deter a massive nuclear or conventional attack on the United States or our allies). Today we believe deterrence and assurance concepts address a broader array of strategic attacks from individual actors who will have widely different capabilities and motivations. While nuclear attack will always remain unique in its potential for impact and devastation, today's strategic attacks are potentially broader and defined by their effect versus a specific weapon or means of delivery. Therefore, it is increasingly clear that the capabilities we need, to deter or defeat attacks, are those that can meet multiple scenarios and take full account of the interdependencies and interactions among CCMDs and across the air, sea, land, space, and cyberspace domains—all tied together through the electromagnetic spectrum.

It is also increasingly clear that we must carefully shape our deterrence planning to specific actors and situations. To do this will require a deeper and more comprehensive understanding of our potential adversaries and their decisionmaking processes, a robust understanding of the threats they pose, and more flexibility and speed in our strategy development and planning processes. In practice, 21st century deterrence encompasses a wider range of complementary tools, including both nuclear and strong conventional forces, perhaps non-kinetic capabilities, limited missile defenses, unfettered access and use of space and cyberspace, and modern capabilities that are both resilient and sustained.

STRATCOM Missions

- Strategic Deterrence
- Space Operations
- Cyberspace Operations
- Joint Electronic Warfare
- Global Strike
- Missile Defense
- Intelligence, Surveillance, and Reconnaissance
- Combating Weapons of Mass Destruction
- Analysis and Targeting

Future conflicts will likely involve multiple CCMDs from the outset, and so we must improve how we integrate our efforts across CCMDs and with the whole of the U.S. Government and allies. We need the resources, the situational awareness, the organizations, and the decisionmaking capabilities with the responsiveness and flexibility to provide the tailored effects the President might need before, during, or after armed conflict.

Assuring U.S. allies and partners also contributes to deterrence by demonstrating to our adversaries that our alliances and coalitions are resilient and enduring. Our assurance efforts must leverage the strengths of the individual CCMDs, Services, and agencies, and complement other efforts already in place or in planning. Assurance is not necessarily a byproduct of deterrence; it is a deliberate effort in itself and one that often requires additional resources beyond those needed for deterrence.

STRATCOM is helping to shape the DOD's approach to deterrence and assurance. I'm pleased to report we have made significant progress in this regard through our Deterrence and Assurance Campaign. This campaign arranges STRATCOM's ac-

tions, operations, and messages in time, space, and purpose to achieve our deterrence objectives, ensure combat readiness, and generate unity of effort. The campaign is oriented toward four strategic military objectives.

- Enhancing strategic military deterrence. Adversaries who contemplate strategic attack on the United States and our allies must perceive unacceptable costs and an inability to obtain desired outcomes.
- Maintaining our readiness and capability to employ force to prevent and defeat all strategic attacks, not just nuclear.
- Strengthening efforts to prevent proliferation and use of WMD and mitigate effects if such weapons are used. This includes accelerating the speed with which we develop and field capabilities like standoff detection, better nuclear forensics and improved global situational awareness.
- Increasing the combat capability of the Joint Force by continuing to integrate and exercise STRATCOM capabilities and support plans across mission areas and with other CCMDs and allies.
- The end result of the campaign planning and organizational effort is a STRATCOM that is more effective and soundly positioned to meet today's challenges, deter tomorrow's threats, and assure allies and partners of U.S. commitment to them.

COMMAND PRIORITIES

CDR STRATCOM Priorities

- Deter nuclear attack with a safe, secure, and effective nuclear deterrent force
- Partner with the other combatant commands to win today
- Respond to the new challenges in space
- Build cyberspace capability and capacity
- Prepare for uncertainty

The new U.S. defense strategy is based on a future Joint Force that will be smaller and leaner, but will be agile, flexible, ready, and technologically advanced. The strategy also incorporates the concepts of networked warfare (recognizing the interdependence of both the forces and the CCMDs) and unity of action (integrated military action as part of a comprehensive whole of government and, when needed, multi-national approach). Within this new strategy and in support of STRATCOM's assigned missions, I have identified five priorities:

As long as nuclear weapons exist, STRATCOM's top priority must be to deter nuclear attack with a safe, secure and effective strategic nuclear deterrent force. STRATCOM plans, operates and, if directed by the President, employs the strategic nuclear deterrent force as needed to achieve national objectives. To meet national deterrence objectives, we continue to maintain a Triad of ballistic missile submarines, intercontinental ballistic missiles (ICBMs), nuclear capable heavy bombers and associated aerial tankers, and an assured warning and command and control system. To provide the President with maximum flexibility, we maintain a portion of the missile submarine and ICBM forces in a ready-to-use posture that is governed by strict nuclear surety procedures and is constantly under the direct positive control of the President. I can assure you that today's nuclear weapons and Triad of delivery platforms are safe, secure, and effective.

My second priority is to bring STRATCOM's tremendous military capabilities to bear in support of our CCMD partners as needed to address today's conflicts. Over the last year we have worked hard with the other CCMDs, departments and agencies to institutionalize and enhance the integrated and synchronized joint force capability that was the by-product of the last decade of conflict. To that end we are actively exploring and creating new processes and relationships to wield all of the Nation's capabilities in responding to future threats.

My third priority is to ensure that space capabilities will be available whenever and wherever they are needed. Space capabilities are integral to the American way of warfare and today's space environment is characterized by more participants, more activity, and the proliferation of a variety of capabilities that can threaten our access to and freedom of action in space. In order to preserve the national security, humanitarian, scientific, and commercial advantages we gain from operating in space, STRATCOM has spent much of the last year improving our contingency plans and working with our Service components to enhance the resilience of our space capabilities.

My fourth priority is to continue building the cyberspace capability and capacity. Cyberspace is central to civil, commercial, humanitarian and national security endeavors as well and, like space, we need to protect our access to and freedom of action in cyberspace. We are also working with others in the U.S. Government to help

protect the Nation's intellectual property and critical infrastructure. We are actively collaborating with partners in industry, academia, and the Intelligence Community to achieve those goals. At the same time we are working hard with U.S. Cyber Command to shape our future cyber force and advocate for the resources to meet the increased demands of this new domain.

Finally, we expend considerable effort trying to understand the emerging strategic environment to avoid or limit the impact of surprise which military history makes clear is a deadly enemy. We explore ways to limit the impact of surprise by integrating our plans and operations with other CCMDs, agencies, and partners through realistic and challenging exercises, and by exploring alternative scenarios and futures through aggressive tabletop exercises. We are also creating opportunities for Joint Forces to exercise in an environment in which space and cyberspace capabilities are degraded.

ENDURING ADVANTAGES

Given the uncertainty in the global environment abroad and the fiscal environment at home, the Nation must rely ever more heavily on the enduring advantages represented by our people and the ability of our interdependent Joint Force to maintain global awareness and project power. STRATCOM contributes and advocates for major capabilities that enable these enduring advantages.

Our People

People are our greatest and most enduring strength. The men and women of STRATCOM remain fully engaged with our many mission partners every day—both at home and abroad—despite uncertainty and a high mission pace multiplied by the inherent stresses of conflict and combat. As a result of DOD-wide suicide statistics and other human factors indicators, we have renewed our efforts to ensure our workforce remains viable, strong, capable, and resilient. We have taken specific steps to strengthen our workforce and enhance the working environment—addressing the wholly unacceptable nature of sexual assault within our ranks, respecting and including servicemembers of all sexual orientations, understanding and treating combat-induced stress, and confronting and preventing the tragedy of suicide. These efforts are a good start toward protecting our most valuable asset, but we must do more. Leaders at all levels of STRATCOM are emphasizing the critical issues of personal health and well-being that are confronting our military and civilian members and their families.

I fully support the efforts of the Secretary of Defense, Chairman of the Joint Chiefs of Staff, Service Chiefs, and Congress to recruit, retain, and support our Active Duty, Reserve, National Guard, and civilian personnel. Our strategy demands that we also support educational efforts (including lifelong science, technology, engineering and math skills development) that will enable us to sustain the unique and highly technical nuclear, global strike, space and cyber workforce skills we need. However, I am extremely concerned about the impacts of actual and potential budget reductions on our people. While I believe these amazing professionals will continue to cope with uncertainty in the near-term, I cannot say the same over time if the financial risks to the individuals and their families persist.

Global Awareness

Our future success also depends on enhancing our enduring advantage in global awareness. Over the past decade, U.S. air, sea, and space-based capabilities have provided unfettered global access for the surveillance and reconnaissance information needed to detect and characterize trends and events. Most often, these platforms operated in uncontested environments. As we go forward, STRATCOM and its mission partners need to work to ensure the United States sustains this advantage in anti-access/area denial (A2/AD), cyberspace, space, and other contested operating environments.

Space situational awareness (SSA) is foundational to unfettered freedom of action in all domains. SSA involves not only characterizing the dynamic physical arrangement of the space domain, but also the EMS through which we transmit and receive spacecraft commands and mission data. Protecting our assets from unwanted electromagnetic interference is one of our highest priorities, and we are in the process of streamlining procedures to detect, identify, characterize, geolocate, and resolve such problems.

Many nations share the space domain and it is in our best interest to create an environment where the sharing of SSA data facilitates transparency. We provide conjunction analysis and collision warning for space operators around the world, intent on reducing the risk of collision that would create dangerous space debris. STRATCOM has entered into 35 signed commercial SSA sharing agreements. In

2012, we provided orbital data to 90 commercial and foreign, and 180 U.S. entities. We received and reviewed nearly 500,000 satellite observations and screened over 1,000 active satellites on a daily basis. From those screenings we provided over 10,000 conjunction warnings, supported 75 conjunction avoidance maneuvers, and fulfilled over 300 orbital data requests for more than 85 separate entities. Those numbers will grow every year, lending urgency to SSA improvements and establishment of appropriate "rules of the road" that will govern orbital behavior and allow us to more easily detect problems as they occur.

We are also working to share the awareness advantages of space with some of our closest allies and partners. The Combined Space Operations concept is built upon the current Joint Space Operations Center (JSpOC) at Vandenberg Air Force Base, CA, with virtual connections between it and other nations' space operations centers around the world. This new paradigm enables partnering nations to work together to maintain the strategic advantage of access to space capabilities through synchronized activities and sustainable, combined military space operations.

Another component of global awareness, cyberspace, has become a key element for operations in all other domains, and cyber capabilities have enabled military forces to function with greater efficiency, precision and lethality. Adversaries also recognize the contribution of cyberspace to their overall warfighting capabilities and continue to pursue the advantages that effective use of cyberspace can provide. The result is a competitive and continuous life cycle of modification, enhancement and replacement of information technology systems that friends and foes alike can use to gain military, economic, or social advantages. We believe that military functions and battlefield operating systems will increasingly depend upon agile use of cyberspace to gain advantages in combat.

Other intelligence, surveillance, and reconnaissance (ISR) capabilities also strengthen global awareness; the space capabilities described just above provide some of these, but a large number of other systems—manned and unmanned aircraft, ships, submarines, cyber, human—make critical contributions as well. In crisis or contingency, "ISR" is one of the first capabilities commanders request and expect for the duration of the mission. From determining the status of Syrian chemical weapons, to identifying violent extremist organizations' safe havens in North Africa, to monitoring tensions in the South and East China Seas, to assessing Iran's progress with nuclear weapons, to tracking the development and deployment of adversary ballistic missiles—ISR has gone from an enabler to an essential component of all military operations.

A fourth component of global awareness is control of usable portions of the electromagnetic spectrum (EMS). Almost every modern technological device is reliant on the EMS. The commercial sector is now the primary driver of spectrum technology development which has led to an exponential increase in the availability of EMS-dependent devices and a global proliferation of emerging commercial off-the-shelf and dual-use technologies. This proliferation creates competition with the military's required access to the EMS and potentially pits economics against national security needs. STRATCOM is working with the Services, Joint Staff, and the Office of the Secretary of Defense (OSD) to engage the whole of government to develop a cooperative way ahead to secure spectrum access.

STRATCOM employs capabilities in the air, space, cyberspace, and at sea in order to ensure the Nation maintains global awareness as the foundation for deterrence and, ultimately, to project power when and where needed.

Power Projection

The United States has long held a decisive military advantage through our ability to project power to any corner of the globe. U.S. conventional forces are second to none and our forward presence around the world ensures we can rapidly respond to crisis in any theater of operations. Adversaries and potential adversaries have taken note of this and are working to deny us this advantage through A2/AD strategies, improvements to their own capabilities, and the acquisition of WMD to discourage or limit U.S. action. As described in the 2012 DOD strategic guidance, "In order to credibly deter potential adversaries and to prevent them from achieving their objectives, the United States must maintain its ability to project power in areas in which our access and freedom to operate are challenged."

The ballistic missile submarines (SSBNs), ICBMs, heavy bombers, and cruise missiles assigned to STRATCOM remain the core of our nuclear deterrent. These highly reliable platforms are credible because we continue to invest the resources required to properly evaluate their performance and upgrade their capabilities on a recurring basis. Each time we test a ballistic missile or forward-deploy a heavy bomber, our allies and potential adversaries take note; our ability to transparently demonstrate

the continued effectiveness of these tools creates a lasting impression which enhances our deterrent.

As effective as the U.S. deterrent force is today, we must plan for the likely circumstance that while we are projecting power abroad in a future crisis or conflict, we will also be defending the homeland in cyberspace and against missile or terrorist attack, perhaps at the outset of—or even before—a regional conflict goes "hot". This is an operational challenge that has strategic implications for warning, thresholds, plans, and responses. Therefore, U.S. plans and operations across multiple CCMDs must be so well integrated and synchronized that when executed, they function as a single, coherent American campaign. Over the past year, STRATCOM has begun a complete reassessment of our operational plans to ensure we are well-integrated with our mission partners in the other CCMDs. We continue to exercise and seek robust training opportunities with these partners (including opportunities that highlight operations in contested environments) to ensure we are ready to achieve the objectives directed by the country's senior leaders.

KEY INVESTMENTS

Deciding what capabilities are needed to meet these goals—hardware, people, organizations and procedures—is more difficult. Success in this context will be increasingly problematic as resources decline, but we can compensate by complementing planned investments with new operational concepts, more comprehensive and collaborative plans, and more effective use of the capabilities we have.

Key Investment: Nuclear Deterrent Forces

Over the past 2 decades, the United States has responded to changing geopolitical conditions by making appropriate reductions in the total number of nuclear delivery platforms we operate and the number of weapons in our nuclear stockpile. These reductions were determined based on a careful assessment of the capabilities required to provide the options and effects a President might need to achieve national security objectives. These capabilities include the nuclear weapons, the strategic delivery platforms, surveillance and reconnaissance systems, supporting intelligence, and the systems by which we command and control these unique forces. We must continue to invest in each of these areas even as we reduce to force levels specified by New START.

Many of our current nuclear command and control (NC3) systems were designed for the Cold War and require modernization in order to effectively meet the challenges presented in the evolving security environment. Using new and emerging technologies, we have set a course to transform the Nation's NC3 architecture to achieve robust and resilient 21st century capabilities. As part of modernizing nuclear command and control, last year we broke ground on the new STRATCOM Command and Control (C2) Facility. Our current headquarters was built in 1957 to support a single mission, nuclear deterrence and operations, with the corresponding C2 technology of the time (the land line telephone). Our greatly expanded mission set, combined with the vastly more complex supporting technology placed increasing demands on the legacy electrical and air handling systems to the point where we suffer numerous electrical, cooling, water, fire detection/suppression, and other basic service interruptions. Your continued support for the new facility is greatly appreciated and will ultimately provide better command and control for all of our strategic forces.

The Triad of SSBNs, ICBMs and nuclear-capable heavy bombers, all with their associated support elements—offers a mutually reinforcing strategic package that provides a credible deterrent to our adversaries, assurance to our allies and partners, and flexibility for the President.

- Because of the extended service life of the current SSBN fleet, it is essential to provide sufficient resources to replace our *Ohio*-class ballistic missile submarines. Last year's decision to delay the *Ohio*-class Replacement Program by 2 years is all the risk I would recommend in this critical program.
- The Minuteman III force is sustainable through 2030 and potentially beyond with additional modernization investment. The ongoing Ground Based Strategic Deterrent Analysis of Alternatives is studying the full range of concepts to sustain this Triad leg beyond 2030.
- Planned sustainment and modernization activities will ensure a credible heavy nuclear and conventional bomber capability through 2040 for the B–52 and 2050 for the B–2. Looking forward, a new, long-range nuclear-capable penetrating bomber is required. STRATCOM is working with the Air Force to develop requirements for the next nuclear and conventional capable long-range strike platform and long-range stand-off missile. Addition-

ally, the Air Force is replacing the aging KC–135 tanker fleet with the KC–46A, ensuring an enduring air refueling capability essential to long-range bomber operations.

Regarding the nuclear weapons themselves, modernization has in practice meant sustainment of the nuclear warheads manufactured 20-plus years ago. At the same time, the United States has maintained a unilateral moratorium on nuclear testing for over two decades. Thus, the nuclear weapons enterprise faces the complex challenges of certifying the effectiveness and reliability of nuclear weapons without actually testing them with nuclear explosions. Considerable progress has been made toward managing these challenges with aggressive science and surveillance programs, but our future confidence in the stockpile will depend centrally on our continuing ability to attract outstanding people with scientific, engineering and technological talent to this work.

Key Investment: Global Strike

Today, the only prompt global strike capability to engage potentially time-sensitive, fleeting targets continues to be ballistic missile systems armed with nuclear weapons. We continue to require a deployed conventional prompt strike capability to provide the President a range of flexible military options to address a small number of highest-value targets, including in an anti-access and area denial environment.

Key Investment: Combating Weapons of Mass Destruction (CWMD)

STRATCOM continues to make progress in our global CWMD efforts by synchronizing planning efforts across the combatant commands through cooperation on regional CWMD campaigns, alignment with Theater Campaign Plans and incorporation of CWMD objectives and concepts in deliberate and crisis action planning efforts with combatant commands.

Identifying and countering WMD requires extensive technical knowledge, capabilities, and timely and relevant intelligence. In support of DOD objectives, STRATCOM continues to pursue capabilities necessary to detect, interdict, and contain WMD. One of my highest priorities in addition to securing and reducing dangerous materials is acquiring the capabilities to monitor and track lethal agents and their means of delivery, and defeating or responding to the use of these weapons. Just this year, we established and sponsored a new University Affiliated Research Center (UARC). The center will advance cutting-edge defense research in support of STRATCOM—as well as the rest of the U.S. Government—in the mission areas of global deterrence and combating weapons of mass destruction, along with international space and cyber law. The UARC will help address these challenges by providing unique access to academic perspectives and research methods not currently found anywhere in the DOD, and will help ensure critical skill sets are nurtured, developed and available for DOD to engage current and future CWMD challenges. We are truly excited about this new partnership.

A key element of our CWMD efforts is the continuing maturation of STRATCOM's Standing Joint Force Headquarters for Elimination (SJFHQ–E). The SJFHQ–E achieved initial operational capability in September 2012 and is successfully supporting the other combatant commands with WMD elimination expertise and planning. When fully operational, SJFHQ–E will be able to quickly integrate into an operational headquarters, conduct both deliberate and crisis planning, and maintain awareness of the WMD environment.

Key Investment: Intelligence, Surveillance, and Reconnaissance (ISR)

The ISR community is increasingly being challenged to operate effectively in anti-access/area-denial environments. Additionally, our ability to process and analyze data from increasingly capable ISR platforms is a growing challenge. Analysts are dealing with more data on an increased operations tempo that imposes ever-greater demands on analysis and reporting timeliness. Greater efficiencies are clearly needed, and we are seeking them through improved data management, increased computing power and capability to help the analysts, and more effective management of ISR processing, exploitation and dissemination. Our intent is to manage resources globally while maintaining regional and local focus, thus ensuring we can more quickly reprioritize during and between emerging crises and contingencies, guaranteeing knowledge dominance for our commanders. Additionally, we are looking at ways we can reduce these gaps through globally connected, focused integration and by managing the exploitation and analytic resources in a more unified structure.

Key Investment: Electromagnetic Spectrum (EMS)

In August 2012, STRATCOM established a federated Joint Electromagnetic Spectrum Operations (JEMSO) Office, staffed by subject matter experts from across the

headquarters and our components. This new organization supports all CCMDs with spectrum advocacy, operations, test and evaluation, and contingency planning. The JEMSO Office, in collaboration with the Joint Staff, is driving the development of a holistic JEMSO policy and doctrine that consolidates the activities of electronic warfare and spectrum management in order to significantly improve spectrum-related mission cohesion, agility, and responsiveness. We have created a mission partnership with OSD and the Joint Staff to chart a path forward regarding strategy, doctrine, and best practices to ensure that all facets of the process are built in a cogent and logical manner. Engagement beyond DOD will be vital for success in management of this mission area. The JEMSO Office will support the combatant commands through contingency planning, training, and advocacy for EMS capabilities to enhance combat effectiveness across all warfighting domains. To address the rapid technological advances and significant proliferation of EMS-dependent systems, STRATCOM's Joint Electronic Warfare Center (JEWC) is leading a comprehensive, globally oriented, cross-domain, JEMSO assessment. This assessment will continue STRATCOM's effort to inform EMS-dependent capability acquisitions, ensuring our warfighters are armed with the best possible training and equipment to effectively operate in this dynamic environment.

Key Investment: Missile Defense

Ballistic missiles continue to become more accurate, lethal, and capable—remaining a significant threat to the U.S. Homeland and a growing threat to our allies and our forces deployed abroad. In response, U.S. and allied capabilities to deter, detect, and defeat these weapons are also growing, with decades of research and development continuing to pay dividends in terms of capability and credibility. Missile defense capabilities address limited threats to the homeland and our regional partners and allies. Ballistic missile threats are likely to grow at least as rapidly as our defensive assets, giving us little margin for error in acquisition and force management decisions. Sustained missile defense investments support deterrence and assurance goals by significantly improving the protection of our Homeland, our forward-based forces, and our allies and partners. STRATCOM is committed to future capability development efforts that leverage past successes, address the most pressing and most likely threats, and produce field-tested, reliable assets in a cost-effective manner.

Over the past year, these efforts substantially improved our overall missile defenses. We deployed and integrated radars in Europe and the Middle East, improving threat coverage and available battle space. We concluded a review board and plan to test a revised design of the Capability Enhanced (CE II) interceptor to return it to full mission capability. We increased the number of Aegis BMD-equipped ships. We conducted testing and development of future elements of the European Phased Adaptive Approach (EPAA), an effort that improves missile defenses through the acquisition and integration of more advanced capabilities and the expansion of key partnerships.

STRATCOM coordinates the integrated air and missile defense Prioritized Capabilities List (PCL) across other CCMDs to improve Service and Missile Defense Agency understanding of prioritized joint warfighter capability needs. To this end the PCL advocates for continued support to regional and homeland missile defense needs. This includes the upgrade of early warning radars and their integration with existing fire control systems for enhanced early warning and engagement. More broadly speaking we must avoid delays in development and fielding of needed missile program upgrades. We must also continue testing individual components in an operationally realistic end-to-end manner, and preserve integrated multinational exercises which contribute to enhanced operational cooperation and increased confidence in our capability and that of our allies. This enhances efforts to provide persistent detection; expand data sharing among the United States, allies, and partners; field effective defensive systems; and provide appropriately robust joint training. As the Joint Functional Manager for missile defense capabilities, STRATCOM recommends the global allocation of low-density, high-demand assets, including force rotations, and force sufficiency—thus making the best use of limited resources.

Key Investment: Space

Space is no longer the exclusive domain of superpowers—the number of countries that share the domain continues to grow as barriers to entry continue to decline. Space is foundational to the global economy, international strategic stability, and our national security. However, the strategic advantages space provides are in danger of diminishing. America must continue its leadership role to ensure space is accessible, usable, and responsibly preserved for all users. As the CCMD responsible for military space operations, support, and capability advocacy, we remain focused

on ensuring intergovernmental collaboration, international cooperation, and access to and shared use of space.

Access to orbit remains vital to national security and the key to achieving it is an industrial base that is capable, responsive and affordable. Diversity in the launch marketplace could prove a positive development, and accordingly STRATCOM supports the Air Force's efforts to expand the available industrial base of certified and proven launch providers. The success of companies like Space-X is an encouraging step in the right direction but we must continue to invest in capabilities that assure our access to space.

We must retain a robust and enduring capability to detect, track and analyze each of the more than over 20,000 objects on orbit today. Clearly, there is an international demand for continued and ever-improving SSA, but challenges remain in the form of critical SSA architecture legacy elements that are well past their design life. Addressing these challenges remains a high priority but fluctuating funding profiles and constrained budgets make maintenance of existing forces and infrastructure and timely acquisition of new capabilities more difficult. The JSpOC is enabled by the JSpOC Mission System (JMS) which is being developed to provide key SSA, command and control, data processing, integration, and exploitation capabilities. Continued JMS progress is vital to streamlined data processing integration, information sharing with partners and allies, and understanding of adversary intent in space.

Our assessment of existing on-orbit and ground-based communication, intelligence, surveillance, geolocation, and environmental monitoring assets is acceptable yet fragile. To preclude any gaps in our ability to provide support for the warfighter, we must program and procure replacements to our aging systems in a timely manner.

Key Investment: Cyberspace

The great power of technology—and our reliance on it—means that cyber threats represent one of the most serious national security, public safety, and economic challenges facing the Nation. The ongoing theft of the Nation's critical commercial, civil and unclassified military data by foreign intelligence and security services continues to erode U.S. economic and national security and reduce the competitive edge of the U.S. businesses. U.S. Government departments, the private sector, allies and international partners must become more actively involved in securing our collective networks and to preventing our adversaries from inadvertently gaining generational increases in technology through inadequate cyber security practices.

Improving the DOD's ability to operate effectively in cyberspace requires investment in five major areas: defensible architecture (the Joint Information Environment), trained and ready forces, effective command and control, global situational awareness, and policies and rules of engagement to defend the Nation in cyberspace. Of these, the most urgent investment is increasing the numbers, training and readiness of our cyber forces. We are recruiting, training, and retaining the best and brightest our Nation has to offer, but the operational demands of cyberspace exceed our capacity to conduct sustained operations. We must continue to grow and align our cyber forces to enable operations and support CCDRs and their components.

It is also essential that we prepare our forces to operate in a cyberspace environment in which expected network resources and data are degraded or unavailable, or whose confidentiality and integrity cannot be confirmed. Toward this end we have made progress in developing joint cyberspace training and certification standards that will serve as the common foundation for training all DOD cyber operators.

Sharing of cyber threat indicators and countermeasures must occur in near real-time to enable prevention as well as response. We are fostering close information sharing relationships with the Department of Homeland Security, law enforcement agencies and private sector companies in the Defense Industrial Base, but we need to make it easier for the government to share threat information more broadly. At the same time we must also establish and develop baseline standards for our critical private-sector infrastructure to help companies take proactive measures to secure their networks.

CONCLUSION

The Nation and our military are confronted with an unprecedented confluence of geopolitical, technological, and fiscal challenges that have the potential to threaten the readiness of our military, the execution of our National Security Strategy and the security of our Nation. These challenges may be daunting but they are not paralyzing. We are building our future on a strong and successful past, and your support, together with the hard work of the outstanding men and women of the U.S.

Strategic Command, will ensure that we remain ready, agile, and effective in deterring strategic attack, assuring our allies, and defeating current and future threats.

Chairman LEVIN. Thank you very much, General Kehler.

General Alexander.

STATEMENT OF GEN. KEITH B. ALEXANDER, USA, COMMANDER, U.S. CYBER COMMAND

General ALEXANDER. Thank you, Chairman Levin, Ranking Member Inhofe, and distinguished members of the committee. It's an honor to lead the men and women of CYBERCOM. It's also a tremendous honor to work with and for General Bob Kehler. He has been truly supportive of everything that we're trying to do in CYBERCOM, and he's the only one that's nice to me, and as an intelligence officer, that's unique. [Laughter.]

It does give me great pleasure to come here today and talk to you about the great things that we're doing at CYBERCOM, but also to address some of the questions that you've put on the table and I think some of the questions that have troubled the committee in the past. I will try to answer some of those. I cannot answer all of those today.

First, the role of DOD. It takes a team to operate in cyberspace and we've talked about this team approach. But at times I think in talking about the team approach we're not clear on who's in charge when. For defending the Nation in cyberspace or in any way when the Nation is under attack, that's a DOD mission and that falls to STRATCOM and CYBERCOM in cyberspace. We are also responsible for supporting the combatant commands in their cyberspace operations and for defending the DOD networks, as well as supporting the Department of Homeland Security (DHS) and defending critical infrastructure. We must also gather important threat information to protect, prevent, and mitigate and recover from cyber incidents in support of DHS and the Federal Bureau of Investigation (FBI).

As I said, no single public or private entity has all the required authorities, resources, or capabilities to respond to or prevent a serious cyber attack. I work closely with Secretary Napolitano and Deputy Secretary Lew at DHS and with Director Bob Mueller at FBI. We all see eye-to-eye on the importance of cyber, of supporting each other in these cyber missions. FBI's role in domestic cyberspace is absolutely critical to disrupting cyber criminals and stopping cyber attacks and leading investigation in those areas. DHS' work to defend the Government and to strengthen the security posture of critical infrastructure is essential. They are the lead for domestic cyber security and help protect Federal networks and critical infrastructure.

To act quickly, we must have clear lanes of responsibility and rules of engagement. We all recognize that the private sector plays a key role in this area, and having the ability to work with the private sector is important to us and one of the key reasons we need cyber legislation. The Executive order issued last month, as you noted, Mr. Chairman, is a step in the right direction, but it does not take away the need for cyber legislation.

I'd like to point out before I go forward that civil liberties, oversight, and compliance are key for both CYBERCOM and NSA in

operating in this space, and we take that requirement sincerely and to heart and ensure that we do every part of this properly. I would also point out that we can do both. You can protect civil liberties and privacy and protect our Nation in cyberspace. I think that's one of the things that we need to educate the American people on, how do we do that, how do we work with industry to do this.

If you look at the strategic landscape—you've hit on much of that, Mr. Chairman. When you look at the strategic landscape from our perspective, it's getting worse. Cyber effects are growing. We've seen the attacks on Wall Street over the last 6 months grow significantly, over 140 of those attacks over the last 6 months. Last summer in August we saw a destructive attack on Saudi Aramco where the data on over 30,000 systems were destroyed. If you look at industry, especially the antivirus community and others, they believe it's going to grow more in 2013, and there's a lot that we need to do to prepare for this.

Let me just talk a little bit about what we're doing to prepare for it from our perspective. As many of you know, we are already developing the teams that we need, the tactics, techniques, procedures, and the doctrine for how these teams would be employed, with a focus on defending the Nation in cyberspace.

I would like to be clear that this team, this Defend-the-Nation team, is not a defensive team; this is an offensive team that the DOD would use to defend the Nation if it were attacked in cyberspace. Thirteen of the teams that we are creating are for that mission set alone. We're also creating 27 teams that would support combatant commands and their planning process for offensive cyber capabilities. Then we have a series of teams that would defend our networks in cyberspace. Those three sets of teams are the core construct for what we're working with and the Services to develop our cyber cadre.

As you noted, the key here is training our folks to the highest standard possible. I think that's the most important thing that we are on the road to and it's the most important partnership that we have with NSA and others, is ensuring that the training standards that we have for our folks is at the highest level.

I'd just like to hit on a few key points that we're doing to develop this cyber strategy. You mentioned command and control. General Kehler, the combatant commands, the Service Chiefs, and I are all looking at the command and control, how we work this with the other combatant commands. That's a key issue. We have done a lot of work on that and we've ironed out how the joint cyber centers at each combatant command would work with CYBERCOM, how we push information back and forth, and how we'd have operational control and direct support of teams operating in their area. There will be more to do in this as the teams come on line.

One of the key things that we have to address is situational awareness, how do you see an attack in cyberspace. Today seeing that attack is almost impossible for the DOD. Specifically, an attack on Wall Street would probably not be seen by us. It's going to be seen by the private sector first, and that's a key need for information-sharing. It has to be real-time to DOD, DHS, and FBI, all at the same time, one government team. If we're going to re-

spond in time to make a difference, we have to see that in real time. Those companies that are sharing that information with us have to have liability protection.

We're also building the operational picture that we would share, CYBERCOM would share, with the other combatant commands, with DHS, with FBI, and with other national leaders.

We need a defensible architecture, and you've heard about the joint information environment, our cloud security. Not only is that more defensible, it was created by some of our folks to come up with the most defensible architecture we could make; it's also more secure. It's not perfect. No architecture is perfect in security, but it is better than where we are and it's cheaper, and it's something that we should push for.

Mr. Chairman, you mentioned authorities, policies, and standing rules of engagement. We're working that hard, but, as you've already stated, this is a new area for many of our folks, especially within the administration, within Congress, and the American people. Setting those right, we're being cautious in ensuring that we're doing that exactly right and sharing the information we have with Congress.

So in conclusion, from my perspective no one actor is to blame for our current level of preparedness in cyberspace. Many don't understand how serious the threat is, so we need to educate people on this threat. We must address this as a team, sharing unique insights across government and with the private sector. We must leverage the Nation's ingenuity through an exceptional cyber workforce and rapid technological innovation. The U.S. Government has made significant strides in defining cyber doctrine, organizing cyber capabilities, and building cyber capacity. We must do much more to sustain our momentum in an environment where adversary capabilities continue to evolve as fast or faster than our own.

Mr. Chairman, that completes my statement.

[The prepared statement of General Alexander follows:]

PREPARED STATEMENT BY GEN KEITH B. ALEXANDER, USA

Thank you very much, Chairman Levin and Ranking Member Inhofe, for inviting me to speak to you and your colleagues today on behalf of the men and women of U.S. Cyber Command (CYBERCOM). I have the honor of leading them on a daily basis, and let me assure you there is not a finer and more dedicated team of servicemembers and civilian personnel anywhere. It gives me great pleasure to appear before you to talk about their accomplishments, and to describe some of the challenges they face in performing their difficult but vital mission of keeping U.S. military networks secure, helping to protect our Nation's critical infrastructure from national-level cyber attacks, assisting our combatant commanders around the world, and working with other U.S. Government agencies tasked with defending our Nation's interests in cyberspace.

CYBERCOM is a subunified command of U.S. Strategic Command in Omaha, though we are based at Fort Meade, MD. We have approximately 834 active-duty military and civilians assigned from an authorized end strength of 917 (plus contractors), and a budget of approximately $191 million for fiscal year 2013. CYBERCOM has strong, evolving, and growing cyber components representing each of the Services: Fleet Cyber Command/Tenth Fleet, Army Cyber Command/Second Army, Air Force Cyber Command/24th Air Force, and Marine Forces Cyber Command. Each of our Service Cyber Components also has representation at our headquarters. Combined we and they have more than 11,000 people in our force mix.

CYBERCOM shares its headquarters with key mission partners in the National Security Agency (NSA), which I also lead. CYBERCOM's colocation with NSA promotes intense and mutually beneficial collaboration. The Department of Defense (DOD) established CYBERCOM in 2010 to leverage NSA's capabilities. This part-

nership is key to what we are doing now, and provides the essential context for all the activities I shall describe below. The people under my command and direction at CYBERCOM and NSA are collectively responsible for operating the Department's information networks, detecting threats in foreign cyberspace, attributing threats, securing national security and military information systems, and helping to ensure freedom of action for the U.S. military and its allies in cyberspace—and, when directed, defending the Nation against a cyber attack. Also nearby at Fort Meade is another key mission partner, the Defense Information Systems Agency (DISA). The constellation of agencies and capabilities in the Washington, DC, region makes for a unique synergy of people and ideas—a nexus for military and national cybersecurity innovation.

CYBERCOM has deployed representatives and mission support elements worldwide. We have an expeditionary cyber support unit forward in Afghanistan. We also have liaison officers at each Combatant Command (serving as that Command's CSE lead) and in several other key offices and agencies in the Washington area. The flow of information and advice across CYBERCOM and its Service components and the commands, agencies, and foreign mission partners here and overseas is improving slowly but steadily.

Since I last spoke with you in March 2012, our progress has accelerated. In December we moved ahead with building a balanced and highly capable military cyber force designed to meet our joint warfighting requirements. We have laid out and codified team composition, training, and certification standards to field a world-class force in support of the Combatant Commands (CCMD). Although we have much work to do, we are focused on doing it right and meeting the CCMDs' and the Nation's most pressing cyber defense requirements. In short, we have moved ahead to normalize cyber operations within the U.S. military, and to turn that capability into a reliable option for decisionmakers to employ in defending our Nation. This progress will not only make our military more capable but our networks and information more secure. We have serious threats facing us, as I shall explain. Our progress, however, can only continue if we are able to fulfill our urgent requirement for sufficient trained, certified, and ready forces to defend U.S. national interests in cyberspace.

THE STRATEGIC LANDSCAPE

U.S. Cyber Command operates in a dynamic and contested environment that literally changes its characteristics each time someone powers on a networked device. Geographic boundaries are perhaps less evident in cyberspace, but every server, fiber-optic line, cell tower, thumb drive, router, and laptop is owned by someone and resides in some physical locale. In this way cyberspace resembles the land domain—it is all owned, and it can be reshaped. Most networked devices, for example, are in private hands, and their owners can deny or facilitate others' cyber operations by how they manage and maintain their networks and devices. Cyberspace as an operating environment also has aspects unique to it. Events in cyberspace can seem to happen instantaneously. Data can appear to reside in multiple locations. There is a great deal of anonymity, and strongly encrypted data are virtually unreadable. In cyberspace, moreover, sweeping effects can be precipitated by states, enterprises, and individuals, with the added nuance that such cyber actors can be very difficult to identify. The cyber landscape also changes rapidly with the connection of new devices and bandwidth, and with the spread of strong encryption and mobile devices. Despite the unique characteristics of cyberspace, states still matter because they can affect much of the physical infrastructure within their borders. Convergence is our watchword; our communications, computers, and networks are merging into one digital environment as our political, economic, and social realms are being reshaped by the rush of innovation.

In this environment that is both orderly and chaotic, beneficial and perilous, we at CYBERCOM have to focus on actors who possess the capability—and possibly the intent—to harm our Nation's interests in cyberspace or to use cyber means to inflict harm on us in other ways. Unfortunately, the roster of actors of concern to us is growing longer and growing also in terms of the variety and sophistication of the ways they can affect our operations and security.

State actors continue to top our list of concerns. We feel confident that foreign leaders believe that a devastating attack on the critical infrastructure and population of the United States by cyber means would be correctly traced back to its source and elicit a prompt and proportionate response. Nonetheless, it is possible that some future regime or cyber actor could misjudge the impact and the certainty of our resolve.

We have some confidence in our ability to deter major state-on-state attacks in cyberspace but we are not deterring the seemingly low-level harassment of private and public sites, property, and data. As former Secretary of Defense Panetta explained to an audience in New York last October, states and extremist groups are behaving recklessly and aggressively in the cyber environment. Such attacks have been destructive to both data and property. The Secretary mentioned, for example, the remote assaults last summer on Saudi Aramco and RasGas, which together rendered inoperable—and effectively destroyed the data on—more than 30,000 computers. We have also seen repressive regimes, desperate to hold on to power in the face of popular resistance, resort to all manner of cyber harassment on both their opponents and their own citizens caught in the crossfire. Offensive cyber programs and capabilities are growing, evolving, and spreading before our eyes; we believe it is only a matter of time before the sort of sophisticated tools developed by well-funded state actors find their way to non-state groups or even individuals. The United States has already become a target. Networks and websites owned by Americans and located here have endured intentional, state-sponsored attacks, and some have incurred damage and disruption because they happened to be along the route to another state's overseas targets.

Let me draw your attention to another very serious threat to U.S. interests. The systematic cyber exploitation of American companies, enterprises, and their intellectual property continued unabated over the last year. Many incidents were perpetrated by organized cybercriminals. Identity and data theft are now big business, netting their practitioners large profits and giving rise to an on-line sub-culture of markets for stolen data and cyber tools for stealing more. Much cyber exploitation activity, however, is state-sponsored. Foreign government-directed cyber collection personnel, tools, and organizations are targeting the data of American and western businesses, institutions, and citizens. They are particularly targeting our telecommunications, information technology, financial, security, and energy sectors. They are exploiting these targets on a scale amounting to the greatest unwilling transfer of wealth in history. States and cybercriminals do not leave empty bank vaults and file drawers behind after they break-in—they usually copy what they find and leave the original data intact—but the damage they are doing to America's economic competitiveness and innovation edge is profound, translating into missed opportunities for U.S. companies and the potential for lost American jobs. Cyber-enabled theft jeopardizes our economic growth. We at CYBERCOM work closely with our interagency partners to address these threats.

We must also watch potential threats from terrorists and hacktivists in cyberspace. The Intelligence Community and others have long warned that worldwide terrorist organizations like al Qaeda and its affiliates have the intent to harm the United States via cyber means. We agree with this judgment, while noting that, so far, their capability to do so has not matched their intent. This is not to downplay the problem of terrorist use of the Internet. Al Qaeda and other violent extremist groups are on the Web proselytizing, fundraising, and inspiring imitators. We should not ignore the effectiveness with which groups like al Qaeda and its affiliates radicalize ever larger numbers of people each year—on more continents. The Federal Bureau of Investigation and other agencies cite instances in which would-be terrorists found motivation and moral support for suicide attacks at jihadist websites and chat rooms. This is an especially serious and growing problem in areas of hostilities where our troops and personnel are deployed. Another threat that is not growing as fast as we might have feared, on the other hand, is that of hacktivists with a cause or a grievance that leads them to target U.S. Government and military networks. Our vulnerabilities to this sort of disruption remain, but 2012 saw fewer such incidents than 2011.

LOOKING AHEAD: THE COMMAND'S PRIORITIES

I have established several priorities for U.S. Cyber Command in dealing with these risks and threats. We are actively working to guard DOD's networks and information and helping to defend the Nation. Key to countering these threats is learning how to grow our capabilities in this challenging domain. We have no alternative but to do so because every world event, crisis, and trend now has a cyber-aspect to it, and decisions we make in cyberspace will routinely affect our physical or conventional activities and capabilities as well. CYBERCOM is building cyber capabilities into our planning, doctrine, and thinking now—while we as a nation have time to do so in a deliberate manner. We do not want to wait for a crisis and then have to respond with hasty and ad hoc solutions that could do more harm than good.

When I say we are normalizing cyber operations, I mean we are making them a more reliable and predictable capability to be employed by our senior decision-makers and Combatant Commanders. Normalizing cyber requires improving our tactics, techniques, and procedures, as well as our policies and organizations. It also means building cyber capabilities into doctrine, plans, and training—and building that system in such a way that our combatant commanders can think, plan, and integrate cyber capabilities as they would capabilities in the air, land and sea domains.

In keeping with DOD's Strategy for Operating in Cyberspace, U.S. Cyber Command and NSA are together assisting the Department in building: (1) a defensible architecture; (2) global situational awareness and a common operating picture; (3) a concept for operating in cyberspace; (4) trained and ready cyber forces; and (5) capacity to take action when authorized. Indeed, we are finding that our progress in each of these five areas benefits our efforts in the rest. We are also finding the converse—that inertia in one area can result in slower progress in others. I shall discuss each of these priorities in turn.

Defensible Architecture:

DOD owns 7 million networked devices and thousands of enclaves. Cyber Command works around the clock with its Service cyber components, with NSA, and with DISA to monitor the functioning of DOD networks, including the physical infrastructure, the configurations and protocols of the components linked by that infrastructure, and the volume and characteristics of the data flow. This is a dynamic defense, and it consistently provides better security than the former patch-and-firewall paradigm. Patches and firewalls are still necessary—I wish everyone kept theirs up-to-date—but they are an insufficient defense for DOD networks. Dynamic defenses have brought about noticeable improvements in the overall security of DOD information environment. We know for a fact that our adversaries have to work harder to find ways into our sensitive but unclassified networks. Unfortunately, adversaries are willing to expend that effort, and DOD's architecture in its present state is not defensible over the long run. We in the Department and the Command are crafting a solution. The Department's bridge to the future is called the DOD Joint Information Environment (JIE), comprising a shared infrastructure, enterprise services, and a single security architecture to improve mission effectiveness, increase security, and realize information technology (IT) efficiencies. The JIE will be the base from which we can operate in the knowledge that our data are safe from adversaries. Senior officers from CYBERCOM and NSA sit on JIE councils and working groups, playing a leading role with the office of the DOD's Chief Information Officer, Joint Staff J6, and other agencies in guiding the Department's implementation of the JIE. NSA, as the Security Adviser to the JIE, is defining the security dimension of that architecture, and has shown how we can pool big data and still preserve strong security. We have even shared the source code publicly so public and private architectures can benefit from it. DOD is benefitting from that knowledge and from our growing understanding of the totality of measures, procedures, and tools required to assure the health and security of even the biggest networks and databases.

Increased Operational Awareness:

Enhanced intelligence and situational awareness in our networks will help us know what is happening in the cyberspace domain. This effort can be likened to a cyber version of the tactical air picture of friendly, neutral, and aggressor aircraft that a Combined Air Operations Center in a Combatant Command typically maintains. We are now issuing a weekly Cyber Operating Directive across the DOD cyber enterprise for just this purpose, so that all .friendlies. understand what is happening in cyberspace. Our improving knowledge of what is normal in cyberspace is crucial to grasping what is not normal. We at CYBERCOM are also helping DOD increase our global situational awareness through our growing collaboration with Federal Government mission partners like the Department of Homeland Security (DHS), the FBI, and other departments and agencies, as well as with private industry and with other countries. That collaboration in turn allows us to better understand what is happening across the cyber domain, which enhances our situational awareness, not only for the activities of organizations based at Fort Meade but also across the U.S. Government. I am happy to report that at least one of our foreign partners has volunteered to invest in this and enter its own network traffic data to contribute to a common picture.

Operating Concepts:

Our operating concept calls for us to utilize our situational awareness to recognize when an adversary is attacking, to block malicious traffic that threatens our net-

works and data, and then to maneuver in cyberspace to block and deter new threats. I am pleased to report that in December, the Department endorsed the force presentation model we need to implement this new operating concept. We are establishing cyber mission teams in line with the principles of task organizing for the joint force. The Services are building these teams to present to U.S. Cyber Command or to support Service and other combatant command missions. The teams are analogous to battalions in the Army and Marine Corps—or squadrons in the Navy and Air Force. In short, they will soon be capable of operating on their own, with a range of operational and intelligence skill sets, as well as a mix of military and civilian personnel. They will also have appropriate authorities under order from the Secretary of Defense and from my capacity as the Director of NSA. Teams are now being constructed to perform all three of the missions given to U.S. Cyber Command. We will have: (1) a Cyber National Mission Force and teams to help defend the Nation against national-level threats; (2) a Cyber Combat Mission Force with teams that will be assigned to the operational control of individual Combatant Commanders to support their objectives (pending resolution of the cyber command and control model by the Joint Staff); and (3) a Cyber Protection Force and teams to help operate and defend DOD information environment.

Trained and Ready Forces:

Each of these cyber mission teams is being trained to common and strict operating standards so that they can be on-line without putting at risk our own military, diplomatic, or intelligence interests. Doing this will give not only U.S. Cyber Command's planners, but more significantly our national leaders and combatant commanders, a certain predictability in cyber capabilities and capacity. Key to building out the Cyber Mission Force articulated in our Force Planning Model is having the training system in place to train each of the cyber warriors we need, in the skill sets we require and at the quality mandated by the cyber mission. We have that training system in place for the operators, and now we need to build the accompanying command and staff academic support packages and programs to ensure our officers and planners know how to effectively plan for and employ cyber capabilities for our Nation. As a result of this operator and staff training system, decision-makers who require increments of cyber skills to include in their plans will know how to ask for forces to fill this requirement, and planners will know how to work cyber effects into their organizations' plans. To build the skills of the force—as well as to test the ways in which its teams can be employed—U.S. Cyber Command has sponsored not only an expanding range of training courses but also two important exercises, Cyber Flag and Cyber Guard. The latter assembled 500 participants last summer including 100 from the National Guards of 12 States. They exercised State and national-level responses in a virtual environment, learning each other's comparative strengths and concerns should an adversary attack our critical infrastructure in cyberspace. Cyber Flag is our annual exercise at Nellis Air Force Base in Nevada and we conduct it with our interagency and international partners. Our most recent running of Cyber Flag introduced new capabilities to enable dynamic and interactive force-on-force maneuvers at net-speed, while incorporating actions by conventional forces as well at Nellis' nearby training area.

Capacity to Take Action:

Successful operations in cyberspace depend on collaboration between defenders and operators. Those who secure and defend must synchronize with those who operate, and their collaboration must be informed by up-to-date intelligence. I see greater understanding of the importance of this synergy across the Department and the Government. The President recently clarified the responsibilities for various organizations and capabilities operating in cyberspace, revising the procedures we employ for ensuring that we act in a coordinated and mutually-supporting manner. As part of this progress, DOD and U.S. Cyber Command are being integrated in the machinery for National Event responses so that a cyber incident of national significance can elicit a fast and effective response to include pre-designated authorities and self-defense actions where necessary and appropriate. CYBERCOM is also working with the Joint Staff and the combatant commands to capture their cyber requirements and to implement and refine interim guidance on the command and control of cyber forces in-theater, ensuring our cyber forces provide direct and effective support to commanders' missions while also helping U.S. Cyber Command in its national-level missions. In addition, we are integrating our efforts and plans with combatant command operational plans and we want to ensure that this collaboration continues at all the commands. Finally, most cyber operations are coalition and interagency efforts, almost by definition. We gain valuable insight from the great work of other partners like the Departments of Justice and Homeland Security, such as in their

work against distributed denial of service attacks against American companies, which in turn helps DOD fine-tune defenses for the DOD information environment. We also benefit from sharing with the Services and agencies of key partners and allies. We welcome the interagency collaboration and evolving frameworks under which these efforts are proceeding, especially such revisions that would make it easier for the U.S. Government and the private sector to share threat data, as the administration previously emphasized. In addition, new standing rules of engagement for cyber currently under development will comply with and support recently issued policy directives on U.S. cyber operations.

BUILDING FOR THE FUTURE

We have made strides in all of our focus areas, though what gratifies me the most is seeing that we are learning how they all fit together. We are building quickly and building well, but we are still concerned that the cyber threats to our Nation are growing even faster. From the technological, legal, and operational standpoints we are learning not only what is possible to accomplish but also what is wise to attempt. Our plans for U.S. Cyber Command over the foreseeable future—which admittedly is not a very distant horizon—should be understood in this context.

In a speech last fall, then-Secretary Panetta emphasized the Department's need to adjust our forces as we transition away from a decade of war. He explained that a wise adjustment makes cuts without hollowing out the force, while also investing in ways that prepare us to meet future needs. We will do that, he said, by increasing our investments in areas including space and cyber. It is fair to ask how we plan to use such new resources while others are trimming back. Our new operating concept to normalize cyber capabilities is just the sort of overarching theme to unite the whole institutional push. We need to foster a common approach to force development and force presentation—up to and including the Service component and joint headquarters—given the intrinsically joint nature of this domain.

Let me emphasize that this is not a matter of resources alone—it is a matter of earning trust. We will continue to do our work in full support and defense of the civil liberties and privacy rights enshrined in the U.S. Constitution. We do not see a tradeoff between security and liberty. We can and must promote both simultaneously because each enhances the other. U.S. Cyber Command takes this responsibility very seriously. Indeed, we see this commitment in our day-by-day successes. We in DOD and DHS, with the Department of Justice and industry, for instance, have shown that together we can share threat information, to include malware signatures, while still providing robust protection for privacy and civil liberties.

Building the Department's defensible cyber architecture will let us guard our weapons systems and military command and control as well as our intelligence networks. We hope to take the savings in personnel and resources gained by moving to the JIE and have the Services repurpose at least some of them to hunt for adversaries in our DOD networks and even to perform full-spectrum operations. Although doing so will require a large investment of people, resources, and time, in the long run it will be cheaper to train Service personnel than to hire contractors. Moving to the JIE will make sharing and analytics easier while also boosting security. I know this sounds paradoxical but it is nonetheless true, as NSA has demonstrated in its Cloud capability. If we know what is happening on our networks, and who is working in them and what they are doing, then we can more quickly and efficiently see and stop unauthorized activities. We can also limit the harm from them and more rapidly remedy problems, whether in recovering from an incident or in preventing one in the first place. This is our ultimate objective for operations on our DOD information architecture.

As we grow capacity, we are building cyber mission teams now , with the majority supporting the combatant commands and the remainder going to CYBERCOM to support national missions. When we have built this high-quality, certified, and standardized force, we will be able to present cyber forces with known capability sets to our combatant commanders—forces they can train with, plan for, plan on, and employ like forces and units any other military domain. This gets at the essence of normalizing cyber capabilities for DOD. Furthermore, we want to increase the education of our future leaders by fully integrating cyber in our existing war college curricula. This will further the assimilation of cyber into the operational arena for every domain. Ultimately we could see a war college for cyber to further the professional military education of future leaders in this domain.

CONCLUSION

Thank you again, Mr. Chairman and members of the committee, for inviting me to speak to you today. I hope you will agree with me that U.S. Cyber Command

has made progress across the board in the last year, thanks to the support of Congress and our interagency and international partners, as well as the hard work of its many dedicated men and women. The novelist and visionary William Gibson once noted .The future is already here, it's just not evenly distributed.. We are seeing that future at U.S. Cyber Command. Cyber capabilities are already enhancing operations in all domains. We are working to contain the vulnerabilities inherent in any networked environment or activity while ensuring that the benefits that we gain and the effects we can create are significant, predictable, and decisive. If I could leave you with one thought about the course of events, it is that we have no choice but to normalize cyberspace operations within the U.S. military and make them part of the capability set of our senior policymakers and commanders. I am ready to take your questions and to clarify our command's achievements and challenges, and to discuss any concerns that you might wish to share.

Chairman LEVIN. Thank you so much, General Alexander.

We'll have an 8-minute first round.

General Kehler, let me start with you. The DSB released a report in January that has a number of noteworthy assertions and I'd like you to start with this assertion and comment on it. The report says that: "Our nuclear deterrent is regularly evaluated for reliability and readiness." But then it says: "However, most of the systems have not been assessed against a sophisticated cyber attack to understand possible weak spots."

Can you comment on that? Then, General Alexander, I'm going to ask you to comment on that as well.

General KEHLER. Mr. Chairman, in general terms I agree with the thrust of the DSB report. I think that they've pointed out a number of places that we need to do better. Let me hone in specifically on the nuclear command and control system for just a second. Much of the nuclear command and control system today is the legacy system that we've had. In some ways that helps us in terms of the cyber threat. In some cases it's point-to-point, hard-wired, which makes it very difficult for an external cyber threat to emerge.

However, we are very concerned with the potential of a cyber-related attack on our nuclear command and control and on the weapons systems themselves. We do evaluate that. I think, as the DSB pointed out, in terms of an end-to-end comprehensive review, I think that's homework for us to go and accomplish.

In what we have done to date and the pieces that we have looked at to date, which has been going on for quite some time, I am confident today that the nuclear command and control system and the nuclear weapons platforms themselves do not have a significant vulnerability that would cause me to be concerned. We don't know what we don't know, and I think what the DSB pointed out is that we need a more comprehensive recurring way to evaluate such a threat. On that, I am in agreement with them.

But I don't want to leave you with the perception that I believe that there is some critical vulnerability today that would stop us from being able to perform our mission or, most importantly, would disconnect the President from the forces. I believe we have looked at that. I receive those reports. We've done a lot more over the last 1 to 2 years. But I think in general terms the DSB is right. We need to do better at exercising such threats and we need to do better working with Keith and his team to detect such threats, red teaming, as the DSB suggested. I think we have a ways to go here until we put a punctuation mark at the end of the sentence.

Chairman LEVIN. Is that underway? Are those kinds of continuous reviews underway?

General KEHLER. Yes, sir, they are. In fact, the pace of those things has increased. We completed, for example, a review of the Minuteman intercontinental ballistic missile (ICBM) system not so very long ago. We have a little bit of different problem, of course, with aircraft that are in flight and submarines that are under way. We're confident in the connectivity to those.

But I think that this is something we're going to need to increase the volume of the gain here on this whole issue.

Chairman LEVIN. Thank you.

General Alexander, do you want to add anything to that?

General ALEXANDER. Mr. Chairman, I would just add three key points. First, General Kehler has led a series of meetings on the nuclear command and control, working with both the NSA side and the CYBERCOM side, to look at vulnerabilities and address those. I would tell you I think they've done a great job over the last 6 months in doing that and I think that's moved in the right direction and leads to the conclusion that General Kehler just gave.

I would also add that our infrastructure that we ride on, the power and the communications grid, are one of the things that is a source of concern, how you maintain that. Now, we can go to backup generators and we can have independent routes, but it complicates significantly our mission set. It gets back to, in the cyber realm, how the government and industry work together to ensure the viability of those key portions of our critical infrastructure.

Chairman LEVIN. General Alexander, there's a real theft going on of our technology and our business strategies, our intellectual property, by China particularly, but not exclusively by China. The question is, of course, what is it going to take to stop that practice? I will reserve that question for later if there's time.

But I guess the real question I want to focus on right now is whether the Intelligence Community can determine not only which Chinese Government organizations are stealing our intellectual property, but also what Chinese companies may be receiving that intellectual property and using it to compete against U.S. firms?

General ALEXANDER. Walking a fine line, Mr. Chairman, I would say that the Intelligence Community has increased its capabilities in this area significantly over the last 7 years. I can give you specific examples in a classified setting.

Chairman LEVIN. Because it's really important that we act. I think there's a consensus here in Congress that this has to stop and that we have to find ways of preventing it, stopping it, responding to it in every way we can. This is a threat which is at the moment probably an economic threat, but some day could be a physical and a military threat as well. So we will take that in a classified setting.

General Alexander, you mentioned three teams that you're creating, I believe. Is there a timetable for those three teams?

General ALEXANDER. Mr. Chairman, we're working with the Services on that. The intent is to roughly stand up one-third of those, the first third, by the end of September of this year, the next third by September of the next year, 2014, and the final third by September 2015. The Services are on track. In fact, I would tell you

great kudos to the Service Chiefs because they are pushing that faster. The key part of that is training. I am extremely proud of the rate that they're pushing that on.

Chairman LEVIN. General Alexander, you mentioned the Executive order. You've indicated that information-sharing is needed in real time. Give us your personal view as to why Congress needs to pass cyber legislation and what needs to be in there? What is missing now that needs to be in legislation which Congress hopefully will pass?

General ALEXANDER. There are three key elements that I believe personally that need to be in cyber legislation: first, the ability for industry to tell us in real time—and this is specifically the Internet service providers—when they see in their networks an attack starting. They can do that in real time. They have the technical capability, but they don't have the authority to share that information with us at network speed. They need liability protection when we share information back and forth and they take actions.

The third part is more difficult and the Executive order in part addresses that. That's how do we get the networks to a more defensible state. It's like your own personal computers; how do we set the standards without being overly bureaucratic, but how do we set the standards so that the power grid, our communications infrastructure, banks and the government can withstand cyber exploits and attack? That resiliency needs to be built in.

I think what the Executive order offers us is a way of discussing that with industry, led by Dr. Pat Gallagher at the National Institute of Standards and Technology (NIST), would allow us to sit down with different sectors of industry and get their insights on the most efficient way of doing that and, coming back then from Congress, how do we incentivize them for moving forward and in some cases, for example the power companies, how do we help move them through regulatory processes.

Chairman LEVIN. Just to complete that point, you talk about the ability to communicate. You talk about the authority to share. Do we need legislation to authorize the sharing? That's the privacy piece of it?

General ALEXANDER. Mr. Chairman, it is the authority for them to share back information on the networks to the government. That's the part that needs to be in there.

Chairman LEVIN. All right. But that's essentially a privacy or a commercial protection of secrets, of proprietary information, issue?

General ALEXANDER. In combination, and I think it goes to some of the previous acts that have been there on computer and protection that's out there. I think what we have to do is tell them it's okay to share this level of information with the government. Specifically from our perspective, that information that we need to share is the fact of an exploit or an attack that's coming in.

We need to have it in real time. The complication, to really get to the point of your question here, is when the government shares back signatures it becomes more complicated because some of our capabilities are classified. So we have to have a way of giving them classified information that they would have to protect, and then if they see that classified information, think of this as going up to New York City on the New Jersey Turnpike. The EasyPass would

see a car going by. What we're telling the Internet service provider is if you see a red car tell us that you saw the red car, where you saw it, and where it's going.

In cyberspace it would be they saw this significant event going from this Internet address to this target address, and they could tell us that at network speed and they could stop that traffic. It is important to recognize the role of industry because government could not easily scale to what the Internet service providers could do. It would be very costly, very inefficient. So we're asking industry to do that.

Mr. Chairman, that does not get into the content of those communications. I think it's absolutely important for people to understand we're not asking for content. We're asking for information about threats. Think of that as metadata.

Chairman LEVIN. You're aware of the fact that in the last defense authorization bill we put in a requirement that industry that has clearance for classified information is required to report threats to the government, and the regulations and rules for that are currently being written and I presume you're having an input in that; is that correct?

General ALEXANDER. That's correct. We're working with them. The issue would be with the defense industrial base, they don't see all the threats coming in all the time. Oftentimes the threats that we see have gotten in long before. So I think we need a total approach. I think that's a good step in the right direction.

Chairman LEVIN. What, the law that we wrote?

General ALEXANDER. Yes.

Chairman LEVIN. Okay. Thanks. Thank you.

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

I'm going to ask for some brief answers to a couple of questions here. General Kehler, there seems to be unanimity in drawing the relationship between the nuclear reductions and nuclear modernization. It's been stated several times, and I will quote Secretary Gates, who said: "When we have more confidence in the long-term viability of our weapons system, then our ability to reduce the number of weapons that we must keep in the stockpile is enhanced." Do you agree with that and with the linkage in general that I'm referring to?

General KEHLER. Yes, sir, I do.

Senator INHOFE. Would you take that last statement, that says "When we have more confidence in the long-term viability of our weapons system," is there reason to believe that we do now have more confidence? Have we done what's necessary to have that, to earn that confidence in the existing system?

General KEHLER. Sir, I'm confident in the deployed weapons today. I am confident in the stockpile that provides the sustainment spares and the hedge against any technical failure that we might experience. I'm confident in that stockpile today. Every year my predecessors, the Commanders of STRATCOM prior to me, and I are responsible to provide our assessment of the stockpile, and through this year I can certify.

Senator INHOFE. Do you feel you've had the resources necessary to do that to your expectations and to ours?

General KEHLER. Yes. Although the resources have increased over the last couple of years and that has helped us, I think that the resources were dwindling to an unacceptable point.

Senator INHOFE. Let me get into the Homeland missile defense. We've said for quite some time that there's less concentration on the Homeland part of the missile defense. I'm referring to, of course, the number of ground-based interceptors (GBI) going down under this administration from 44 to 30, but it's really more than that because there were 10 of them that would have been part of the Poland GBI, which would have been more for protection of the eastern part of the United States.

It was interesting because I had Vaclav Klaus in my office yesterday and we were talking about a conversation we had not too many years ago, where he made the statement to me, he said: "Are you sure now, if we put our radar system in the Czech Republic and agree and do what's necessary in Poland for a GBI for the Western Europe and Eastern United States, that you won't pull the rug out from under us?" Of course, I said "yes." But we did anyway.

Now we're looking at where we are today and I would ask you, General Kehler, are you satisfied with the numbers that we've gone down to in terms of our GBIs and do you think that we should be—there are a lot of options I'll ask you about in a minute. Are you satisfied with the number of GBIs we have right now at 30?

General KEHLER. I am satisfied that we can defend against a limited attack from North Korea today with 30.

Senator INHOFE. What about Iran?

General KEHLER. I am confident that we can defend against a limited attack from Iran, although we are not in the most optimum posture to do that today.

Senator INHOFE. I think you're being a little too cautious—not cautious enough here when you say a "limited attack," when our intelligence has shown us that Iran is going to have the capability and a delivery system by 2015. We're looking at what we have today with some options there. They're talking about possibly an option on the east coast, an option on additional GBIs—I think you'd probably say it's not necessary—at Fort Greely to enhance our capability.

I'm concerned, as I always have been going all the way back to the Poland operation that was pulled out, with what was going to happen as far as the east coast of the United States. I know you're somewhat cautiously confident. How would you characterize your level of confidence in the protection of the eastern part of this country with the capability that we have today?

General KEHLER. Again, cautious. It doesn't provide total defense today.

Senator INHOFE. What about the idea of a third site in the United States?

General KEHLER. It is under consideration along with, as importantly, the sensors that will be important for the threat from Iran.

Senator INHOFE. Okay, I'm concerned when you talk about SM–3 Block 2A missiles. The date of that I believe currently that we could expect that would be 2018, is that correct?

General KEHLER. Around 2018, yes, sir.

Senator INHOFE. The capability that I've been concerned about with Iran is 2015. I would share with you and I'd like to have you send to me your level of confidence about what's going to happen, what our capability is in that 3-year interim time.

General KEHLER. Yes, sir.

Senator INHOFE. That can be for the record, if you would do that for me.

[The information referred to follows:]

Given that we can defend against a limited attack from Iran today, I remain guardedly optimistic regarding the potential Iranian ballistic missile threat between 2015 and 2018. On 15 March 2013, the Secretary of Defense announced the plan to increase the number of emplaced ground-based interceptors from 30 to 44, add a second AN/TPY–2 radar in Japan, initiate environmental studies of potential east coast interceptor sites, and restructure the SM3–IIB program to develop common-kill vehicle technology. By funding additional GBIs and investing in common-kill vehicle technology in addition to already planned improvements to sensors and command and control systems, we add protection against threats from Iran sooner while providing additional defense against a North Korean threat. We are actively engaging with other combatant commands and the Missile Defense Agency to understand which concepts and technologies best address this 3-year window and show the most promise over the longer term.

Senator INHOFE. Let's see. Let's go to, if we could, General Alexander. First of all, you've been very helpful to me in bringing to my attention some of the things that I—some of my shortfalls in knowledge, as I've confessed to you, on this whole issue. Yet I consider it to be so incredibly important. Right now, as you're well aware, the mainframe computers, while could be considered a relic of the 1980s and the 1990s, of the past, they are still integral to our core infrastructure and have unique security vulnerabilities that are not as well appreciated at this endpoint in security.

Do you agree that layered defenses are essential and that the efforts must be made to ensure our mainframes receive comparable attention on the vulnerability protection? It seems to me that most of the focus is on where all of the data is stored and all the new stuff that's coming on, and are we adequately protecting the mainframe components of our systems?

General ALEXANDER. Senator, as we've discussed, I believe there's more work that needs to be done in protecting the mainframe computers and that portion of the total information infrastructure. It's not the only vulnerability and probably not the most frequent one that we see, but it's an important one to address because it is at the heart of many of our systems. As you've stated, it is one of the ones that we don't normally look at. But it is one that our information assurance folks are addressing and it's one, as you stated, that's key to a layered defense.

Senator INHOFE. I think that's important, because what you hear is the new systems coming on more than the mainframe. I'm glad to know that you'll be paying adequate attention to that relative to some of the new innovations that we see.

There was an article in the Wall Street Journal, I think it was yesterday, that talked a little bit about how the banks are seeking help on Iran cyber attacks. It says: "Financial firms have spent millions of dollars responding to the attacks, according to bank officials, who add that they can't be expected to fend off attacks from a foreign government."

Then further down in the article it says: "U.S. officials have been weighing options, including whether to retaliate against Iran. Officials say the topic was discussed at high-level White House meetings a few weeks ago, a U.S. official said, adding, 'All options are on the table.'"

Could you address this for me?

General ALEXANDER. Senator, what I can do is hit more theoretical and then in a closed session address that more specifically, that question. But I think this gets to the heart of it. How do we defend the country and when does DOD step in to defend the country, and what are the actions that the Internet service providers can do, and what's the most logical approach to this? Why I say logical is that distributed denial of service attacks, those are what mainly today are hitting Wall Street. Those types of attacks are probably best today, if they're at the nuisance level, mitigated by the Internet service providers.

The issue that we're weighing is when does a nuisance become a real problem and when are you prepared to step in for that. That's the work that I think the administration is going through right now in highlighting that. In order to do that, it gets back to the question the chairman had asked about information sharing. For us to stop this at network speed, we have to see it at network speed, and that's going to be key to helping the banks and others.

I do see this as a growing problem and I believe this is one of the problems that the antivirus community and others have brought forward to say, here's what you're going to see in 2013. What we're seeing with the banks today, I am concerned is going to grow significantly throughout the year. We have to address it.

Senator INHOFE. I appreciate that.

Then lastly, just for the record, General Kehler, I have been concerned about our allies losing confidence in the strength of our umbrella that's out there, and I'd like to have you—we all remember during the New START treaty, which I opposed, the President was very specific on the things that he was going to do. I look at these things and I see that they haven't, with specific reference to the B61 bomb, the warheads of 78 and 88 and the air-launched cruise missiles, and the Los Alamos processing facility. These are all behind the schedule that was put out back during the New START treaty.

So for the record, I'd like to have you evaluate what we have done, that we should have done, and were told was going to be done if that treaty would pass, if you would do that for the record.

General KEHLER. Yes, sir, I will.

[The information referred to follows:]

Sustainment and modernization of the nuclear enterprise is a complex process dependent on the execution of long-term planning that is informed by accurate cost, schedule, performance, and capacity projections. Even minor perturbations in any of these areas can result in significant long-term impacts.

For example, the 2011 Budget Control Act fundamentally changed the funding outlook for the National Nuclear Security Agency and caused the Nuclear Weapons Council (NWC) to make modernization program adjustments to meet budget constraints. These choices represent a balance between the condition of the stockpile, modernization needs of the infrastructure, and the current fiscal environment.

The NWC understands the out-years of the fiscal year 2013 budget submission have additional risk. In response, the NWC recently approved a long-range stockpile strategy and an implementation plan to restructure modernization efforts for the fis-

cal year 2014 budget submission. This strategy and plan address the critical weapon life extension and stockpile management issues discussed during consideration of New START. Even with a new strategy and implementation plan, the full impacts of additional sequestration reductions remain unknown, and thus I remain concerned about the long-term effects of fiscal uncertainty on our plans and programs to maintain the stockpile, sustain the infrastructure, and retain a technically proficient workforce.

Senator INHOFE. Thank you.

Chairman LEVIN. Thank you, Senator Inhofe.

Senator Reed.

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

Thank you, gentlemen, for your service.

General Kehler, in your discussions with Senator Inhofe you talked about the capacity to withstand, I believe, a limited attack from a country like North Korea or Iran. I think it's important to determine what that means. Their existing capabilities would allow them only to mount a limited attack or they could mount a limited attack, and something more than that? I.e., are we capable of defending today against what they have, and at what point do you feel that they could go beyond a limited attack?

General KEHLER. Senator, let me split that into two different questions. There's a question for the theater and the theater-class ballistic missiles, where the numbers are large and we continue to try to deploy capabilities to be able to blunt such a large ballistic missile attack in theater.

Senator REED. Which would not be against the United States. It would be against regional powers.

General KEHLER. Regional powers, our allies, or forward forces, et cetera, and perhaps in some cases Guam and other U.S. territory.

Senator REED. But not the continental United States.

General KEHLER. Yes, sir.

Then the second question is about a limited threat to the United States, and the current ballistic missile defense system is limited in two important ways: number one, in terms of the size of raid, if you will, that it could deal with; and number two, in terms of the technological capability of it. So our system is limited. It is limited in terms of the size—and sir, before I say it's X number of ballistic missiles, what I can say is we are confident we could defeat a threat from North Korea today. But, given the potential progress we are seeing from them, we are considering right now whether we need to take additional steps.

Senator REED. That's a fair response. But today you feel confident you could protect the continent of the United States from an attack. Then the question is their technology, how fast it evolves.

General KEHLER. Yes, sir.

Senator REED. You're considering that, as you must.

General KEHLER. Numbers and whether they evolve in terms of an intercontinental threat. We're working with the Intelligence Community on that to see if we can't scope that. But that has our attention. Their activities have our attention and it has our concern.

Senator REED. Thank you.

Let me shift gears slightly. The architecture of our nuclear deterrence has been the triad; sea, air, and land. One aspect is the re-

placement of the *Ohio*-class ballistic missile submarine. That's slipped a bit. Can you give your assessment of whether we can allow additional slippage or is that something we have to get on with?

General KEHLER. I think we have to get on with the replacement for the *Ohio*-class submarine. I support the triad. I continue to support the triad. I think that what it brings to us still are the three big attributes: survivability, flexibility, and responsiveness. That confounds an attacker.

I think that continues to serve us well, and of course the most survivable of the legs is the *Ohio* replacement. As far as we can see into the future, I think we're going to require a replacement for the *Ohio* class. Here's the interesting part. They will reach a date certain that they are no longer capable of going to sea and being used the way they're used today. The Navy is working very hard to make sure we understand that time with clarity. We intend to keep those submarines longer than any other submarines we've ever had before. So I think we will reach a point that we must have a replacement and I believe we understand where that point is, and the current program puts us right about there.

Senator REED. Thank you.

Let me ask a question to both of you which involves the triad. You made the point that the most invulnerable leg of the triad is the submarine. There's been lots of discussion of the potential for disruption of the electric grid as one of the major ways to inflict damage on the United States. To what extent, General Kehler, are your land-based assets, the missile silos and the airfields, dependent critically on the local grid that could be taken down and therefore, either wittingly or incidentally, two legs of the triad could be knocked out without an explicit kinetic blow?

General KEHLER. Sir, the nuclear deterrent force was designed to operate through the most extreme circumstances we could possibly imagine. So I am not concerned that a disruption in the power grid, for example, would disrupt our ability to continue to use that force if the President ever chose to do that or needed to do that.

I am concerned, though, about some other facets of this. One, of course there's a continuing need to make sure that we are protected against electromagnetic pulse and any kind of electromagnetic interference. Sometimes we have debates over whether that's a Cold War relic and I would argue it is not. We need to be mindful of potential disruptions to that force. But I am not concerned about disruptions to the power grid, for example, or other critical infrastructure pieces impacting that force.

Senator REED. General Alexander, your comments about this, the potential threat?

General ALEXANDER. Sir, I agree with what General Kehler said with nuclear command and control and the way that we do that specifically. I think what it really impacts is, as you look at commands like U.S. Transportation Command and others, our ability to communicate would be significantly reduced and it would complicate our governance, if you will, and our ability for the government to act.

I think what General Kehler has would be intact. So the consequence of that is, it's the cascading effect into operating in that kind of environment that concerns us, concerns me mostly.

Senator REED. General Alexander, let me raise an issue that, as Senator Levin indicated the Collins-Lieberman legislation was not successful. I share his view it's very important because right now we have essentially a voluntary scheme. One of the arguments that's raised by the opponents is that it would impose too much cost on the business community, et cetera.

With your knowledge of the potential state and non-state ability to disrupt the economy of the United States, not our STRATCOM but ATM machines, et cetera, have you done a calculation of the potential cost to the economy if someone decided to conduct, not an intermittent attack on a banking system, but a concentrated attack?

General ALEXANDER. Senator, an attack on a bank would be significant. It would have significant impacts. If people can't get to their money the impact of that is huge, and you've seen that and we've discussed that impact.

What I'm concerned about is a distributed denial of service attack could accomplish that. A significant distributed denial of service attack could make it very difficult for our people to do online banking, online trading, and others. So there's the cost of losing that. If you think about Amazon, 1 hour of Amazon costs $7 million in profit to them if they were offline.

There's also a cost that complicates legislation in that each of our critical infrastructure portions of our industry have different levels of cyber readiness, if you will. So the banks and the Internet service providers are generally pretty good, the power companies not so good, and the government somewhere in between. So the cost for repairing, for fixing that, is significant.

I think the issue that I get talking to industry is their concern on creating an overbureaucratic regulatory process. So I do think that what the administration has put forward is, let's sit down and talk to them on the way to address this, is a great step forward. It really does allow us now to sit down with industry and say, so here's what we think needs to be done.

In my discussions with the power company specifically, their comment is: Look, we'd like to do that, but that's going to cost more; how do we do that?

Senator REED. But the point, my final point, is from your perspective right now if an attack, which is conceivable, took place, the cost to that company would be many times the cost of preemptive action today. Yet they still object to that cost. Now, the probability of attack has to be weighed. If that probability today is 1 percent, that cost, that might be a reasonable judgment. But I think the impression I get from your testimony and consistently is that percentage or probability goes up and up and up each day, until we reach the point where, do the math and if they're not investing in protecting themselves, those financial institutions, then the cost they're likely, probably to shoulder, will be catastrophic. They don't seem to get that point, though.

General ALEXANDER. I think that's accurate. Just as you've said, it increases every day. That's the concern and I think you've seen

that from industry stating the same thing. So I do think we have to have this public debate on that and get it right.

Senator REED. Thank you very much.

Chairman LEVIN. Thank you, Senator Reed.

Senator Ayotte.

Senator AYOTTE. Thank you, Mr. Chairman.

I want to thank both of our witnesses for your leadership and for your service to our country.

I wanted to follow up, General Kehler, on the issue of the ICBM threat to the country that Senator Inhofe and Senator Reed asked you about. You used the term "not optimum" in terms of some of the challenges we may face there. Just so it's clear to people, if now, an ICBM were headed to the west coast we would get a shoot-look-shoot at it, correct, because of our missile defense system? But we don't have an east coast missile defense system, so if Iran develops ballistic missile capability we don't have the same capacity, do we, on the east coast of the country?

General KEHLER. While I hate to say it, the answer is it depends. It depends on what a country like Iran would do, where they would launch from, what the azimuths are, et cetera. The intent is that as time passes and additional features are added to the ballistic missile defense system that our capability to defend improves.

Senator AYOTTE. But just so we're clear, as of today am I not correct in saying that west coast, North Korea, we get shoot-look-shoot? We don't get the same capacity on the east coast of Iran—some analysts believe that they could develop this ICBM capability as soon as 2015. That may or may not be correct. But at this point our missile defense is—the capacity is different on the east coast of the country versus the west coast, isn't that true?

General KEHLER. I would tentatively say yes and provide you a better answer for the record.

[The information referred to follows:]

The Ballistic Missile Defense System is capable of defending the east coast against a limited intercontinental ballistic missile threat from Iran today. It's capacity to do so differs from its capacity to defend the west coast from North Korea due to a number of technical, operational, logistical, and geographical factors. On 15 March 2013, the Secretary of Defense announced the plan to increase the number of emplaced ground-based interceptors (GBI) from 30 to 44, add a second AN/TPY–2 radar in Japan, initiate environmental studies of potential east coast interceptor sites, and restructure the SM3–IIB program to develop common-kill vehicle technology. By funding additional GBIs and investing in common-kill vehicle technology in addition to already planned improvements to sensors and command and control systems, we add protection against threats from Iran sooner while providing additional defense against a North Korean threat.

Senator AYOTTE. I appreciate it, because the National Research Council actually this year recommended an additional ballistic missile site on the east coast; isn't that right?

General KEHLER. Yes. They are one of the organizations that has looked at this, yes.

Senator AYOTTE. I certainly would like to hear your view more specifically as to why an east coast missile defense site would or would not enhance our capability to address an ICBM coming from Iran, particularly protecting the population base in the east coast of the country.

General KEHLER. I'd be happy to provide that for the record.

Senator AYOTTE. Thank you, General.

I also wanted to follow up. As I understand it, last week you testified in the HASC that any potential future nuclear arms reductions with the Russians should be bilateral in nature; is that fair?

General KEHLER. That's fair.

Senator AYOTTE. So my follow-up question to that is, should they not be bilateral and verifiable? Is verifiable important if we were going to take arms reductions based on what we were going to count on a bilateral understanding with the Russians?

General KEHLER. I believe verifiable is important.

Senator AYOTTE. Why is verifiable critical or important when we think about entering these types of understandings with the Russians, or any other country for that matter, with regard to nuclear arms?

General KEHLER. Senator, from a military perspective, I believe we have been on a successful and deliberate pathway with the Russians that has allowed us to reduce the threat to the American people and to our allies while at the same time being able to achieve our national security objectives, and we've done so in a way that's verifiable. I think that's a winning combination of things. Verification has proven to be important for us, I believe, from an assurance standpoint, and I think it's important. It has also provided second and third order benefits in terms of transparency and engagement with Russia which I think has been very valuable.

Senator AYOTTE. General, are the Russians in full compliance with all existing arms control agreements with the United States right now?

General KEHLER. The United States' view is that they are not in compliance with the Conventional Forces in Europe Treaty.

Senator AYOTTE. Are there any other treaty obligations they're not in compliance with?

General KEHLER. As I recall, and I'll provide the official answer for the record, there are a couple of other treaties where we have questions about the way they are going about it. I think the only one that we have said that we do not believe officially that they are complying with is Conventional Forces in Europe.

I can tell you that so far under New START all of the indications I have is that they are, in fact, complying.

Senator AYOTTE. I would actually like a follow-up for the record, just with the question of whether they are in full compliance with all existing arms control agreements with the United States.

General KEHLER. I'll provide that for the record.

[The information referred to follows:]

The Department of State (DOS) publishes detailed assessments of U.S. and foreign nation compliance with obligations in all arms control, nonproliferation, and disarmament agreements, or commitments to which the United States is a participating state. The August 2012 DOS report titled, "Adherence to and Compliance with Arms Control, Nonproliferation, and Disarmament Agreements and Commitments," stated that the Russian Federation "failed to comply" with provisions of the Treaty on Conventional Armed Forces in Europe. In addition, the report expresses "concerns" regarding the Russian Federation's adherence to the Chemical Weapons Convention, the Treaty on Open Skies, and the Biological and Toxin Weapons Convention. I would defer to the DOS for further details.

Senator AYOTTE. Thank you, General.

I also wanted to ask you—you and I talked about this when you came to see me in my office yesterday, which I appreciated, to talk

about these issues—about an article that appeared in the Sunday New York Times titled: "Cuts Give Obama Path to Leaner Military." In that article it essentially said that the sequestration cuts would allow the administration to call for deep reductions in programs long in President Obama's sights, and among those programs were an additional reduction in deployed nuclear weapons and stockpiles and a restructuring.

There's some other restructuring, but the issue I want to ask you about is an additional reduction in deployed nuclear weapons. Can you tell me right now—in the article it said that the Joint Chiefs had agreed that we could trim the number of active nuclear weapons in America's arsenal by nearly a third and make big cuts in the stockpile of backup weapons. Is there any intention by the administration right now that you're aware of or any recommendation pending to significantly reduce our active nuclear weapon arsenal by a third or make big cuts in the stockpile of our backup weapons, as outlined in this article?

General KEHLER. Senator, I can't comment on the article. What I can say is that from the Nuclear Posture Review forward certainly the administration has undertaken a study to look at what alternatives may exist beyond New START, for reductions beyond New START. We participated in that conversation and in parts of the study. In fact, we did parts of the study at STRATCOM. We were fully involved, and to my knowledge no decisions have been made.

Senator AYOTTE. Let me just say that, obviously, I think that preserving our nuclear deterrent is very important. I think that making significant reductions right now, at a time with what's happening in North Korea, with the threat we face from Iran, and also from the situation where we find ourselves, I think, in the world, that obviously I hope that if there are any reductions that are made, for example, with the Russians, that will be done through the treaty process. The New START was done through the treaty process.

One of the things this article also says is that there could be reductions made with the Russians without a treaty. So I don't know whether you would weigh in on whether we should go through the treaty process, but in my view I think that Congress should have an ability to weigh in on these issues.

As a follow-up, I wanted to ask you, General Alexander, about the role of the Guard in cyber issues. Where do you see the Guard in general, not just the Air National Guard, but all of the Guard, playing what role they would play with regard to how we meet the challenges facing us with cyber attacks, and what role could the Guard play on a State basis working with, obviously, you, General Kehler and General Alexander, and how can the Guard help in this?

General ALEXANDER. Thank you, Senator. I've sat down with the Guard leadership, all the adjutant generals from all the Guard, and talked about the role and responsibility of the Guard in cyberspace. I think there are two key things that they can do: First by setting up protection platoons and teams and training them to the same standard as the Active Force, it gives us additional capacity that we may need in a cyber conflict.

The second part is it also provides us an ability to work with the States, with the Joint Terrorism Task Force and cyber forces that FBI has, and with DHS to provide additional technical capacity for resilience and recovery. I think those two areas the Guard can play a huge role in.

The key is training them to the same standards. We talked about that with all the Guard chiefs. They agree with that and we are working towards that objective.

Senator AYOTTE. Thank you both. I appreciate it.

Chairman LEVIN. Thank you, Senator Ayotte.

Senator Nelson.

Senator NELSON. Thank you, Mr. Chairman.

General Kehler, you spoke very crisply about us having the ability in our command and control to control our nuclear response. I appreciate that, and that is assuring, even though we might have a cyber attack that would take out electric grids and so forth and so on.

What about the Russians and the Chinese? Do they have the ability to stop some cyber attack from launching one of their nuclear ICBMs?

General KEHLER. Senator, I don't know. I do not know.

Senator NELSON. Mr. Chairman, I think that's a question that we ought to see to what degree we could answer. That reminds me, in the disintegration of the Soviet Union it was the United States that took the initiative through Nunn-Lugar to go in and try to secure those nuclear weapons. That turned out to be a very successful program.

In this new world of cyber threats, we, of course, have to be responsible for ours, but we have to worry about those others on the planet that have a nuclear strike capability protecting theirs against some outside player coming in and suddenly taking over their command and control.

General Alexander, do you have any comment on that?

Chairman LEVIN. I wonder if you would yield before his answer.

Senator NELSON. Certainly.

Chairman LEVIN. That is, it's a very important question. I wonder for starters—and I didn't mean to, I shouldn't interrupt the answer—is to whether for starters, Senator Nelson, we should ask the Intelligence Community writ large as to what we know about that.

Senator NELSON. Okay. If you want to save that——

Chairman LEVIN. No, no. We will do that. It's a great idea. It's an important point and we will take that on. We will ask. But let me not interrupt further the answer.

Senator NELSON. Okay. I know General Alexander is going to be constrained as to what he can say in this setting. So let me just defer that then for a classified setting.

Chairman LEVIN. Not just classified, but also a broader Intelligence Community assessment as well, if we could do that, Senator Nelson.

Senator NELSON. General Alexander knows everything about everything.

General KEHLER. Senator, if I could add just one additional point, though. I would say that we know—I think because we've worked with the Russians over the years and we've had fairly de-

cent transparency with the Russians over the years, I think we understand they are very careful about their nuclear command and control. They are very careful about the way they provide what we would call nuclear surety as well.

This is also one of the reasons for why we would like to see additional transparency with China, because we would like to be able to have these dialogues with them in a military-to-military kind of context. It's something that we have been trying to push now for quite some time.

Senator NELSON. Exactly. As we go into the session that the chairman has recommended, let's just don't stop with China. What about the Brits? What about the French? Do they have the capabilities of stopping a rogue cyber attack from coming in and suddenly messing up their command and control?

Okay. General Alexander, you must be one of the most frustrated people on the planet, because you know the threat in cyber and here Congress can't get anything done because certain players won't allow the passage of the legislation. So let me ask you, what is it about liability protection that the private sector would feel comfortable about in order so that real-time, as you said, we have to have the private sector respond to an attack with the information in real time in order to be able to meet this present and increasingly dangerous threat?

General ALEXANDER. Senator, I'll give you my answer here and I'd ask to just take that for the record to get you a really accurate and detailed answer on it, because I do think this is important to lay this out.

The issues as I see it for liability protection are in two parts. When the Internet service providers and companies are acting as an agent of the government and make a mistake and are subject to lawsuits, the issue becomes they get sued so many times by so many different actors that they spend a lot of money and time and effort responding to those lawsuits when we've asked them to do something to defend the Nation. So there is that one set.

The other is, let's say theoretically that we send a signature that says stop this piece of traffic because it is that Wiper virus that hit Saudi Aramco, but we the Government mischaracterize it and when they stop it that stops some traffic that they didn't intend to nor did we. We make a mistake. Mistakes are going to happen because when you have real-time concerns, emergency concerns, some traffic may be impacted.

That traffic that is impacted, the Internet service providers would quickly fix by altering that signature to get it right. But some traffic has been delayed or disrupted by their actions because we've asked them to, which could make them also subject to lawsuits.

So I think it's in that venue that we have to give them immunity from those kinds of actions. I'm not talking about giving them broad general immunity and I don't think anyone is. It is when they're dealing with the Government in good faith in these areas we should protect them for what we're asking them to do. I think that's in the venue.

I'll get you a more specific answer from our legal folks on the technical side.

[The information referred to follows:]

There are three main areas where concerns about liability may be inhibiting private sector action from either sharing cyber threat information with the Government or taking action to stop cyber attacks and intrusions. Some protections in these areas should be considered:

- First is that several current statutes effectively limit or prohibit the Internet service providers and others from sharing cyber threat information with the Government. Those legal constraints should be appropriately modified so that companies can share cyber threat information, subject to appropriate privacy protections.
- Second is a broader risk that companies will be subject to private lawsuits sharing cybersecurity information with the Government. Again, there also needs to be liability protection in this area, subject to appropriate privacy protections and limits on what may be shared.
- Finally, if they act to stop cyber attacks or intrusions, obviously companies should be held accountable if they cause damage by acting irresponsibly. However, in some cases the companies may be taking action on cyber threat information provided to them by the Government, or using techniques shared with them by the Government. We should consider liability protection for the company when it is really the Government that may be at fault, not the company itself.

Senator NELSON. This should not be that hard, because we've been through this before with the metadata on the question a few years ago of being able to intercept traffic in order to identify the terrorist wherever the terrorist was. Clearly, we've dealt with it before and liability protections, so we ought to be able to get this one.

General ALEXANDER. Senator, if I may, I think there's broad consensus on information sharing and liability protection. Where it really gets uncomfortable, if you will, is regulations, standards, what the Government does there. That's the really hard part, in part because all the industry sectors are so different.

I think that's one of the things that the administration has done that really puts the step forward, is the Executive order now gives us an avenue to start discussing that. I think that's very useful. I think any legislation should point to that and look at incentives to get industry and others to having a more resilient infrastructure.

Senator NELSON. Thank you.

Thanks, Mr. Chairman.

Chairman LEVIN. Thank you. Thank you, Senator Nelson.

Now it is Senator Blunt.

Senator BLUNT. Thank you, Mr. Chairman.

General Alexander, on the staffing of CYBERCOM, it's been reported that you need to expand in a significant way. Do you want to talk a little about what you see as your staffing needs and also how you'd meet those staffing needs? How do you compete for the kind of people you need that are in the private sector now?

General ALEXANDER. Senator, thank you. There are two issues here and let me just pull them apart to accurately answer your question. We're not talking about significantly increasing the CYBERCOM staff per se. We're actually asking the Service components of CYBERCOM to field teams that could do three missions: defend the Nation from an attack, support our combatant commanders, and defend our networks with cyber protection platoons.

Those sets of teams are what is the big growth that we're talking about and that the Services are looking at. We are working closely with each of the Services in setting standards, training standards for those.

The good news: So far the Services have stood up and met every goal that we've put for them here. I just give my hats-off to the Service Chiefs and our components in doing that. So we are right now in line, on track for one-third of that force being completed by September and about one-third the next September 2014, and the last third by 2015, that target range.

The good news is we are taking the most serious threats and addressing those first with the teams that have already stood up. They're already on line and actively working in this field. So we already have teams up and running, thanks to the Army, Air Force, and Navy for setting those teams up.

So what we're talking about is bringing those folks in. Now, doing that, there's two parts to it. One is training, so we can take kids, young adults, with great aptitude. They don't have to be cyber experts. We can help them get there. I will tell you, my experience is people who want to work in this area and have the desire—we have a machinist's mate from the Navy, a machinist's mate—I talked to him and I said, "well, how'd you get here?" He goes: "I really wanted to do it." He is one of our best. So we've asked the Navy to give us all their machinist's mates. No, just kidding. [Laughter.]

So when you look at it, there is great talent out there. The real key part is how do we keep them, how do we incentivize them, and what are the programs that we're doing? We're working on a program with the Services to do that, and setting up their career fields for the Services to have this common among the Services.

Senator BLUNT. A concept I'd like you to talk about if you want to and think about if you haven't thought about it. Senator Vitter, Senator Gillibrand from this committee, and I, along with Senator Coons and others, are looking at some legislation that would create more cyber warrior opportunities in the National Guard. Missouri's done some of this already, as I think you know. These are people who are actively in this work every day anyway, who would then be available to react or be available to train.

Do you have a sense of how that might be part of what you're looking at in the future?

General ALEXANDER. Senator, we have National Guard folks on our staff. We are actively working that with the Guard. A few weeks ago I sat down with all the adjutant generals from all the States and walked through how we could do this, how we train everybody to the same standard, Active and Guard. Their roles, twofold. Just to quickly summarize, one would be how they work with the States, DHS, FBI, in resiliency and recovery and helping the investigative portion, and how they work with us in a cyber conflict to complement what we're trying to do. We will not have enough force on our side, so we'll depend on Reserve and National Guard just like the rest of our force structure.

Senator BLUNT. I think in this area that gives—for instance, your machinist's mate, if he decides, he or she decides, for some reason that they don't want to be in the full-time force, but they have this great skill level that they've acquired, to take that to the Guard.

General?

General KEHLER. Senator, if I just might pile into the conversation for a moment. I think it's just as important for us to remind ourselves that, whether it's growth in cyber, whether it's investment in replacement for the *Ohio*-class submarine, no matter which piece of the future that we are looking at here, all of this is sensitive to the budget decisions.

Sequestration, for example, and those budget totals will, in fact, impact all of this. While General Alexander is right, there is some growth that is underway—and I think the Services have been very generous in that regard—there will be impacts across the board here. We just can't predict what those will look like today until the actual budgets are redone.

Senator BLUNT. General Kehler, have you talked about the sequestration and the CR component of that? We had people in here in the last few days that have talked about how important it is we update your spending request, and hopefully we're in the process of doing that. But would you visit with me a little bit about that?

General KEHLER. Yes, sir. I think we would be in favor of as much certainty as we can put back into the process. That is a way to help with certainty, and that will be very beneficial. I think, as I said earlier, the most immediate impact for us and the most concerning and troubling impact in STRATCOM is the impact that we will see on our civilians. That is not insignificant, and I think we have to be very mindful of the potential damage that those impacts will have.

Beyond that, then there are the impacts on the readiness accounts that we will see. That's like a slow-motion movie. In STRATCOM this will be like watching something in slow motion. It will occur. It is happening now. It's just we do not see the effect yet. We will see that effect as the months progress.

Senator BLUNT. I think these two things come together here, where the failure to update the priorities by refusing to appropriate and debate those bills on the floor has come together with then cutting those old priorities on a line-by-line basis, and it's challenging.

General KEHLER. Yes, sir.

Senator BLUNT. General Alexander?

General ALEXANDER. Senator, I was just going to add that it impacts CYBERCOM in a similar way, two parts. The CR holds us to the fiscal year 2012 budget, but, as you now know, we're standing up all these teams in fiscal year 2013 and the funding for that was in the fiscal year 2013 budget. So about 25 percent of our budget right now is held up. That's significant.

One-third of our workforce are Air Force civilians and they are going to be impacted by this furlough. When you think about it, here are the folks that we're asking to do this tremendous job and we're now going to furlough many of them. That's a wrong message to send people we want to stay in the military acting in these career fields.

Senator BLUNT. What's the impact of dividing your workforce between the uniformed personnel and the civilian personnel? What's the internal management challenge of that, General Alexander?

General ALEXANDER. Actually, it works well together.

Senator BLUNT. I know it works well, but when the civilian force takes a furlough——

General ALEXANDER. Right. It has a significant impact because they look at it and they say, why are we being targeted for this? It is a smaller group, and when you look at it, both sides agree that this is the wrong way to handle it.

I think I would add to what General Kehler said, is we need to give the Service Chiefs and the military the ability, the flexibility to look at where we take these cuts and do it in a smart way. Right now, just doing it by activity doesn't make sense. We would not do it if we ran this as an industry.

Senator BLUNT. I couldn't agree more.

General Kehler, when I was at Whiteman Air Force Base the other day the commanding general there on this topic said: The civilian force is an integral part of what we do and we don't need to send a message to them that somehow they're not as integral to what happens every day as the uniformed force is. He showed real, I thought, very good management concern about how you keep your team together when the law is dividing your team and part of your team's taking the hit that the other part's not taking.

Not suggesting, by the way, that we do anything to the uniformed force, but I think this is maybe one of those, the law of unintended consequences. You think you're protecting the uniformed force and in writing the law that way then all the personnel obligation goes onto the other side.

Do you have anything you want to say about that?

General KEHLER. Sir, I couldn't agree more. The role of our civilians has changed dramatically over the years that I've served. Today they are integral to everything we do. They are leaders in our organizations. They occupy senior leadership positions. In many cases, they represent the expertise and the experience that we do not have in the uniformed force.

So in a place like STRATCOM, in a place like CYBERCOM, in a place like the nuclear enterprise, where our senior civilians really represent most of the experience that's left in these types of highly technical, highly complicated places—certainly in the space part of our business, we have some senior civilians who are in very important parts of the DOD space organizations.

So I think that my concern with the sequestration begins with the intentional and then the unintentional intangible impacts that we might see on our workforce. It is the uncertainty that goes with that that concerns me the most.

If I could just add one more thing, we have had a very successful intern program to try to entice young college graduates to enter civil service so that they can have government careers. It's been very successful. So in Omaha we find that a number of these youngsters who are just beginning their careers in civil service with college degrees are looking around today and wondering if this is their future.

Senator BLUNT. Exactly.

Thank you, Generals.

Chairman LEVIN. Thank you, Senator Blunt.

Senator Donnelly.

Senator DONNELLY. Thank you, Mr. Chairman.

To General Kehler, General Alexander, thank you so much for your service.

General Alexander, does the private sector have the same skills that your team does in reacting to cyber security and to cyber attacks, and being able to protect themselves?

General ALEXANDER. The private sector has some tremendous talent in this area, which we need to leverage and partner with. So I want to be clear. There are two parts to answering this question accurately, I think. When you look back 70 years ago to Enigma and you look at the making and breaking of codes and doing some of the special work that the predecessors to NSA did, we have special capabilities both in CYBERCOM and NSA. Hence that partnership. That gives us unique insights to vulnerabilities and other things that we can share back and forth.

It is that area that is perhaps most important in identifying those vulnerabilities and sharing it with industry, those things that could impact our industry. But industry has like skills and sees different things. So the antivirus community is very good in this area, and I don't want to underestimate them. What you're actually doing is saying, let's put the best of those two teams for our Nation together to defending us. I think that's, in legislation, one of the key things that we need to do.

Senator DONNELLY. When we look at what's going on, a huge amount of this is efforts to try to steal America's intellectual property, from defense contractors, from private businesses, and from our military. If you are a business and you're developing products and you're going to patent it, you may be concerned about your ability to protect against a cyber attack. You know how to develop a great product that may help cars run faster, on less fuel, et cetera, but cyber attacks are not your thing.

If you were that company, what would you recommend to them in terms of protecting themselves?

General ALEXANDER. I would recommend that they first talk to companies like McAfee, Symantec, Mandiant, and others that have great experience in this and that can give them great advice. The defense industrial base also has companies that can do that. That takes them one step.

I think Senator Inhofe brought up a good point that needs to be brought in here and that is it needs to be a layered defense. So there are things that they can do to have a more resilient and more protected architecture, and those things they should do. It's like having Norton Antivirus in your home computer.

Senator DONNELLY. Sure.

General ALEXANDER. Those are the key things and we can help them with that. There's another part. We know things about the network that now we'll call classified information, that would be useful for us to share to protect those. But what we can't do is share those so widely that the adversary knows that we know them, or we lose that capability.

So that part of sharing has to be done properly, in a classified forum, that those Internet service providers and other companies can use to protect the networks. That's why I say it's almost two layers to this.

Senator DONNELLY. You had mentioned before, you talked about being on offense as well. Are there communications made to those countries, to those organizations, that have done cyber attacks

against us that there are consequences in regards to what we can do as well?

General ALEXANDER. The President did make that statement publicly in 2011, that we'd respond to cyber attacks with all the broad range of options that he has before them. I think some companies have been talked to privately. I can't go into that here. I think that's the first logical step that we should take, is say if you do A it will really upset us. That's why they don't have me do it. They have people who can really put this in the right words. But I think we ought to have those demarches and other things with other countries, and I know the interagency process does work that closely.

Senator DONNELLY. General Kehler, in regards to North Korea and what we have seen in the past few weeks, at this point what adjustments to our posture are needed, if any, to make sure that not only our friends in South Korea, but our own Nation and our other allies are protected?

General KEHLER. Senator, we're looking across our entire range of activities to see if any adjustments need to be made. What I would say is that deterring North Korea from acting irrationally is our number one priority, and that deterrence begins on the peninsula with our alliance with the Republic of Korea. It extends to our conventional forces that are forward on the peninsula. It extends to other forces that are available in the theater to Admiral Locklear and General Thurman. It extends ultimately all the way back to our nuclear deterrent.

Today my assessment of certainly STRATCOM's role in this is that we are capable of offering to the President the full range of options. Whatever he chooses to use in response to a North Korean act, I believe we can make available to him, and I'm confident in that today.

We are looking, though, at the pace of the North Korea threat to see whether or not the limited missile defense that we have in place, both in the theater and for the United States, is on the right pathway to deal with the threat. We're working that with the Intelligence Community to see if there's a more complete assessment that we need to put in place today and whether that will cause us to make any adjustments.

Senator DONNELLY. With some areas, some countries, you can in a way determine here's what we expect them to do next. Has North Korea—you talked about rational actors. Is it difficult at times to determine what they are going to do next and what steps they will take?

General KEHLER. I believe it's difficult. I believe that we all think that's difficult, especially with a new leader that, frankly, I think, we're still getting to know. So I think that there are great debates about rational, irrational, et cetera. I think for us anyway it is a question about readiness for us, and us being ready to respond in any way that might become appropriate. I am confident today that we can respond in appropriate ways.

We participate in exercises, of course, with U.S. Pacific Command and with our command on the peninsula, as they are participating with the Republic of Korea in their exercise series. So I be-

lieve that we are demonstrating the credibility of our capabilities and that's important.

Senator DONNELLY. Do you see coordination between North Korea and Iran in Iran's efforts to develop further nuclear technologies and in Korea's efforts?

General KEHLER. Sir, I would prefer to have that conversation in a different setting.

Senator DONNELLY. That's fine.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Donnelly.

Senator Fischer is next.

Senator FISCHER. Thank you, Mr. Chairman.

Thank you, gentlemen, for being here today. General Kehler, it is a pleasure to see you again.

Earlier you said that we can protect the continental United States with the resources that we currently have. Is that correct?

General KEHLER. Against a limited threat, yes.

Senator FISCHER. Against a limited threat. Would you agree that that equation would rapidly change if others would be able to develop technology to detect our submarines, if governments would become more hostile to us, and if we don't maintain the systems that we have?

General KEHLER. Senator, I think that any time the threat changes that that certainly causes us to review and could cause us to make adjustments in all kinds of places, yes.

Senator FISCHER. Are we addressing those concerns now?

General KEHLER. Yes, we are.

Senator FISCHER. Are we maintaining our nuclear arsenal to the standards you would like to see?

General KEHLER. We are today and—however, with a caveat. The caveat is that all along over the last 2 years that I've been in command we have made a point of agreeing forcefully with the need to both modernize the deterrent and make sure that the enterprise is capable of sustaining it. So with those caveats, then yes, I am comfortable that we are capable of maintaining a safe, secure, and effective deterrent.

Senator FISCHER. With those caveats, you can perform the mission that you are asked to do right now?

General KEHLER. Yes.

Senator FISCHER. Do you agree with the statement: the more useable weapons are, the more deterrent value they have and the less likely they will be used?

General KEHLER. I would generally agree with that. I typically say the more credible the deterrent is, and that, of course, includes that we are able to employ it if we were ever in the situation where the President asked for us to employ it.

Senator FISCHER. Do you believe that our conventional forces today would be able to execute a deterrence mission that's currently performed by our nuclear weapons?

General KEHLER. I think in some cases conventional forces are capable of executing—of producing a military result that would be similar to what a nuclear weapon could do. The question about deterrent effect, I think, is an interesting one, and in some cases yes,

I believe that strong conventional forces clearly improve and increase our overall deterrent, just like a number of other factors do.

But I believe that nuclear weapons continue to occupy a unique place in our defense strategy, in our national security, and in global perceptions; I think they continue to occupy a unique place.

Senator FISCHER. From your response, I would assume that you would agree that we need to maintain the balance that we currently have, then, with our nuclear deterrent in balance with our conventional forces. Is that a good balance right now? Are we at a good point?

General KEHLER. I think an interesting thing has happened. I believe that we are. I think that they are complementary, I would say. What has happened, I believe, since the Cold War is that our increases in our conventional capabilities and in the overwhelming conventional power projection that we can bring to bear around the world has made a difference in the role of our nuclear deterrent. I think that we've been able to narrow the role of that nuclear deterrent accordingly.

But I think as we go forward that will be an interesting question to watch, whether our conventional forces remain strong.

Senator FISCHER. But at current levels you believe that it is a good balance? If those levels would drop with conventional forces or with nuclear, but focusing on the conventional, if we see the nuclear side drop, if we don't maintain the arsenal that we have now or if we continue to limit it, can the conventional forces pick up the slack?

General KEHLER. I think in some cases the answer is yes. I don't think they can across the board. I don't think that they substitute for the effect of the nuclear deterrent. However, I do think that conventional forces do, in fact, make a difference in terms that we are no longer in a position where we have to threaten nuclear use in order to overcome a conventional deficiency. So that's made a difference.

I also think that we need—saying that they are in some kind of balance today doesn't mean in my view that there isn't some opportunity to perhaps go below New START levels.

Senator FISCHER. Would you like to elaborate on that?

General KEHLER. I think there are still—as I said earlier, from my military perspective, I think that we have in the deliberate pathway we have been on with the Russians over the years in reducing the number of weapons that can potentially threaten the United States or our allies, and we've done that in a way that's maintained stability and we've done that in a way that's been verifiable, I think that has provided benefit to us from a military perspective. I think that if there are additional opportunities in the future we ought to explore those.

Senator FISCHER. Would you recommend going below the New START levels unilaterally?

General KEHLER. I would not. I think that again the formula for success has been that we have done this with the Russians and I think that's the formula for continued success. I believe that certainly Secretary Panetta was very public about that. I've seen some correspondence from Secretary Hagel where he has agreed with that. The President mentioned in his State of the Union address

that he wanted to work with the Russians. I think that's a consistent theme that we have seen across the board.

Senator FISCHER. It's been suggested by opponents to our nuclear program that the program's on a hair trigger. Do you believe that there is any risk that's caused by our readiness posture right now?

General KEHLER. We go to extraordinary lengths to make sure that our nuclear deterrent force is both safe and secure, and I believe that it is safe and I believe that it is secure. It is also under the positive control of the President of the United States.

Senator FISCHER. Do you believe that it makes our country safer?

General KEHLER. I believe that in today's global environment that having a portion of our force in a ready to use posture for the President meets our needs today. But we are always reviewing that to see whether that's the appropriate balance for tomorrow or the day after. I think that will vary as the world situation changes.

Senator FISCHER. Thank you.

General Alexander, if I could just ask you a brief question. The defense authorization bill said that Congress should be consulted about any changes to the Unified Command Plan as it relates to CYBERCOM. Would you commit to providing this committee, this panel, with justification for elevating to a CYBERCOM?

General ALEXANDER. Absolutely. I think right now the Secretary and others are looking at that and I know that the intent is to share everything with this committee before they take any action and make sure the committee is comfortable with any actions. Right now it's just in the discussion phases. The new Secretary has to look at it and I think that will take some time, and they will bring it back.

Senator FISCHER. Thank you very much.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Fisher.

Senator Blumenthal is next.

Senator BLUMENTHAL. Thank you, Mr. Chairman.

Thank you both for your service, your extraordinary contribution to our defense readiness and our Nation.

Perhaps I could begin, General Alexander, by asking you a general question which perplexes me. We agree, I think all of us on this committee, with you that the threat of cyber attacks and cyber interference with key parts of our Nation's infrastructure, our private companies that are so vital to our national defense, is a clear and present danger to our Nation. Yet the Nation as a whole seems unaware, certainly unalarmed, by this threat.

I know that you've thought a lot about these issues, have spoken to us about them privately as well as publicly. I wonder if you have some suggestions for us as to how we or you or the President can make the Nation more aware about them. Obviously, the President has spoken about them, but I wonder whether you have some thoughts for us.

I know it may seem as though it's in the political realm, but really in the educational task that I think we face together to make the country aware of the real threat physically and otherwise of cyber attack.

General ALEXANDER. Senator, thank you. What you bring out is the key, I think, to really moving the legislation and other things

forward, and that's educating people on the threat, accurately educating them on the technical side—what does this mean, what's a cyber attack, and what are the effects, what's going on, what are we losing, and what should we do.

There are many reasons that industry and other players are concerned about legislation and other things. Part of it is the cost, the bureaucracy that comes in. Part of it is addressing a very complex issue that at times it's easier to ignore, and that's theft of intellectual property. The fact that they lose it is an issue, but for the country, for the Nation as a whole, this is our future. That intellectual property from an economic perspective represents future wealth and we're losing some of that.

Senator BLUMENTHAL. You've referred to it, I think, as the greatest single illegal transfer of wealth in the history of the world.

General ALEXANDER. Illegal, yes, exactly. I'm concerned that if we don't stop it, it will hurt our Nation significantly. There's two parts to stopping it. One is fixing our infrastructure, working together with industry and government to stop these attacks. Then the second, as was brought out by Mr. Donnelly, perhaps our administration and others reaching out to those countries and stopping them.

I think the second part is ongoing right now. We have to step back to the first part and look at how we educate. I do believe that we have to be more public in some of this and we have to defuse the alarming stuff that comes out on civil liberties and privacy and have a candid set of discussions on what it means to protect in cyberspace. I think that's often lost. Often it is just thrown out there as a way of stopping progress when what will happen, what I'm really concerned about, is a significant event happens and then we rush to legislation.

We have the time now to think our way through and get this right. We should educate people and do that. We are pushing the same thing, and we'll help in any way we can, Senator.

Senator BLUMENTHAL. Thank you.

General Kehler, if I may ask you. You have stated that "It is essential to provide sufficient resources to replace our *Ohio*-class ballistic missile submarines." As you're aware, the fiscal year 2013 budget deferred procurement of the first *Ohio* replacement boat by 2 years. I'd like you to share with the committee, to the extent that you can, whether 12 submarines are still required—I assume that they are—and how in general terms a requirement like this is established, and what we're going to do to achieve that goal?

General KEHLER. Senator, we established the requirement by looking into the future and making a number of judgments about the future, which is what we do with every weapons system that we put on the books. In this case, though, I think we've started to report the assessment that the value of a submarine-based deterrent, as we go to the future, will remain as high as it is today. Then the question doesn't become if you need to do it; in my mind it becomes when do you need to do it.

So we've worked this very carefully with the Navy, and it is ultimately the Navy's assessment of the current performance of the existing submarines and their longevity that's driving the answer to this question. Much like any other military platform, the amount

of use that gets put on it determines its lifetime. In the case of submarines, which I don't know much about, but a number of submariners who work for me remind me constantly that it's the cycles on a submarine. It's a harsh environment, first of all, and then you get the pressure, no pressure, pressure, reduced pressure, et cetera.

So that does things to metallurgy and it does things to fittings and it does things to the internal workings of a submarine that ultimately cause them to question the continued safety of being able to cycle down and up. The Navy tells us that we're going to reach that. It's not going to be a bright line in the sand that on today they're all okay and tomorrow they're not. There's a zone that they're going to enter and sliding these an additional 2 years to the right puts them in the zone.

My view would be it's not prudent for us to slide them further, unless of course the Navy steps forward and says, no, we can go another couple of years. I don't know that they're going to say that. I don't expect that they will. But I think again it's not a bright line in the sand. I think the issue for us will be 12 looks like the right number as we go to the future. That can always be adjusted as we go to the future. It seems to be the right balance between capability and cost, and that's going to be important as we go to the future, no question about that.

So on balance my view is that we do need to go forward with that. We need to go forward with long-range strike aircraft as well, and we need to complete the analysis of alternatives on the future of the ICBMs beyond 2030. That's not a decision we have to make today, but it is an analysis of alternatives that needs to go forward.

Senator BLUMENTHAL. But there's no question right now that 12 is the right number?

General KEHLER. I don't have a question that that's—I would say that that's a minimum number that we sit there looking at today. I don't know if the number gets larger than that, and that will depend, I believe, on a number of factors as we go forward.

Senator BLUMENTHAL. When you say that sliding to 2 years puts us in the zone, could you explain what you mean?

General KEHLER. The first of the *Ohio*-class submarines will begin to reach the end of their service lives at just about the time the first of the replacements comes on line. It's a dance that we're working. By the way, we're working this with the United Kingdom as well because they are looking to piggyback, if you will, on this program for their own replacement. So this is a very delicate programmatic dance that the Navy is doing with the U.K. as well as with the needs that STRATCOM has put on them.

Senator BLUMENTHAL. Thank you.

My time has expired. Perhaps I can follow up with some questions and also to General Alexander, if we can explore perhaps further the education of the public, which is so vital to the work really that you're doing and that we're seeking to assist you to do.

Thank you very much. Thank you both.

Chairman LEVIN. Thank you, Senator Blumenthal.

Senator Sessions.

Senator SESSIONS. Thank you, Mr. Chairman.

I thank both of you for your leadership in the important commands that you have, both of which are extremely important to America.

DOD acknowledges, General Kehler, that Russia is increasing its reliance on nuclear weapons and that the pace and scope of China's nuclear programs, as well as the strategy behind their plans, raises questions about their future intentions and the number of weapons they intend to have. Likewise, India and Pakistan are modernizing their nuclear forces and the French President recently commented that nuclear weapons are essential for France. Of course, North Korea continues to expand its capabilities, while Iran is on the verge of acquiring nuclear weapons.

So I'm not aware of any country reducing their nuclear stockpiles, except perhaps us as we continue to look at that.

But let me ask you, what are the strategic implications of these trends of enhanced nuclear weapons around the world?

General KEHLER. Senator, they do have implications for us. I think first of all, when we look at assessing other nuclear arsenals around the world what we do is we look at intent and capability. I think none of us believe that the Russians intend to attack the United States. I think we don't believe the Chinese intend to attack the United States, et cetera. However, they have the capability to do so, and as long as they do then we have an obligation to deter against such an attack. That means we have to be mindful of the capabilities that they are bringing to bear.

We note their modernization and we certainly note their numbers. I think, at least again from my military perspective, arms control and arms reductions have helped us in terms of limiting or reducing in some cases the threat that we face.

We get to a point here, though, where as we work toward a goal, if the eventual goal is zero, you get to a point where other arsenals I think begin to bear on this equation.

Senator SESSIONS. I couldn't agree more about that. I think it's unimaginable that if we go to zero that every other country in the world would go to zero, and that would place us at a strategic disadvantage of great magnitude and cannot be allowed to happen.

Could the disparity in public vision of countries and their nuclear weapons, some or most of these I've mentioned more robust than the United States, could that make our allies nervous? I'm concerned about these discussions that we're having about further reducing our nuclear weapons to a level I think is dangerous, about what discussions—what impact they might be having on our allies around the world, like Japan and South Korea, that have relied on the U.S. nuclear umbrella for the past 7 decades.

If our arsenal and therefore the nuclear umbrella we provide continue to shrink, I'm concerned that our partners will look to create their own, and this is the very definition of proliferation, it seems to me.

As you may have seen, the Sunday New York Times reported that following North Korea's third nuclear test some influential South Koreans are now beginning to openly call for the South to develop its own nuclear arsenal.

Is this a factor that we should consider as we evaluate the level of nuclear weapons that we want to maintain?

General KEHLER. Yes, sir, I believe it is a factor you have to consider.

Senator SESSIONS. In a message to the U.S. Senate in February 2011, President Obama said: "I intend to modernize or replace the triad of strategic nuclear delivery systems of heavy bomber, air-launched cruise missile, and ICBM, and nuclear-powered ballistic missile submarines and SLBMs, and maintain the United States' rocket motor industrial base."

Additionally, 2 days before the vote on the New START treaty in a letter to Senators Inouye, Feinstein, Cochran, and Alexander, President Obama reaffirmed this commitment to nuclear modernization, stating: "I recognize that nuclear modernization requires investment for the long-term. That is my commitment to Congress, that my administration will pursue these programs and capabilities for as long as I am President."

Can you tell us where we are on the efforts to modernize our triad and our nuclear infrastructure, and are we on pace to comply with the President's commitment?

General KEHLER. Sir, I can tell you that through the submission of the 2013 President's budget, with some exceptions that we talked about last year—there were still issues in the nuclear enterprise, the weapons part of the business. The program didn't close, if you recall that from last year. But the 2013 budget continued the modernization efforts across the board. Some were later than others, but it continued the modernization efforts.

The 2013 budget turned into a CR. I don't know what the remainder of the year is going to bring to us in terms of the 2013 piece of this.

The 2014 piece—we've worked pretty hard over the last year to try to structure the 2014 piece so that it would also continue all of the things that you've mentioned here. I don't know what's going to happen to the 2014 piece, given the additional investment reductions that will have to come with sequestration. So, I can't tell you today what it looks like, sir. I can't tell you it's not going to happen. I just can't tell you what's going to happen yet, because we don't have a budget on the Hill yet that describes our position.

Senator SESSIONS. Do you believe financially we should follow through with the commitments that the President had and this is a reasonable defense posture and expenditure for the United States?

General KEHLER. I believe, as the advocate for the strategic force, that this continues to be a wise investment on our behalf, I do.

Senator SESSIONS. In the last NDAA, we articulated certain expectations of the NNSA, which manages our nuclear weapons production, and the Nuclear Weapons Council (NWC), of which you're a member, with regard to the shaping and reviewing of NNSA's budget. You review the budget and through the Council have input into that. Specifically, our report said: "The conferees expect that the NWC not only certify, as required by law, that the NNSA budget as it is submitted to Congress, but that the NWC also take an active role in shaping and reviewing the NNSA budget as it is prepared for submission to Congress and negotiated with the Office of Management and Budget (OMB) during the budget review process."

Is the NWC, which you and others sit on, taking an active role in shaping and reviewing NNSA's budget proposal? I ask that because it's really clear to me, colleagues, that the NNSA and the Department of Energy (DOE), their role is much like a defense contractor, a Boeing or a Lockheed. They're producing a weapons system that you have to have and utilize, and you should be involved in how they manage that and the amount of money that's spent on it, I believe. At least I think that's healthy for America.

So do you feel good about where NWC is and are we on track here to raise it up as we intended to, to give it more power?

General KEHLER. Senator, I do feel good about where we are today in terms of insight and influence. It isn't perfect, but I think that over the last year in particular there has been a dramatic change in the working relationship between DOD and DOE and NNSA in particular over visibility into the budget and over influence in shaping that budget.

So again, it's not perfect. I think we're learning a lot about how we can get better at this as we go forward. I think there's more to do. But I have seen a tremendous change in the way we go about working together through the NWC and I think it's a tremendous positive change.

Senator SESSIONS. Great.

Mr. Chairman, I would note that my understanding is that DOD has not yet certified the budget. They must have some concerns about it. But it is at the OMB level already and going forward. I do think it's healthy that DOD has real input into the production of the budget for nuclear weapons.

Thank you.

Chairman LEVIN. Thank you, Senator Sessions.

Senator Hirono.

Senator HIRONO. Thank you, Mr. Chairman.

Thank you, General Kehler and General Alexander, for your service.

General Kehler, the men and women who are assigned to the Pacific Missile Range Facility (PMRF) on Hawaii are some of the best around. The capabilities provided at this facility are exceptional and the Missile Defense Agency (MDA) uses it to test the systems that will protect our country and allies from missile attacks.

Currently under construction there is the Aegis Ashore Facility, I'm sure you're familiar, which will enhance the capabilities available for MDA and the Navy. So if you have not visited PMRF recently, I certainly encourage you to go out there, and I would certainly want to join you in that visit so that you can chat with the great team that we have out there and also the contractor personnel that keeps the whole place going.

I would welcome your thoughts on the facility as we go forward in these economically constrained times.

General KEHLER. Senator, I'll do that. I could hear my staff back here volunteering to get on the airplane and go visit out there. [Laughter.]

I can tell you that the entire Pacific Range complex, that really starts on the west coast of the United States, goes to PMRF in Hawaii—there are other range assets in Hawaii elsewhere as well, as

I know you know—and then it extends all the way out toward Kwajalein—is very important to the United States.

Senator HIRONO. So, I can expect your continuing support for the new construction that's happening for the Aegis Ashore?

General KEHLER. Yes, you can.

Senator HIRONO. Again, I note in your testimony the challenge that you're facing—I think you might have talked about this a little bit—to process and analyze all the data that our intelligence, surveillance, and reconnaissance platforms are providing. So it's one thing to collect all the data and we want to be sure that that data is accurate. It's another as to how you're going to use that data, all this tremendous amount of raw information that you're getting.

Given the challenging budget situation that we face and the limits on the number of analysts that you have, the costs of data storage, and the limits on the amount of intelligence products your consumers can effectively use, how do you solve this problem and find the balance while ensuring that we don't miss something big?

General KEHLER. Senator, let me start and then I'm going to defer to my Intelligence Community colleague sitting on my left, because over the last 10 years, I think, we've learned something in combat in Southwest Asia, and that is, that it isn't about the collectors as much as it is about collecting and processing. So the more processing power we've been able to throw at the collection to have the machines make sense out of what is being collected, the better we have gotten. It has provided great insight for forward forces to be able to carry out their missions and act in ways I think that the adversaries did not think we could act.

The question now and the trick is to extend that globally for all of our combatant commands as we look to the future. That's something that we are looking at as we speak. So that's going to be really important, and I'll defer to Keith because his organization has really been in the forefront of how do you use computing power to help us in this collection business.

General ALEXANDER. Senator, I think one of the things—and I'll just go back to Iraq—was putting together a real-time regional gateway capability—think of this as the processing power that General Kehler talks about—and putting it forward with our combat troops so that they had the information they needed.

I think there's a few things that you have to put on the table: first, understanding the needs of the tactical commander, what do they need to do their job. So from the Intelligence Community perspective that means our folks going down and being in their environment, living in their environment, and understanding what their needs are, and then having access to all the data that the collectors do.

I think this committee and others and some of your staff have worked hard to ensure that the sensors that we have push their information into data stores that everybody could use. This is key, key to leveraging the power of our collectors, national, theater, and tactical, to impact the tactical commander's requirements. We've made great strides in that.

I know you've been up to NSA Hawaii, a wonderful facility, and I think some of the capabilities exist there, and our folks would love to walk you through those.

Senator HIRONO. So, I take it that the research and development component of what you do is very critical and that we need to continue to provide resources for that in order to enable you to do what you need to do with all this massive data that you are needing to analyze.

I note, General Alexander, that you had talked a little bit about how important recruiting and retaining your key personnel would be. I note in your testimony that you wanted to increase the education of our future leaders by fully integrating cyber into our existing War College curricula. You noted that this will further the assimilation of cyber into the operational arena for every domain.

So I know that what you're working in is an area that needs to become fully integrated and assimilated. What are your thoughts on how long this is going to take to make sure that the curricula incorporates cyber and that cyber is at the forefront of what all of our generals should be thinking about?

General ALEXANDER. It should be absolutely the first thing they learn and the most important. That's my view, of course.

Senator HIRONO. I tend to share that view. This is a new area and I think that we are very vulnerable on the cyber front.

General ALEXANDER. So I speak at the war colleges. We have people at the war colleges on the NSA side that carry that message forward, and we are adding it into the curriculum and these courses are growing.

We are also working with the Defense Intelligence Agency on setting up a cyber, if you will, mid-grade course for field grade officers, the young O–3s, O–4s that we have. We have a series of courses that we have for our folks and for staffs, for the combatant command staffs, not just ours but all of them, to understand cyber.

The interesting part here is we'll get that set up, but it's key to note that every day this area changes. So keeping on top of it and keeping those changes is what we really need to do, and keeping people aware of those changes and the impact those changes have. That's the key part.

One of the great parts about having CYBERCOM at NSA is that we can leverage the academic capabilities of NSA with the military working together to ensure we have these courses that both our civilian and military people go through. We've made great strides in that and we have a whole series of courses that we can show you that we're giving to our folks.

Then when I talk publicly, I also give people insights to books that they should read. When I was a younger officer, I know I did not read all those books that people recommended, but there are some great books out there on cyberspace that we recommend that they read.

Senator HIRONO. So are you satisfied that this assimilation is going on fast enough and that it will continue? As you note, changes occur very rapidly in this area.

General ALEXANDER. It's growing. It's not fast enough. There's a lot that we have to do. But changing some of these courses takes time. We are pushing this very hard, with a focus on those folks that first have to operate in this area. I think that part is going well. We do have the staff-level courses out, and we have opened

it up for all the combatant commands, and we're hitting those key parts.

Finally, I'll tell you that the Chairman of the Joint Chiefs of Staff and others have worked with the combatant commands and had these discussions with all of us sitting around the table to talk about cyber in a classified environment, so everybody understands the threat of that. I'll tell you, the senior officers in our military do understand that.

Senator HIRONO. You noted just now that this is an area that changes very rapidly and you have to stay on top of these changes. So can you talk a little bit about how you would measure effectiveness in your cyber security efforts and what kind of metrics would you use to determine whether we're on the right track?

General ALEXANDER. There's two parts to measuring that. One is certifying individuals, so we are developing a certification program—think about getting a flying license—that our cyber operators would have to be certified to operate in cyberspace for different functionalities. That's one part.

The other is in our defense, looking at what we see in going through our cyber readiness inspections to see where each of our commands in the military are in defending their networks. What we've seen is a constant improvement in the cyber readiness of those networks. It's not perfect, but it's growing and getting better.

Senator HIRONO. That's reassuring.

I recall that you testified about how important collaboration is with the private sector. Can you talk a little bit about what you see as the kind of collaboration? Are we talking about collaborating on information with the private sector, collaborating on technology? Then you also said that in order for all of this to happen that the private sector would need insulation from liability. So can you talk a little bit more specifically about what you mean and why the private sector needs liability protection?

General ALEXANDER. Senator, the key things that they need, that we need in sharing information, is the ability for those to understand the threats as we see them, perhaps in a classified environment, and what they're seeing in threats in their networks. They're going to be looking at different portions of our networks than the government looks at. So together we see more if we put those two facts together, and we can come up with a more defensible architecture.

So there's that sharing of information on the threats that we both see. Those threats could be just routine malicious software that's out there to nation-state capabilities. That's one set of threats, and sharing it.

The second part is, so what do you do to fix the networks and make them more defensible? Here industry and government have some great ideas, and implementing those, for example the joint information environment, is just such a path forward that gives us a more defensible architecture because it allows us to patch at a more rapid rate and see threats better than we've ever been able to in the past. So it's those kinds of things that we're working on to move forward.

The reason we need liability protection is when we share some of this information with industry or they share it back, the liability

that they incur because they are acting perhaps as an agent of the government in letting us know a threat is significant. Allowing them to be sued in some of these areas, from my perspective, when we're asking them to do something and then they bear the brunt of that lawsuit, is not right, and we ought to fix that and address that. We ought to give them the authority to share their information with the government, which they don't have today.

Senator HIRONO. Thank you.

I apologize for going over my time. I didn't see the little blue note. But thank you so much, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Hirono, and we will put these blue notes a little bit closer to the eye contact in the future. But you've always maintained your courtesy, so I'm sure our colleagues understand.

Senator Lee is next.

Senator LEE. Thank you, Mr. Chairman.

Thank you, General Kehler and General Alexander, for joining us today and for your service to our country. Both of those things are deeply appreciated.

General Kehler, in June 2010 as the Senate was considering the New START treaty, your predecessor, General Chilton, testified before the Senate Foreign Relations Committee that the force level under that Treaty, meaning 1,550 warheads on 700 delivery vehicles, was "exactly what is needed today to provide the deterrent."

Did I understand your answer to Senator Fischer's question as being inconsistent with that? I think I did. I thought I heard you say we could go lower than that. If that's exactly what we needed in 2010, what has changed between now and then?

General KEHLER. Senator, I think I'm not inconsistent with that, so let me explain. The way we determine the size of the force, we don't start with a number. What we start with is a set of national security objectives. Those objectives eventually wind up being military tasks. Those tasks require a certain number of weapons to achieve.

When General Chilton was asked that question, he took a look at the national objectives that he had at the time, the tasks that he was asked to perform, and he looked at the number of weapons that were going to be permissible under the New START treaty, and he said all of those matched.

My point is that we may have opportunities to go below that, but it doesn't start with a number; it has to start with national objectives and military tasks that would be associated with it.

Senator LEE. Okay. So you're not saying as of right now you're certain or you're confident that we could go below that. You're saying it is possible, based on further assessments at some point in the future?

General KEHLER. Yes, sir, I think that's right. I think it's possible, based upon assessments, based upon national objectives, based upon the military tasks we would be asked to achieve. I think it depends on the nature of any threat that's out there. So I think many factors go into the number.

My contention is, though, like the Nuclear Posture Review said, I support this. I think we should explore whether further reductions are possible.

Senator LEE. One of the reasons why I think I was a little bit surprised to hear you say that, though, was in light of the ambitious ongoing modernization programs that we have going on in Russia and in China, and in light of the fact that we have other countries like North Korea and Iran with aggressive nuclear ambitions. I would think that our risk and our threat would be on the increase and our need for those weapons would not necessarily be diminishing. Am I mistaken in that regard?

General KEHLER. I think all of those factors need to be considered. Primarily, though, yet today the arsenal that we have, that was built during the Cold War, and the arsenal that the Russians have represent the vast majority of the weapons that exist.

Senator LEE. Sure, I understand that. But you know, there are a lot of countries, in addition to the United States, that rely on our nuclear arsenal.

General KEHLER. Most definitely.

Senator LEE. So that umbrella, if you will, extends over a number of our allies, some of which lie in close proximity to countries like Iran and countries like North Korea. What consequence do you think it might have if we diminish our nuclear forces even further, either through reductions or because of a failure to modernize adequately? What impact might that have on some of our allies who rely on our own nuclear capabilities to protect them? Couldn't that bring about additional nuclear proliferation?

General KEHLER. I think that's always a possibility. I think we would have to be mindful of that as we go forward and that needs to be one of the factors considered.

Senator LEE. Now, do you think that countries like Saudi Arabia, Turkey, or maybe other nations in the Middle East might feel compelled to develop nuclear weapons in the relatively near-term future if, for example, Iran is able to achieve status as a nuclear power?

General KEHLER. There have been some reports that some of those countries would consider it. I don't have a good feeling from my position about what our official view is of that, but I think that again any time that we are talking about extending our nuclear guarantee, which is what we have done for many, many, many years, that our allies, what they've told us when they come and visit my headquarters is that it concerns them as we consider making changes. So, I think we need to be mindful of those concerns and address them accordingly.

Senator LEE. Right, right. That probably means that we ought to be cautious before reducing our nuclear arsenal, and we also ought to be very concerned about our failure to modernize adequately those weapons systems, wouldn't it? Because again, it seems logical to me that, especially as we have states like Iran and North Korea moving in that direction, that inevitably will have a huge impact on what other countries do. What other countries do will in turn most likely put more of a burden on us and further strain our ability to provide that assurance that we've provided in the past, would it not?

General KEHLER. I think, Senator, as we have always thought, ultimately our ability to deter, our ability to extend that deterrence and assure our allies with that is based on the credibility of our

nuclear deterrent and our nuclear deterrent force. Increasingly, certainly over the last decade now, the presence and capability of our conventional capabilities has made a difference, and I think in some cases has set a different context for the way we view our nuclear forces. But they still remain critical, I believe, and complementary.

Senator LEE. Okay. In the minute and a half or so that I have left, I'd like to talk to you a little bit about China. What can you tell me about the Chinese nuclear arsenal, and in particular whether you believe that China will continue to increase the number of weapons in its arsenal, and whether it's going to try to seek a level of equivalency with the United States and Russia in terms of nuclear weapons?

General KEHLER. Senator, I think we need to have a more full conversation in a different setting than this. But just in this setting, what I would say is we watch China continuing to modernize portions of their nuclear force. In terms of numbers, I believe the number ranges that our Intelligence Community has assessed with that—I don't think I can state that here, but I tend to believe that they're in about the range that we are talking about.

I do not see, nor has the Intelligence Community reported to me, that they are seeking to have some kind of numeric parity with the United States or with Russia. But I would quickly say I think this is why we want more transparency with China. We'd like to know what their intentions are going forward and we'd like to be able to expand our dialogue with them so that we can prevent any misunderstandings.

Senator LEE. Thank you very much, General.

Thank you, Mr. Chairman. I see my time has expired.

Chairman LEVIN. Thank you very much, Senator Lee.

Senator Graham.

Senator GRAHAM. Thank you, Mr. Chairman.

I certainly want to associate myself with the line of questioning of Senator Lee. I think he's right on point. We have to look at the world we live in when we make these decisions about numbers and capabilities.

General Kehler, am I pronouncing your name right?

General KEHLER. Yes.

Senator GRAHAM. Close enough?

Senator FISCHER. Yes, you and I are right.

Chairman LEVIN. We've been batting about 500 on the committee today. [Laughter.]

Senator GRAHAM. Well, I'm a colonel. I don't want to get court-martialed. [Laughter.]

Are we spending enough money to modernize our nuclear weapons force?

General KEHLER. I think we are coming out of a period where the answer was no.

Senator GRAHAM. How does sequestration affect?

General KEHLER. It affects it. I can tell you it affects it in the near-term in terms of the potential impact on readiness, as I mentioned earlier, which will come about over a period of months. I described this earlier as a slow-motion impact in STRATCOM, because the Services are trying to protect——

Senator GRAHAM. As part of the START Treaty negotiations was, those who voted for the Treaty—I did not—there was a promise given we'd modernize our nuclear force.

General KEHLER. Part two of sequestration, of course, is the overall budget totals which are coming down.

Senator GRAHAM. So basically my view is we never honored the modernization commitment in terms of funding, and along comes sequestration. So you've been hit twice. We never made the commitment that was promised in terms of modernization funds, even though it was more than in the past. Now you have sequestration. It's a double whammy. Would you agree?

General KEHLER. I don't know yet, sir, what the sequestration investment impact is going to be on us. I don't know. The budget details have yet to be worked out.

Senator GRAHAM. If it's across-the-board your account will be hit, right?

General KEHLER. Certainly if the rules stay the way they are, across-the-board.

Senator GRAHAM. Let's just assume that. Get back to me or the committee in writing: Assuming an across-the-board continuation over a 10-year period, what it would do to our nuclear modernization efforts. Could you do that?

General KEHLER. Yes, I can.

[The information referred to follows:]

We can meet our strategic mission responsibilities today. We expect continued budget reductions to impact future Department of Defense (DOD) platform acquisition programs and National Nuclear Security Administration (NNSA) stockpile maintenance and infrastructure sustainment activities. We will continue to develop sustainment and modernization plans within budget constraints to meet our strategic mission requirements. DOD and NNSA are jointly preparing an updated Section 1043 Report (Public Law 112–81) that describes our plans for maintaining strategic deterrence capabilities for the next 10 years. The update will include consideration of the budget reduction impacts on program scope and schedule, and estimated funding requirements for maintaining nuclear weapons delivery platforms and modernizing the nuclear weapons complex.

Senator GRAHAM. General Alexander, why isn't an attack on critical infrastructure in this nation, a cyber attack by a government like China or Russia, why is that not considered an act of war?

General ALEXANDER. That's a great question and I think one that needs to be ironed out: What constitutes an act of war in cyberspace? So let me give you my thoughts on that versus trying to bat this around.

Senator GRAHAM. There is no clear answer, I agree with you.

General ALEXANDER. Right. I think first I would look at the laws of armed conflict, the intent of the nation, and what they're doing. I would say what we're seeing today from those countries, essentially espionage and theft of intellectual property, is not an act of war.

Senator GRAHAM. What about military modernization plans, stealing—a lot of their fighters tend to look like our fighters.

General ALEXANDER. That's right, and a lot, a lot across the board. So I think that's espionage. I think that's theft of intellectual property. I would say that the intent is to steal secrets and you're into the espionage, criminal.

If the intent is to disrupt or destroy our infrastructure, I think you've crossed a line. So somewhere in that zone——

Senator GRAHAM. Have you seen an intent, a planning process in place where enemies of the nation would attack us through cyberspace? Is that something we should be worried about?

General ALEXANDER. Yes, that's something we should be worried about, and I can give you more details in a closed setting.

Senator GRAHAM. All right. Now let's talk about outside DOD. You can defend the defense infrastructures, but you're so connected to the private sector one cannot be disconnected from the other; is that correct?

General ALEXANDER. That's correct.

Senator GRAHAM. We don't have a little bubble that you can protect. If systems go down, if power systems go down, it affects you. If financial services are disrupted, it would affect you. You can just go on and on with how an attack on critical infrastructure could affect our national security.

Have you talked to Senator Whitehouse about his proposed solution of dealing with critical infrastructure?

General ALEXANDER. I have not, not the latest one. I have talked to Senator Whitehouse in the past and found that he and I are essentially in sync on those discussions. But I haven't seen his latest.

Senator GRAHAM. I am with him. The concept is that we would identify critical infrastructure in the private sector, like power supply, financial services, things that every American depends on, and if they went down would hurt us as a Nation, hurt our economy, and could do harm to our citizens. I think his concept is that, let's identify our critical infrastructure and allow the industries in question, like the utilities, to come up with best business practices within their industry and submit their proposal to a collaborative body of government agencies, with DHS certainly a key component of it.

If these best business practices are in the minds of the government meaningful, we would grant liability protection to those who met those standards. It would be voluntary.

Does that sound like a reasonable way to proceed?

General ALEXANDER. Senator, I think in part that's reasonable. The issue that it leaves not addressed is the information-sharing part.

Senator GRAHAM. Right. That has to be done. That's a critical part of it.

Let's assume that we get the information-sharing right. We have two ways to do this, through a regulatory regime—my belief is that regulations would be expensive and the threats move too fast for it to work. Do you agree with that?

General ALEXANDER. I do. In fact, I would say so if you separate the two and you have liability and information-sharing on one side and then you have liability and standards and regulation on the other side that work together, in essence that's essentially where the Executive order is trying to go as well.

Senator GRAHAM. Right. So I would just want to encourage you. We'll meet with Senator Whitehouse and others and see if we can find a pathway forward that would allow the private sector to set the standards in the critical infrastructure area, and the payoff

would be liability protection, because this is an ever-changing threat.

Finally, what kind of damage could be done through a cyber attack? Start with nation states, then criminal organizations. What kind of threat are we facing?

Finally, in South Carolina our database at the Department of Revenue was hacked into and every citizen's Social Security number and a lot of business information was stolen, causing the State of South Carolina a lot of chaos in trying to provide identity theft protection to our citizens. This was a massive intrusion into a State system where over 3 million Social Security numbers were seized.

Can you just quickly tell the committee the kind of threats we face, and if Congress doesn't get involved, I think we will regret the day.

General ALEXANDER. Generally speaking, all our systems today, our power systems, our water systems, our governments, our industry, depend on computers, depend on computerized switches, depend on these networks, all are at risk. If an adversary were to get in, they could essentially destroy those components, make it so that you either had to replace them or get somebody to come in and replace each part of that.

In the power grid as an example——

Senator GRAHAM. They could do as much or more damage than the attacks of September 11?

General ALEXANDER. That's correct, I think it would. If you look at what happened in 2003 in the northeast power disruption, that was caused by a software failure. That was not somebody attacking us. That was a software failure.

But now think about somebody imposing a software failure, not just in the northeast, but across all of those and cascading that across the United States, and breaking some of the transformers, which would be very difficult to replace. We would have significant power outages for extended periods throughout the country.

Think about Wall Street if we were to go in and—I know Senator Blumenthal was asking questions on this earlier, about what happens if you attack Wall Street and you destroyed the data that they need at the end of the day to ensure all the books are right. If you can't close those books, which are done today by computers, you have a significant problem in our banking infrastructure, not just ours but global.

Senator GRAHAM. Since our time is up, if you could submit to the committee a worst-case scenario from a cyber attack, a September 11 scenario.

General ALEXANDER. Yes, sir.

[The information referred to follows:]

I'd like to walk you through an intellectual thought exercise that we, at U.S. Cyber Command (CYBERCOM), use to illustrate a potential significant cyber event.

This event is totally fictitious. It is plausible, credible, and we have observed full scope adversaries having developed or currently developing these capabilities. However, we have no indications that anyone is actively attempting to conduct this scale of operation in the near-term against U.S. systems.

From a planning perspective, we envision any global cyber campaign to consist of three components; regional, U.S. domestic, and global, all three occurring simultaneously. While envisioned to be masked, the intention of the adversary would be to effectively paralyze the ability of the United States to project power globally and to marshal forces regionally.

Minute 1 would consist of attacking initial military response in the affected region combined with an anti-access strategy against U.S. regional logistics, i.e. U.S. Pacific Command. As a domestic diversion, U.S. financial institutions may be significantly affected.

Minute 2 would consist of developing a regional internal disruption focused on civilian infrastructure and causing internal regional panic. This may be combined with affecting U.S. Transportation Command's ability to resupply the affected region and/or geographic combatant commander and other U.S. Government networks, i.e. intelligence agencies, commercial network venders, et cetera.

Minute 3 would consist of disrupting primary power generation, which would force the three components to rely on back-up and/or emergency power. Since back-up power generation is far less than primary grids, significant systems in communication, visibility, C2, and coordination would be stressed and potentially fail.

Minute 4 would be focused at command and control in the affected region and the Gulf Cooperation Council. As a potential icing on the cake, U.S. Air Traffic Control may be affected to cause domestic U.S. panic.

Although depicted as a 4 minute scenario, I submit that we've slowed the scenario down. This is really a 4 second scenario.

The implication is this: within seconds, not only could the real ability for the United States to globally project power be put at risk, the confidence of allies to rely on the credible ability for the United States to globally project power be put at risk, which is just as significant.

Senator GRAHAM. Finally, the Executive order, I think, is a result of Congress' inaction and I don't blame the President at all. Do you believe it would be prudent for Congress to enhance the Executive order, that we need legislation in this area beyond the Executive order to make the Nation safe?

General ALEXANDER. I do.

Senator GRAHAM. Thank you.

Chairman LEVIN. We're expecting Senator Kaine back at any minute. Senator Inhofe has a question and then I'll have a question, and then we'll turn it over to Senator Kaine.

Senator INHOFE. General Kehler, in response to the question that was given to you by Senator Graham—he was talking about what's going to happen to you under sequestration, and then you qualified it and said, well, that is assuming it's going to be cut straight across-the-board. Of course, that would be damaging, because that's done, in my opinion, without thought. It's just a cut across-the-board.

Now, I introduced legislation 6 weeks ago anticipating that maybe sequestration would happen. I didn't think it would, but I thought in case it does, to take the same top line as to how it's going to affect a whole division of bureaucracies and then say, in the case of you and of anything having to do with defense, take that and adhere to that top line, but allow the Service Chiefs underneath that to make those decisions, and would that be better?

All the Service Chiefs, all five including the Guard Chief—I contacted them, too—said yes, that would make a world of difference. The devastation is still there, but not as devastating.

Would you agree with that?

General KEHLER. Yes, sir, I would.

Senator INHOFE. Would you, General Alexander, too?

General ALEXANDER. I would, Senator.

Senator INHOFE. Thank you.

Chairman LEVIN. Thank you.

Now Senator Kaine.

Senator KAINE. Thank you, Mr. Chairman.

Thank you, Generals Kehler and Alexander.

General Kehler, I just want to focus a little bit on some of your testimony that grabbed my attention. The opening comment that you made and that you repeated verbally today is uncertainty and complexity continue to dominate the national security landscape. I agree with that and I want to wrestle with questions that many of my colleagues here have asked about fiscal uncertainty.

We can't necessarily reduce the uncertainty in the broader world, but it is in our power as Congress to try to reduce some of the fiscal uncertainty that you're dealing with. One week ago yesterday, so the first weekday after the sequester cuts went into effect, I visited DOD and spoke with Secretary Hagel and General Odierno, Deputy Secretary Carter. I spoke with General Welsh on that same day here in my office.

Then I went downstairs and didn't talk to the brass, but I went to the cafeteria and just went table to table. In three tables, just in the random three tables I went to, I have Active Duty assigned to the Pentagon, veterans who were there having lunch with friends, DOD contractors, DOD civilians, and some Guard representatives who were there for a planning meeting.

They were all sharing their concerns about sequester, CR, and the overall climate of uncertainty as it affects them and as it sends a message about our commitment to the mission, to the DOD mission. One affect of the uncertainty that I think just has really dawned on me and increasingly in your testimony is the effect on personnel.

So a couple of the comments in your testimony. On page 2: "Fiscal uncertainty presents our people with an unprecedented combination of professional and personal concerns as well. The all-volunteer military and civilian team has performed beyond our greatest expectations and is the envy of the world. But some of the best young uniformed and non-uniformed people assigned to STRATCOM are questioning their future. The uncertainty surrounding civilian hiring restrictions, salary freezes, and the possibility of unpaid furloughs is especially troubling since," as you testified earlier, "60 percent of STRATCOM headquarters staff and much of the essential workforce which supports our missions and sustains our mission-critical platforms and systems are civilians."

Then with a specific reference to cyber, at the end of your testimony—and this is General Kehler's testimony, but I'm sure it's something that General Alexander resonates with as well: "Improving the DOD's ability to operate effectively in cyberspace requires investment in five major areas." Then you go over the areas. "But of these, the most urgent intelligence is increasing the numbers, training, and readiness of our cyber forces."

Again, it's about personnel and the choices that people are making about their own future. It strikes me, and I just would like to hear you talk about this a bit more—I know that Senator Blunt raised it—it strikes me that you have two issues of significant concern as you're trying to grow a cyber talent pool within DOD.

The first is the competition from the outside world, which from a salary and benefits standpoint I would imagine for these professionals can be pretty intense. The second is a fiscal uncertainty that people would have if they chose the path of public service.

What would they face in terms of furloughs or pay cuts or pay freezes? What is the commitment that we have?

I would like to hear each of you just talk about how you deal with the recruiting and retention in this environment when you not only have a global uncertainty, but tough economic competitors in the private sector and fiscal uncertainty as well.

General KEHLER. Senator, I would only add a couple of remarks. Number one, we have the most magnificent people anywhere. They're the envy of every other military in the world. They're like that for a reason. They're extraordinarily talented and they are very patriotic.

So normally I don't worry much about them other than to make sure that as a leader I'm doing everything that I can to take care of them and make sure that they're going to be there and that we're taking care of them and their families. That's been an interesting challenge, of course, over the last 10 or 12 years, with wounded and other things.

But I think as we look to the future here what I'm hearing from some of our folks is particularly troubling, and it gets back to uncertainty. As we all—of course, we all want the economy to get better and we'd like it to be better soon, as fast as it can possibly happen. But when that happens and as that happens, I guess is a better way to say it, as that happens, then this competition for our best and brightest talent is going to go up. In that environment, I'm concerned that as they are weighing, not the personal threats to themselves, which they are willing to take, but when they are weighing the financial certainty for their families, that they'll come down on a different side than government service.

So I think that's an important question for us. We have an all-volunteer military. It's been stressed in a lot of different ways. This is another stressor on it. So I think we need to be mindful of this because we are competing for the best and brightest talent. We've been getting it. I believe again they are magnificent people that raise their right hand, whether that's a civilian or uniformed or whether they serve as a contractor. It doesn't seem to much matter; they're all working hard to do the right things.

It's preserving that, and there is an impact here with what is going on. There is an impact on them. It is coming to our level. They are telling us that there's an impact on them, and we need to be mindful of it.

Senator KAINE. General Alexander, could you comment additionally?

General ALEXANDER. Senator, two broad areas. First, I agree with everything that you read there. I think it's 100 percent on track.

We're impacted in CYBERCOM in two areas. The CR impacts our ability to train more and we need to do that to get this force stood up. I think by singling out the civilian workforce for furloughs we've done a grave injustice. We're trying to get people to come in and support us in this technical area. People are leaving industry to come in and work with us. Now that they get there, they're saying: Did I make the wrong decision? You're going to furlough me now X percent of the time. I already took a salary reduction to come to work for you. I think it's a great thing for our Na-

tion. But if this is the way it's going to be, I can't afford to do this to my family.

That's a big impact across our workforce and we shouldn't do that.

Senator KAINE. Let me stay on cyber and just move to a related area that raised some questions earlier as well. That is trying to pass the right kind of balanced cyber legislation. A lot of it is a dialogue between policymakers and the private sector and they have legitimate concerns. Thus far in your own experience, has the private sector expressed those concerns in the right way? Namely, has it been a series of, don't do this to us, don't do that to us, don't do this to us, or have they been offering ways that we can accomplish the goal in a productive and constructive way? Because if the answer to that is no, that might be something that we could help with, to try to smoke out the positives, the positive and constructive advice about how to balance some of these important considerations.

General ALEXANDER. Senator, I think the big problem is every sector approaches it slightly different. So what you get is 18, 20 different views, groups of views, on cyber and cyber legislation, what we need and how we need to do it. I think the Executive order, that which Senator Graham and Senator Whitehouse are referring to, are in the right way: Get industry to sit down with the government officials, put the Director of NIST in charge, bring all our technical talent there, and start talking with industry on the best way sector-by-sector, and then bring that back up to the administration, to you, and say: Here's what we think is the way to work with industry to help make their networks more resilient.

What you'll find is each part of our industry sectors are at different states of cyber readiness, if you will, and that's the real problem that we face. I've talked to lots of Chief Executive Officers out there on this topic area and you get from one side to the other. When you do that, when you really start drilling down, you see that some of them really need help, want help, are concerned about regulation and how we do it. Some of them don't need help and are concerned about the "help" we're going to give them.

So I think what we have to do is address each of those concerns and do it in a fair and equitable way. I think that Executive order reach-out is a great step in the right direction.

Senator KAINE. Thank you both very much.

Mr. Chairman, thanks.

Chairman LEVIN. Thank you, Senator Kaine.

Senator Inhofe, you all set?

If there are no other questions, we just want to thank you both for your great service to our country, your great testimony this morning, thoughtful, considered, and we are very appreciative of it. We will stand adjourned.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR JAMES M. INHOFE

IRAN

1. Senator INHOFE. General Alexander, a recent Wall Street Journal article titled "Banks seek U.S. Help on Iran Cybersecurity" states that "major U.S. banks are pressing for government action to block or squelch what Washington officials say is

an intensifying Iranian campaign of cyber attacks against American financial institutions." The article asserts that some of the financial institutions are concerned by the lack of U.S. Government response arguing that the banks "can't be expected to fend off attacks from a foreign government." According to the article, "U.S. officials have been weighing options, including whether to retaliate against Iran." While the Iranian attacks referenced in this article appear to be fairly low level nuisance efforts, as attacks grow more sophisticated, or are attempted by more sophisticated nations, the role the Department of Defense (DOD) will play in protecting the United States becomes increasingly more important. What role do you believe DOD should play in events such as the recent Iranian attacks on the financial sector and do you believe there is an offensive role DOD should be able to utilize via cyberspace?

General ALEXANDER. [Deleted.]

2. Senator INHOFE. General Alexander, is there a threshold that a country must cross before we consider it an attack?

General ALEXANDER. The President, in consultation with both civilian and military advisors, would determine a threshold and decide on an appropriate response to any form of attack.

CYBER DETERRENCE

3. Senator INHOFE. General Alexander, in a letter from the committee last year you were asked if you believed we are deterring or dissuading our adversaries in cyberspace. You responded "no, while work is ongoing in each area, much remains to be done across both the public and private sectors." What more must be done and what can be accomplished within DOD to shift the mindset of those looking to hold our economic and national security interests at risk in the cyber domain?

General ALEXANDER. There is much to be done as a nation to deter and dissuade adversaries in cyberspace from the perspective of both policy and developing viable options. DOD is constantly improving cyber defenses to deny benefits and increase costs to any adversary. We are close to implementing a new Standing Rules of Engagement but do not yet have an Executive order that would allow us to defend the Nation's critical cyberspace resources.

A whole-of-nation approach to cyber deterrence is needed. The military deterrence initiatives under development will be most effective if our efforts are coordinated with other agencies of the U.S. Government. The private sector is also part of this equation since most U.S. infrastructure is privately owned. Finally, the United States must project a unified approach to deterrence that clearly demonstrates to allies and adversaries alike our commitment to defend and maintain the availability of cyberspace.

4. Senator INHOFE. General Alexander, what role could the development of offensive cyber capabilities play in cyber deterrence and do you view this as a matter of urgency?

General ALEXANDER. The development of offensive cyber capabilities will play a critical role in cyber deterrence, but capabilities alone are not the answer. It is of utmost urgency that we develop these capabilities, appropriate polices, and delegated authorities to act as soon as possible. These capabilities will take time, will, and resources. We are at risk now. Overt development of such capabilities—and the authority to employ them—sends a clear, unambiguous message that DOD can respond to cyber threats, intrusions, and attacks if the President and DOD leadership so chooses. A robust, comprehensive set of cyberspace capabilities provide a range of options to our decisionmakers. For this reason, the force generation priority for DOD Cyber Mission Forces remains the Cyber National Mission Teams, which possess offensive cyber capabilities. Since the end of World War II, a major role of the DOD has been to assess emerging military threats from overseas and develop technologies and military constructs to counter such threats. Threats in cyberspace must be treated the same way. If the DOD does not develop effective offensive capabilities in cyberspace and clear rules of engagement for using them, adversaries will have little to fear of a U.S. response, and therefore, have little motivation for restraint.

CHINA

5. Senator INHOFE. General Alexander, recent estimates suggest that China has some 564 million internet users, almost doubling the number of internet users in the United States. Taking into account China's desire to compensate for military

shortfalls with cyber capabilities as well as recent public reports describing well-coordinated campaigns by the People's Liberation Army against the United States, how at risk or vulnerable are we in the cyber domain if China sought to engage us in an armed conflict?

General ALEXANDER. [Deleted.]

6. Senator INHOFE. General Alexander, what in your opinion will be necessary to deter China from making such unwise decisions?

General ALEXANDER. Three things are necessary. First, working with other agencies of the U.S. Government, and in close cooperation with allies and partners we need to clearly define acceptable and unacceptable behavior in cyberspace. Second, we must have a defensible architecture, arrayed in depth so anomalous activity is easily detectable and defensive actions may be efficiently synchronized. Finally, the United States must have a credible, demonstrated offensive cyber capability the employment of which can be justifiably warranted.

7. Senator INHOFE. General Alexander, how capable are the Chinese?

General ALEXANDER. [Deleted.]

8. Senator INHOFE. General Alexander, do you agree that Chinese cyber capabilities pose an existential threat to the United States?

General ALEXANDER. No.

DEFENSE SCIENCE BOARD REPORT ON NUCLEAR VULNERABILITIES THROUGH CYBER

9. Senator INHOFE. General Kehler and General Alexander, in a January 2013 report by the Defense Science Board (DSB) on advanced cyber threats and the implications for military systems, the DSB's top recommendation was to "Protect the nuclear strike as a deterrent" and to take "immediate action to assess and assure national leadership that the current U.S. nuclear deterrent is also survivable against the full-spectrum cyber Tier V–VI threat." Do you agree with the DSB's recommendations?

General KEHLER. I support the DSB recommendation. Deterring nuclear attack with a safe, secure, effective nuclear deterrent force remains my #1 priority. U.S. Strategic Command (STRATCOM) is working closely with U.S. Cyber Command (CYBERCOM), the Office of the Secretary of Defense (OSD), and others to evaluate our nuclear command and control systems against a range of threats including cyber, and will advocate for updates as appropriate. Cyber threats, whether from nation states or individuals, are being closely monitored today and as we develop the next generation of nuclear command and control.

General ALEXANDER. CYBERCOM and the National Security Agency (NSA) absolutely support activities to preserve the integrity of our Nuclear Command, Control, and Communications (NC3) enterprise. In 2011, the collective General Officer Staffs of CYBERCOM and STRATCOM convened a conference where the primary focus was "mission assurance." Acknowledging the varying threat vectors from all domains, we work together, along with the DOD CIO and DISA, to ensure survivable, reliable, and assured NC3 platforms.

10. Senator INHOFE. General Kehler and General Alexander, do you agree that a successful DOD cyber strategy must include a deterrence component?

General KEHLER. Yes, a successful DOD cyber strategy necessarily includes elements of deterrence. In broader terms, I would suggest that cyber is only one of many capabilities that form the overall DOD deterrence strategy. We enhance our overall deterrence posture by convincing adversaries they cannot achieve their objectives through cyberspace or any other domain; and that they will run the risk of unacceptable U.S. response at the time, place, and via the domain of our choosing. Such a deterrence posture includes all elements of national power.

General ALEXANDER. Absolutely. Under the National Military Strategy for Cyberspace Operations and the current Defense Strategy for Operating in Cyberspace, my team at Fort Meade has been working with the Joint Staff and OSD on building a framework for a cyberspace deterrence strategy.

11. Senator INHOFE. General Kehler and General Alexander, do you believe that the United States should preserve the right to retaliate against a full-scale cyber-attack using nuclear weapons?

General KEHLER. The United States retains the right to respond to a full-scale cyber attack in a manner and at the time and place of the President's choice. That

being said, the 2010 Nuclear Posture Review (NPR) stated that, "The United States would only consider the use of nuclear weapons in extreme circumstances to defend the vital interests of the United States or its allies and partners." Further, the NPR issued a "negative security guarantee" regarding nuclear response which stated "the United States will not use or threaten to use nuclear weapons against non-nuclear weapons states that are party to the NPT and in compliance with their nuclear non-proliferation obligations." I also note that decisions on the use of nuclear weapons are reserved exclusively for the President of the United States.

General ALEXANDER. The President has stated that all options are to be considered in the defense of the Nation. We must therefore, consider including a nuclear response in the most extreme circumstance. As stated in the International Strategy for Cyberspace, "we reserve the right to use all available means—diplomatic, information, military, and economic—as appropriate and consistent with applicable international law, in order to defend our Nation, our allies, our partners, and our interests."

12. Senator INHOFE. General Kehler and General Alexander, what could a cyber-vulnerability in our nuclear command and control mean for deterrence and national security?

General KEHLER. [Deleted].

General ALEXANDER. A cyber vulnerability in our Nuclear Command and Control (NC2) or Nuclear Command, Control and Communication (NC3) system could undermine our deterrent strategy. The DOD CIO established the NC3 Cyber Risk Assessment Tiger Team in May 2012 to perform a 5-phase study to examine the cyber vulnerabilities in the NC3 system. One of the study phases will focus specifically on cyber vulnerabilities associated with Nuclear Force Direction, and will include corrective actions and a timeline for mitigation.

CYBER COMMAND AS A UNIFIED COMMAND

13. Senator INHOFE. General Kehler and General Alexander, I understand that a decision has been made by the Joint Chiefs to recommend that the Secretary of Defense elevate CYBERCOM from its current position under STRATCOM to become its own Unified Command. Is this true? If so, do you agree with the decision and why do you believe the existing command relationship is no longer sufficient?

General KEHLER. A Joint Chiefs of Staff recommendation on the status of CYBERCOM is under consideration by the Secretary of Defense, and to date no decision has been reached. As military cyber operations to protect DOD networks and defend the Nation grow in complexity and importance, it is prudent to align our command and control arrangements for maximum effectiveness. While the current arrangement is not causing undue operational impediments, elevating CYBERCOM to a Unified Command would shorten and clarify the chain of command between its Commander and the Secretary of Defense and President. Regardless of if or when that decision is made, it is essential that the Commander of CYBERCOM remains dual-hatted as the Director of the NSA.

General ALEXANDER. The Chairman of the Joint Chiefs of Staff has made a recommendation to the Secretary of Defense regarding the status of CYBERCOM, but a decision has yet to be made. Considerations are being made with regard to the complexity of the environment, and the need for rapid decisionmaking. Elevating CYBERCOM to a Unified Command would increase decision speed between the President, the Secretary of Defense, and Commander CYBERCOM. In addition, it would elevate and align advocacy for prioritization and allocation of resources under one commander focused exclusively on cyber. Regardless of the Secretary's decision going forward, it is imperative that Commander CYBERCOM remain dual-hatted as Director of the NSA.

14. Senator INHOFE. General Kehler and General Alexander, just over 2 years ago we were told that the command structure had become bureaucratic when then Secretary Gates recommended the closure of Joint Forces Command. With an annual cost of $240 million to operate, it was determined that the proliferation of combatant commands in some cases had become costly and burdensome. Will there be a cost associated with making CYBERCOM a unified command?

General KEHLER. If the decision is made to elevate CYBERCOM to a Unified Command, there will likely be some costs associated with the combatant command headquarters portion of that decision. Those costs as well as the costs associated with all the combatant command headquarters are currently under review as part of the Secretary of Defense's strategic management review. We are working with the

Joint Staff and OSD to accurately address these costs. In the meantime we continue to plan and advocate for the increased cyber operational capacity and capabilities needed to meet national and combatant command requirements. The Joint Staff is currently analyzing the financial impact.

General ALEXANDER. Yes, there will likely be a cost associated with elevating CYBERCOM to a unified command if that decision is made, but we are working closely with the Joint Staff and OSD to review all programs as part of Secretary Hagel's efforts to ensure optimal defense posture for the decade ahead.

CYBER HOMELAND DEFENSE AND DUPLICATION

15. Senator INHOFE. General Alexander, I understand there is some confusion over the role the Department of Homeland Security (DHS) would play in an attack on the Homeland in cyberspace. Do you believe that DHS should have anything more than a supporting role to DOD in a cyber-attack against the Homeland?

General ALEXANDER. The Nation's cyber security is a shared responsibility. I work closely with Secretary Napolitano at DHS, as well as with Director Mueller at the FBI to coordinate and synchronize our roles and responsibilities in cyberspace. DHS is the lead Federal department responsible for coordinating national protection against, mitigation of, and recovery from domestic cyber security incidents, protecting critical infrastructure, and securing the Federal civilian systems (".gov"). In essence, DHS works to prevent attacks by raising network security standards, sharing information, and developing a more resilient infrastructure. The FBI is the lead for investigating and mitigating adversary cyber activity in U.S. domestic space. This includes nation state actors using U.S. infrastructure.

When defending the Nation from a nation state attack, or actors that present nation state like capabilities, DOD is in charge. DOD's cryptologic platform allows the DOD to see activity in foreign cyberspace, analogous to radar's role in air defense. With this information, NSA is able to provide intelligence on adversary capabilities and intentions as well as indications and warnings of cyber attacks on U.S. infrastructure. CYBERCOM leverages NSA's technical capabilities and insights to develop and employ response options.

16. Senator INHOFE. General Alexander, I assume that you agree that the Secretary of Defense as directed by the President is the individual responsible for defending the United States against a cyber attack from outside our borders. Capabilities-wise, do you agree that DOD and the NSA have the most comprehensive set of resources to defend the Nation from a foreign cyber attack?

General ALEXANDER. Yes.

17. Senator INHOFE. General Alexander, do you agree that establishing bureaucracies and duplicative efforts at DHS would be unwise?

General ALEXANDER. Yes. We've worked hard at the leadership level of NSA/CYBERCOM, DHS, and FBI to define and articulate our roles and responsibilities to minimize duplication and close gaps in the cyber mission area. Ensuring the Nation's cybersecurity is a shared responsibility, with Department of Justice (DOJ)/FBI, DHS, and DOD, each carrying out important roles and responsibilities as part of the broader U.S. Federal Cybersecurity Operations Team.

MILITARIZATION OF THE INTERNET

18. Senator INHOFE. General Alexander, a recent statement by the American Civil Liberties Union (ACLU) argues that locating a government-wide information sharing program "in a military agency like the NSA would create significant new threats to Americans' privacy, and must be avoided." Do you agree with the ACLU's statement?

General ALEXANDER. I strongly disagree with that statement. The men and women of the NSA and CYBERCOM are deeply committed to compliance with the law and the protection of privacy rights. This commitment is reinforced by a rigorous compliance program, extensive training and education, and multi-layered oversight by the DOJ, the Office of the Director of National Intelligence, the OSD, the Foreign Intelligence Surveillance Court, and multiple committees of Congress, as well as the NSA's own Inspector General. I am totally confident that any private sector cyber threat information received by NSA will be handled in a way that fully assures U.S. personal privacy and civil liberties.

OFFENSIVE CYBER OPERATIONS

19. Senator INHOFE. General Alexander, in the DSB's recent report on cyber, the DSB suggests that the United States should build and maintain world-class offensive cyber capabilities. However, they state that "preparing for full-scale force-on-force cyber battle is not well-understood." The report goes on to say that DOD needs to significantly increase the number of qualified cyber warriors and enlarge the offensive cyber infrastructure commensurate with the size of the threat." Do you agree with their assessment?

General ALEXANDER. I agree. The focus of their assessment is that we don't have the workforce in place to accomplish the tasks. In coordination with our Service cyber components, CYBERCOM is forming, training, certifying, and fielding a world class cyber force—approximately 6,000 strong. We recently identified 42 specific work roles required to plan and execute cyberspace operations. We have developed the standards and skills required to operate with those proficiencies in work roles. We are identifying existing training and in many cases developing training that will satisfy the knowledge, skills, and ability requirements. Another challenge, correctly identified by the DSB, is building world-class capabilities. We must prepare not only for the offensive engagement, but must maintain defensive capabilities; both forces and architecture. Over time we will develop the people and force structure to integrate both world-class offensive and defensive cyber capabilities through our Cyber National Mission Teams, Cyber Combat Mission Teams, and Cyber Protection Forces.

The development of the Nation's Cyber Mission Force will culminate in fiscal year 2016 with 133 total teams: 21 teams for a Cyber National Mission Force (CNMF), 44 teams for a Cyber Combat Mission Force (CCMF), and 68 teams for a Cyber Protection Force (CPF). The presentation of these forces will be as follows:

- CNMF
  - 13 Cyber National Mission Teams (CNMT) of 64 personnel each.
  - 8 Direct Support Teams (DST) of 39 personnel each (supporting the 13 CNMTs).
- CCMF
  - 27 Cyber Combat Mission Teams (CCMT) of 64 personnel each.
  - 17 Direct Support Teams (DST) of 39 personnel each (supporting the 27 CCMTs).
- CPF
  - 48 Cyber Protection Platoons (CPP) of 39 personnel each (supporting the lines of effort for "Defend the Nation", "DODIN", and "Military Services").
  - 20 CPPs of 39 personnel each (supporting Combatant Commands).

20. Senator INHOFE. General Alexander, do you agree that we should also be preparing and build our forces to support preemptive cyber operations?

General ALEXANDER. Yes.

21. Senator INHOFE. General Alexander, is the number of cyber warriors you have today commensurate with the threat we face? If not, what is that number?

General ALEXANDER. [Deleted.]

22. Senator INHOFE. General Alexander, is the size and capability of the offensive cyber infrastructure commensurate with the size of the threat? If not, why not?

General ALEXANDER. [Deleted.]

OVER-CLASSIFICATION OF CYBER-RELATED INFORMATION

23. Senator INHOFE. General Alexander, one of your predecessors, General Michael Hayden, has argued that the Government classifies too much information on cybersecurity vulnerabilities. Do you agree with General Hayden's assessment that this stuff is overprotected, and if so, why do you suspect General Hayden feels this way?

General ALEXANDER. General Hayden's statements are consistent with the findings of the 9/11 Commission and the Reducing Over-Classification Act of 2010 in acknowledging the challenges of over-classification of national security information. In accordance with Executive Order 13526, the Secretary of Defense delegated Original Classification Authority to me as the CYBERCOM Commander. I am aware of the dangers of over-classification and my obligation to classify national security information at the lowest appropriate level.

24. Senator INHOFE. General Alexander, do you believe that the declassification of threat signatures could help facilitate increased information sharing between the public and private sector?

General ALEXANDER. [Deleted.]

LINKAGE BETWEEN NUCLEAR REDUCTIONS AND NUCLEAR MODERNIZATION

25. Senator INHOFE. General Kehler, the 2010 NPR made clear the linkage between investments in nuclear modernization and the ability to make reductions in the U.S. nuclear arsenal: "by modernizing our aging nuclear facilities and investing in human capital, we can substantially reduce the number of nuclear weapons we retain as a hedge against technical or geopolitical surprise." Please explain the linkage between nuclear modernization and nuclear reductions inherent in the 2010 NPR and in the New START Resolution of Ratification—and how that linkage guides your assessment of our nuclear force posture.

General KEHLER. The United States retains a nondeployed stockpile of weapons to compensate for the limitations of our aging production facilities—especially our uranium and plutonium processing capabilities—as well as to mitigate technical risk in our deployed weapons and hedge against geopolitical uncertainty. We need to complete the design and construction of the Uranium Capabilities Replacement Facility at Y–12, and invest in an interim plutonium production capability to meet the stockpile's near-term maintenance, surveillance, and life extension requirements. Over the long-term, sustained investment (to include a permanent, modern plutonium facility) is needed to develop a modern, responsive nuclear enterprise that will allow the United States to reduce its reliance on the nondeployed weapon stockpile.

POTENTIAL CHANGES IN U.S. NUCLEAR WEAPONS GUIDANCE

26. Senator INHOFE. General Kehler, why is the administration contemplating changes to well-established nuclear deterrence requirements and targeting requirements—requirements that informed your command's support for the New START treaty?

General KEHLER. Due to many factors, to include the pending expiration of the START I treaty, sufficient time was not available to conduct a nuclear employment policy and guidance review prior to New START treaty negotiations. The NPR report discusses the need for an updated assessment of deterrence requirements which aligns with my belief that a periodic review of policy and guidance makes sense. STRATCOM has participated in a study which examined possible changes to nuclear employment policy and guidance to align them with the principles contained in the NPR. Results of that study and review are pending.

27. Senator INHOFE. General Kehler, what is wrong with the current guidance?

General KEHLER. Periodic policy and guidance reviews are prudent and appropriate, and do not by themselves indicate that anything is "wrong" with the policy. Historically, most Presidents have reviewed nuclear policy and guidance and adjusted these when needed to meet U.S. national security needs.

28. Senator INHOFE. General Kehler, has there been a change in global security conditions that warrants a guidance change, and has STRATCOM been involved?

General KEHLER. Yes, there have been numerous changes in the international security environment since presidential guidance was last updated—one of several reasons to conduct such a review. STRATCOM has been involved and I was given every opportunity to provide my best military judgment on the issues.

FLEXIBILITY IN NUCLEAR TARGETING

29. Senator INHOFE. General Kehler, do you agree we need a spectrum of nuclear employment options and flexibility in targeting? Or, is it sufficient merely to be able to attack a certain number of Russian cities?

General KEHLER. As the combatant commander tasked with strategic deterrence, it is my responsibility to develop nuclear force employment plans as directed by the President, Secretary of Defense, and Chairman of the Joint Chiefs of Staff. The nature and extent of the options and flexibility required is a function of that guidance.

VERIFICATION AND IMPLICATIONS OF CHEATING

30. Senator INHOFE. General Kehler, what might be the military significance of cheating with tactical nuclear weapons, which are not covered by New START and where the Russians enjoy a significant superiority over the United States?

General KEHLER. The Intermediate-Range Nuclear Forces (INF) treaty is the only treaty that limits non-strategic nuclear forces. Both the United States and Russia have met all their obligations under the INF treaty. I'm hesitant to speculate on the military significance of "cheating" without understanding which provisions of the agreement are being violated and the nature of the violation.

31. Senator INHOFE. General Kehler, has the United States ever set up a verification regime for tactical nuclear weapons?

General KEHLER. Although there have been unilateral/reciprocal measures to reduce non-strategic weapons (e.g. Presidential Nuclear Initiatives), verification measures have not been applied to these agreements.

32. Senator INHOFE. General Kehler, do you think the U.S. Government knows how to verify compliance with reductions in non-strategic nuclear weapons, which can be as small as an artillery shell?

General KEHLER. The physical characteristics of non-strategic nuclear weapons would require different verification measures than are currently in place for New START. Absent the details of a reduction agreement and associated verification regime, I cannot comment on the effectiveness of such a program to verify compliance.

COST OF THE NUCLEAR DETERRENT

33. Senator INHOFE. General Kehler, at the House Energy and Water Appropriations Subcommittee hearing on the fiscal year 2014 budget, Chairman Frelinghuysen asked Don Cook, the Deputy Administrator for Defense Programs, if further reductions in the U.S. stockpile would save money in the annual budget. Dr. Cook's response was, "I'd answer the question directly by saying not much . . . So not much savings will be achieved." Do you agree with Dr. Cook that there are not large savings associated with reducing the U.S. nuclear stockpile?

General KEHLER. I agree with Dr. Cook's assessment. There are significant fixed infrastructure costs required to maintain a safe, secure, and effective nuclear deterrent regardless of the size of the underlying stockpile. Therefore, we would not immediately expect large cost savings associated with reducing the U.S. nuclear stockpile.

34. Senator INHOFE. General Kehler, according to section 1043, "Estimate of Budget Requirements over the 10-year period," submitted to Congress by DOD last year, the 10-year cost to modernize and sustain nuclear delivery systems is estimated at $119 billion, which doesn't include the cost of the follow-on ICBM and full costs for the new bomber. Also included is another $36 billion over 10 years for nuclear command and control, for a total of $155 billion over 10 years, or $15.5 billion per year, which amounts to approximately 2.3 percent of a $600 billion defense budget. Is this an accurate assessment of DOD costs to sustain and modernize the U.S. nuclear deterrent?

General KEHLER. Yes, it is. In the May 2012 report pursuant to section 1043 of the National Defense Authorization Act for Fiscal Year 2012, DOD provided a 10-year cost estimate to sustain a safe, secure, and effective nuclear deterrent. Some costs, such as a potential Minuteman ICBM replacement or the full cost of a new bomber, were not included in this estimate as these efforts were not yet official programs of record or their costs extended beyond the report's 10-year period.

HOMELAND MISSILE DEFENSE

35. Senator INHOFE. General Kehler, what are the potential benefits for the defense of the Homeland of deploying: additional ground-based interceptors (GBI) at Fort Greely, AK; additional GBIs at a site on the east coast of the United States; an X-band radar on the east coast of the United States; and SM–3 block IIA missiles on the east coast of the United States or on ships deployed near the east coast?

General KEHLER. Secretary Hagel's 15 March 2013 announcement to deploy additional GBIs to Fort Greely will enhance our capacity to address a limited ballistic missile threat to the United States from North Korea or Iran. Additional GBI sites would add more capacity to defend the United States and a variety of options to include an east coast missile site are being studied. We are working with the Missile

Defense Agency to explore potential benefits and locations of additional sensors, but it appears installation of an X-band radar on the east coast may not track a ballistic missile threat early enough in its flight to employ an interceptor. Stationing SM–3 IIA missiles on or near the east coast would likely be of limited use because they are designed to defeat intermediate-range rather than intercontinental ballistic missiles.

QUESTIONS SUBMITTED BY SENATOR JOHN MCCAIN

CHINA'S CYBER THREAT

36. Senator MCCAIN. General Alexander, on Monday, March 11, 2013, the National Security Adviser said, "specifically with respect to the issue of cyber-enabled theft, we seek three things from the Chinese side. First, we need a recognition of the urgency and scope of this problem and the risk it poses—to international trade, to the reputation of Chinese industry, and to our overall relations. Second, Beijing should take serious steps to investigate and put a stop to these activities. Finally, we need China to engage with us in a constructive direct dialogue to establish acceptable norms of behavior in cyberspace." Would you agree with recent reports that suggest that the Chinese Government, and in particular the Chinese military, is responsible for the repeated acts of cyber-espionage and cyber-attacks on our government and industry?

General ALEXANDER. [Deleted.]

37. Senator MCCAIN. General Alexander, would you agree that, absent some kind of consequences, China will continue doing exactly what it has been doing for years now?

General ALEXANDER. Yes. The United States is working with allies and partners in the region and internationally to make clear to China that its behavior is not acceptable to the majority of international actors.

38. Senator MCCAIN. General Alexander, from your perspective what is our government doing to raise the consequences on China for its role in the blatant theft of billions and billions of dollars of our intellectual property?

General ALEXANDER. [Deleted.]

CYBER DEFENSE

39. Senator MCCAIN. General Alexander, cyber networks within our country, both public and private, have been facing a growing cyber threat originating from places like China and Iran. Who is responsible for defending the United States from an attack originating outside of our borders?

General ALEXANDER. In the event of a foreign cyber attack on the United States with the potential for significant national security or economic consequences, the DOD, through CYBERCOM and with the support of NSA/CSS, would conduct foreign operations to neutralize the threat and/or deny the adversary the capability. The DOJ/FBI would lead domestic national security operations. DHS would secure Federal civilian government networks (".gov"), and coordinate the protection of the critical infrastructure. Post attack, DHS would lead any necessary national recovery and reconstitution efforts.

40. Senator MCCAIN. General Alexander, according to numerous reports, economic espionage and intellectual property theft are costing our country billions of dollars annually. Given this reality, what is the administration doing to curtail economic espionage and intellectual property theft?

General ALEXANDER. [Deleted.]

41. Senator MCCAIN. General Alexander, what role does CYBERCOM have in this respect?

General ALEXANDER. [Deleted.]

42. Senator MCCAIN. General Alexander, what is CYBERCOM's role in safeguarding intellectual property and national security information held by defense contractors who support DOD programs?

General ALEXANDER. The DOD's Cleared Defense Contractors (CDC), not CYBERCOM, are responsible for protecting the intellectual property and national security information they hold. In accordance with guidance from the Deputy Sec-

retary of Defense, all DOD components, including CYBERCOM, are responsible for encouraging eligible CDCs to consider participating in the voluntary Defense Industrial Base (DIB) Cyber Security and Information Assurance (CS/IA) program and its optional DIB Enhanced Cyber Security Services (DECS) component. Additionally, section 941 of the National Defense Authorization Act for Fiscal Year 2013 mandates cyber intrusion reporting by CDCs. This should improve our shared understanding of cyber threat activity and our ability to respond to potential damage to critical programs if national security information and intellectual property are compromised.

QUESTIONS SUBMITTED BY SENATOR ROY BLUNT

NATIONAL GUARD ROLE IN CYBER INITIATIVE

43. Senator BLUNT. General Alexander, what is the cyber expert shortfall in CYBERCOM? It has been reported that CYBERCOM wants to expand its cyber workforce from 900 personnel to 4,900 troops and civilians.

General ALEXANDER. It is true that CYBERCOM has developed a manning construct that, when fully manned, will be approximately 6,000 personnel. However, those numbers are not increases to CYBERCOM headquarters staff. The teams are divided among our Service components, in support of three mission areas: defending the Nation from attack, support to combatant commanders, and defense of DOD's networks using cyber protection platoons. The Service components are much better equipped to accurately describe any shortfalls in expertise or gaps in force numbers.

CYBERCOM realizes that the National Guard and Reserves will play a critical role in our mission to defend the Nation within the cyber domain. The National Guard and Title 10 Reserve Forces represent a significant part of the potential capability and capacity of CYBERCOM to conduct effective cyberspace operations in both Federal and domestic operations. To that end, the CYBERCOM Guard and Reserve Directorate in coordination with NORTHCOM and the National Guard Bureau Joint Staff will develop a National Guard and Title 10 Reserve Forces Integration Framework that builds on using the unique talents and title 32 authorities of the National Guard and private sector skills within Title 10 Reserve Forces into the Cyber Mission Force construct. Together we are working in concert with the Service components to bring a Total Force approach to this effort.

44. Senator BLUNT. General Alexander, how do you plan to locate, hire, and train enough skilled people to provide for the increase in demand?

General ALEXANDER. The Services are currently applying existing personnel resources to the Cyber National Mission Teams and will continue to do so over the next 2½ years. Each Service has "revamped" their career fields that feed the cyber workforce to maximize utilization of personnel resources to accomplish their Service-specific missions as well as needs of joint commanders. Additionally, the Services have reprioritized student through-put in their technical training schoolhouses and accelerated training schedules to fill the teams along the timetable we've established. Even with these efforts to reorganize and reprioritize, we know that a significant gap in the teams' manning will remain. Included in this approach is the pursuit of select National Guard and Reserve Forces who have been vetted through the security clearance process and bring specialized civilian cyber skill sets, usually along with previous Active-Duty military experience, to the fight.

To attract and retain highly-qualified civilian employees, we have at our disposal numerous incentive programs and tools to include: Schedule-A hiring authority, superior qualification step increases, leave accrual, relocation bonuses, and tuition repayment bonuses. We are also partnering with academic institutions where cyber skills are being developed and offering opportunities including scholarships and internships. Internally, we identify talent in our existing workforce by selecting junior employees from other closely-related fields for career broadening and developmental opportunities.

45. Senator BLUNT. General Alexander, how can the National Guard and Reserve—in partnership with combatant commanders, the FBI, and DHS—complement the work being done here in the Homeland?

General ALEXANDER. Our National Guard and Reserves play a critical role in defending the Nation in the air, land, and sea domains. It will be no different in the cyber domain. In fact, their title 32 authorities could enhance DOD's role in responding to local cyber attacks and computer security emergencies. I have sat down with the Guard leadership, all the adjutant generals from all the Guard, and talked

about the role and responsibility of the Guard in cyber space. I think there are two key things that they can do. Setting up protection teams and training them to the same standard as the Active Force, gives us additional capacity that we may need in a cyber conflict. It also provides us an ability to work with the States, with the Joint Terrorism Task Force and cyber forces the FBI has, and with DHS to provide additional technical capacity for resilience and recovery.

BOMBER PROGRAM AMID FISCAL UNCERTAINTY

46. Senator BLUNT. General Kehler, how will the readiness of our bomber fleet be affected by sequester budget cuts, assuming you have the flexibility to prioritize and target the cuts? For example, I assume a number of bomber pilots' certification will be affected by a reduction in their training resources and flying hours.

General KEHLER. The U.S. nuclear deterrent force remains capable of responding with overwhelming force to any attack on our country or our allies. The Air Force has established a plan to keep sufficient aircrews from each nuclear capable bomber platform proficient and prepared to meet all of STRATCOM's missions. To bridge the gap until more flying hours become available, remaining aircrews will maintain a reduced level of mission readiness through ground training and simulators. I am concerned that continued reductions to bomber flying hours will eventually impact crew proficiency across all mission areas.

47. Senator BLUNT. General Kehler, how do you prioritize decisions like these? I have to think that keeping our bomber pilots certified to respond to unforeseen global contingencies is pretty important, right?

General KEHLER. Ensuring bomber pilots are certified to respond to unforeseen global contingencies is an important part of the U.S. nuclear deterrent. STRATCOM emphasizes this priority through coordination and planning with the Air Force to keep sufficient aircrews from each nuclear capable bomber platform proficient and prepared to meet all of STRATCOM's missions. To bridge the gap until more flying hours become available, remaining aircrews will maintain a reduced level of mission readiness through ground training and simulators. I am concerned that continued reductions to bomber flying hours will eventually impact crew proficiency across all mission areas.

FOREIGN CYBER ATTACKS

48. Senator BLUNT. General Alexander, I just read an article in the Times that said China reportedly is calling for international "rules and cooperation" on internet espionage issues. At the same time, they continue to insist the accusations that the Chinese Government is involved in hacking attacks amounts to a false smear campaign. Can you comment on that, and also tell us what we can do to deter China from making unwise decisions in the realm of cyber?

General ALEXANDER. [Deleted.]

49. Senator BLUNT. General Alexander, how capable do you believe they are?

General ALEXANDER. [Deleted.]

50. Senator BLUNT. General Alexander, have we established clear rules of engagement under which CYBERCOM will operate?

General ALEXANDER. Not yet, but we are making progress. Cyberspace is a new area of conflict in which many norms that exist in other domains have not yet been established. As a result, we are still developing cyberspace specific rules of engagement that have the level of fidelity found in rules of engagement for land warfare or other more established military activities. The first version of cyberspace Standing Rules of Engagement developed to be consistent with the new Presidential Policy Directive 20, has been developed and forwarded to the Secretary of Defense for approval and is expected to be signed in the near-term.

51. Senator BLUNT. General Alexander, which segments of the private sector should fall under DOD's responsibility? In other words, which elements of the private sector—if attacked—would be considered an "extension" of U.S. Government facilities?

General ALEXANDER. DOD is responsible for defending the Nation from foreign cyber attack, wherever that foreign cyber attack may be directed. In the event of a foreign cyber attack on the United States with the potential for significant national security or economic consequences, the DOD would defend the Nation from

this attack by conducting foreign cyberspace operations. In a whole-of-government effort, the DOJ and FBI would also conduct operations to disrupt the threat domestically. The DHS would secure Federal civilian government networks (".gov") as well as coordinate protection of the critical infrastructure. Post attack, DHS would lead any national recovery and reconstitution efforts, if necessary.

The DOD depends on the private sector to sustain its operations—in both the short- or long-term—without the goods and services provided by a wide range of other elements of the Nation's critical infrastructure and beyond. While some such as Energy, Transportation Systems, Communications, and Information Technology are obvious, others such as Financial Services, Healthcare, and Food and Agriculture are also critically important. In the increasingly interconnected and interdependent global environment in which the DOD operates, the DOD's dependencies on these infrastructures extend beyond the critical infrastructure of our Nation to those of our allies and partners where we are located.

[Whereupon, at 12:20 p.m., the committee adjourned.]

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2014 AND THE FUTURE YEARS DEFENSE PROGRAM

TUESDAY, MARCH 19, 2013

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

U.S. EUROPEAN COMMAND, U.S. NORTHERN COMMAND, AND U.S. SOUTHERN COMMAND

The committee met, pursuant to notice, at 9:39 a.m. in room SH–216, Hart Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Reed, Nelson, Blumenthal, Donnelly, Kaine, King, Inhofe, McCain, Chambliss, Wicker, Ayotte, Fischer, and Cruz.

Committee staff members present: Peter K. Levine, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Joseph M. Bryan, professional staff member; Jonathan D. Clark, counsel; Ozge Guzelsu, counsel; Richard W. Fieldhouse, professional staff member; Michael J. Kuiken, professional staff member; Gerald J. Leeling, counsel; William G.P. Monahan, counsel; and William K. Sutey, professional staff member.

Minority staff members present: John A. Bonsell, minority staff director; Adam J. Barker, professional staff member; Steven M. Barney, minority counsel; Thomas W. Goffus, professional staff member; and Robert M. Soofer, professional staff member.

Staff assistants present: Jennifer R. Knowles, Kathleen A. Kulenkampff, and Bradley S. Watson.

Committee members' assistants present: Jeff Fatora, assistant to Senator Nelson; Mara Boggs, assistant to Senator Manchin; Chad Kreikemeier, assistant to Senator Shaheen; Marta McLellan Ross, assistant to Senator Donnelly; Karen Courington and Mary Naylor, assistants to Senator Kaine; Steve Smith, assistant to Senator King; Christian Brose, assistant to Senator McCain; Joseph Lai, assistant to Senator Wicker; Brad Bowman, assistant to Senator Ayotte; Peter Schirtzinger, assistant to Senator Fischer; Craig Abele, assistant to Senator Graham; Charles Prosch, assistant to Senator Blunt; and Brooke Bacak, assistant to Senator Cruz.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Good morning, everybody.

This morning the committee continues its review of the missions and operational requirements of our combatant commanders in preparation for consideration of the fiscal year 2014 national defense budget request. We welcome Admiral James R. Stavridis, USN, Commander, U.S. European Command (EUCOM) and Supreme Allied Commander, Europe; General Charles H. Jacoby, Jr., USA, Commander, U.S. Northern Command (NORTHCOM) and Commander, North American Aerospace Defense Command (NORAD); and General John F. Kelly, USMC, Commander, U.S. Southern Command (SOUTHCOM). We thank you all for your service, your leadership, and please pass along our gratitude to the men and women who serve in your commands for their dedication to the Nation and for their sacrifices, as well as for the sacrifices of their families whose support is so essential to the success of our military and of our Nation.

Admiral Stavridis, at last year's EUCOM posture hearing I said that it was likely your last appearance before this committee, and I'm glad I included the word "likely." So now we can thank you again for your nearly 4 years now as EUCOM Commander and Supreme Allied Commander, Europe, which I believe makes you one of the longest serving EUCOM commanders in recent history. You've been a steady hand on the tiller during some very turbulent times and we all wish you the best in your retirement from military service.

The witnesses before us represent the United States' commitment to defend the Homeland, to help our neighbors, and to come to the collective defense of our close allies in Europe. Yet our ability to meet these commitments has been put at risk by the arbitrary budget cuts called sequestration, resulting from the budget impasse here in Washington.

This committee is interested in hearing from each of you on how the Continuing Resolution and sequestration are affecting military operations and readiness in your areas of responsibility (AOR) and what would be the effect if sequestration continues.

Last Friday Secretary of Defense Hagel announced changes to our Homeland missile defense posture and plans, including plans to deploy an additional 14 ground-based interceptors (GBI) in Alaska in order to stay ahead of the evolving North Korean missile threat. Two previous intercept flight tests of the Ground-Based Midcourse Defense (GMD) system using the latest model of the exoatmospheric kill vehicle (EKV), so-called CE–2, resulted in failures. Secretary Hagel made clear that we would not deploy the new missiles until we have confidence from testing that they will work as intended.

The Missile Defense Agency (MDA) is taking steps to ensure that the CE–2 kill vehicle will work reliably and effectively before we produce or deploy more. They have already conducted a successful non-intercept test in January and an intercept test is planned for late this year. MDA is also planning an intercept test of the earlier interceptor with the CE–1 kill vehicle this summer to demonstrate that the system works as intended.

It is important that we take the time needed to make sure that we conduct adequate and operationally realistic testing so that we have confidence in the system, i.e., that we fly before we buy.

Friday's announcement also included a plan to increase our defenses of the United States against Iranian long-range missiles, with more interceptors deployed in the United States rather than in Europe. Secretary Hagel also emphasized that the U.S. commitment to the North Atlantic Treaty Organization (NATO) missile defense remains ironclad. He said that: "The missile deployments the United States is making in phases one through three of the European Phased Adaptive Approach, including sites in Poland and Romania, will be able to provide coverage of all European NATO territory as planned by 2018."

We would be interested to hear from General Jacoby and Admiral Stavridis about the proposed changes in our missile defense plans and posture.

Our trans-Atlantic relationship with our European allies remains fundamental to our national security interests. Nowhere is our mutual commitment more fully demonstrated than in the NATO-led International Security Assistance Force (ISAF) in Afghanistan, where countries from the EUCOM region contribute 90 percent of the non-U.S. forces in our international coalition.

Despite some public weariness with the Afghan conflict and despite problems created for our troops and for our continued presence by the rhetoric of President Karzai, the coalition has demonstrated its cohesion, adapting an "in together, out together" approach through the 2014 end date for the ISAF combat mission in Afghanistan.

At the recent NATO defense ministerial, NATO members reconsidered an earlier proposal to reduce the size of the Afghan forces by one third after 2014. That was followed last month with the good news that alliance defense ministers agreed to change course and approved maintaining the Afghan security forces at their current level of 352,000 through at least 2018. This will send an important message of reassurance to the Afghans as we draw down U.S. and coalition forces. I understand at the NATO meeting several defense ministers also expressed a willingness to participate in a possible post-2014 NATO training mission in Afghanistan.

Another issue discussed at the recent ministerial was the appropriate role of NATO with regard to Syria. While Syria is not in EUCOM's area, its impact is being felt by key allies in the region, including Israel and Turkey. As the civil war in Syria continues to rage on, President Assad and his associates are resorting increasingly to the use of Scud missiles and other indiscriminate capabilities that terrorize innocent Syrians and increase further the flow of refugees out of Syria.

Former Secretary Panetta has discussed the possibility of more robust options for military support of the opposition last year and he agreed to bring this matter to his counterparts in Brussels. The recent decisions by the French and the British to provide lethal assistance directly to the Syrian opposition suggests that the position at NATO is by no means unified. Admiral Stavridis, I hope that you'll provide the committee with some context of our current thinking compared to that of our European partners as it relates

to Syria and possible additional roles for the alliance beyond the deployment of Patriot batteries.

EUCOM's responsibilities include managing our military-to-military engagement and cooperation with Russia, including through the NATO–Russia Council. This includes Russia's cooperation with the movement of coalition equipment out of Afghanistan along the Northern Distribution Network through Russia and over 110 military-to-military activities between our 2 militaries last year.

I hope, Admiral, that you'll provide us with your views of the value of and the prospects for further engagement with Russia.

NORTHCOM, which was established after the terrorist attacks of September 11, is responsible for the defense of the homeland and for providing defense support to civil authorities in response to domestic natural or manmade disasters, including those that could result from cyber events or attacks. We'd be interested in hearing how NORTHCOM and NORAD will contribute to the emerging domain of cyber security in the homeland and how they will work together with other elements of the U.S. Government in response to cyber threats.

My additional comments on NORTHCOM and on SOUTHCOM will be made part of the record, and again we thank you all for your attendance and for your great work on behalf of our country.

Senator Inhofe.

STATEMENT OF SENATOR JAMES M. INHOFE

Senator INHOFE. Thank you, Mr. Chairman.

Admiral Stavridis, General Kelly, and General Jacoby, I appreciate the time that you've given me and the rest of the members of this committee to fill us in on what is really going on. I guess this time, Admiral, this is going to be your final. I don't know whether you're going to go into perhaps education in some of these areas, but someone's going to benefit from all the great experience that you've had and the contributions that you've made.

Now more than ever before, the threats in the AOR and around the globe are interconnected. What happens in Europe, Latin America, and the Middle East, the Asia Pacific, and Africa has the potential of directly impacting our security here at home, our Homeland security that we talk about. This is particularly true with regards to Iran and North Korea. The new leadership in North Korea has escalated tensions in that region through provocative statements, military exercises, nuclear tests, and the development of a road-mobile missile delivery system.

But my major concern has been down in Iran. Our intelligence has told us since 2007 that they're going to have the weapon and a delivery system by 2015. It just seems like we ignore that. Now, while I'm encouraged that the President has reversed his earlier decision from 2009 to reduce the number of GBIs by 14, I'm glad that it's going back up by the same 14, however that doesn't resolve the problem of the east coast. We've talked about this several times, about a third missile site on the east coast. The threat is very real and needs to be corrected—needs to be addressed.

Closer to home, violence continues to escalate throughout Central and South America and in Mexico as a result of increasingly capable transnational criminal organizations. Their multi-billion net-

works deal in drugs, weapons, bulk cash, and now span through West Africa, Europe, and even right here in the Homeland of the United States. Combatting them requires whole-of-government solutions and robust cooperation with international partners.

There has not been a time in my life when things are—the world has been as dangerous as it is today and the threats more diverse. Yet, due to the planned budget cuts and sequestration, we are poised to cut our defense budget by a trillion dollars over the next 10 years. We're talking about what's already come out of the budget, that $487 billion. Another half trillion dollars would come through sequestration. It's kind of interesting. That is the only area where this administration has been actively cutting government.

This reality underscores the glaring need for a national military strategy that accurately reflects the global security environment we face. I am greatly concerned that, given the declining resources available to our military and the growing budget uncertainty, the current strategy is untenable. Starting with the strategic guidance issued in January 2012, it seems that we're falling into a trap of creating strategies based almost entirely on how quickly we can cut the defense budget, rather than as a result of an honest assessment of the threats we face and the resources required to address these threats.

So I'm very much concerned. Maybe I'm a minority nowadays, but I always thought that the major mission of the Federal Government is to protect the Homeland. We have to get back to that mentality and recognize the threat is greater than any threat that we have ever faced before. You guys are in the right position to do that.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Inhofe.

Admiral.

STATEMENT OF ADM JAMES G. STAVRIDIS, USN, COMMANDER, U.S. EUROPEAN COMMAND AND SUPREME ALLIED COMMANDER, EUROPE

Admiral STAVRIDIS. Chairman, Ranking Member, and members of the committee:

Thank you very much for taking time to hear from myself, General Jacoby, and General Kelly. I always say I feel very safe when I'm with a big Marine General and a big Army General. It's probably the safest team I could be up here with. So thank you for having us and putting us together for this panel.

As the chairman mentioned, I'm rounding out 4 years in my current position. Before that I was lucky enough to be down at SOUTHCOM in General Kelly's position. So this is my seventh appearance in this run in front of the committee. I've always enjoyed the dialogue, the give-and-take, and the chance to express what our commands are doing.

I think that as I look at the challenges for EUCOM where I am focused at the moment is first and foremost our work in and around Europe, which includes a number of things mentioned by the chairman and the ranking member, including the missile defense system, NATO system which is coming on line. I'm very fo-

cused on Afghanistan, which is the key operational mission for NATO at the moment, and I'll be glad to talk about that in some depth.

We are, of course, monitoring the situation in the Levant extremely closely. It's very close at hand to Europe and part of EUCOM's responsibility includes military-to-military relations with Israel. So we watch that area very closely.

We don't talk as much about areas like the Balkans, the Caucasus, the Baltics. All of those remain extremely important as well. As the ranking member mentioned a moment ago, there are a wide variety of other issues, from Special Operations to humanitarian disasters, countering terrorism, organized crime, cyber. So it's a very rich agenda.

If I had one overriding message for the committee today, I'd like to answer the question, why Europe? Why should we continue to be engaged in Europe? What's important about this part of the mission for the Department of Defense (DOD)? I would say very quickly that, first and foremost, it's the values that we share with this pool of partners in Europe, the democracies who stand with us on freedom of speech, freedom of religion, freedom of the press.

Second, it's the economic bonds that bind us together. The United States represents about a fourth of the world's gross domestic product (GDP). The nations of Europe represent another fourth. NATO in total is about 50 percent of the world's GDP and it's $4 trillion a year that crosses that Atlantic. So I think that trans-Atlantic connection has an important economic component as well.

Third, geography matters. Sometimes people say to me, why do we need those bases in Europe? They're just—they're the bastions of the Cold War. I would counter by saying that they're not. They're forward operating bases in the 21st century and they allow us to extend support to EUCOM—from EUCOM to U.S. Africa Command, to U.S. Central Command (CENTCOM), and the Levant area as well.

Fourth, I'd say NATO itself is important, the alliance. We serve together around the world in a wide variety of missions that we can talk about this morning.

Then fifth and finally, nowhere else in the world will we find such a complete and capable group of allies who have the technology, the training, the force levels to help us. We need to encourage our European partners to spend more on defense. I do that consistently and I'm glad to talk about that today. But I do believe these connections are important for us and will be so going forward into the future.

So, members of the committee, I'll conclude by saying again thank you on behalf of EUCOM. Thank you for the support of this committee. I'll pass your thanks on to them as well, and I look forward to answering your questions this morning.

[The prepared statement of Admiral Stavridis follows:]

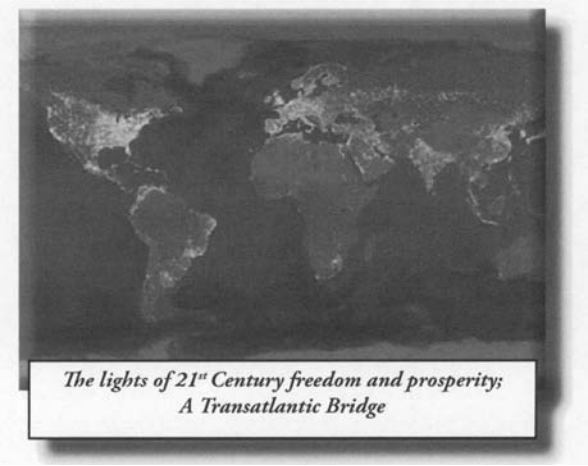
PREPARED STATEMENT BY ADM JAMES G. STAVRIDIS, USN

INTRODUCTION AND OVERVIEW

Mr. Chairman, ranking member, and distinguished members of the committee: Thank you for the opportunity to appear again before you today. For nearly 4 years now, I have commanded the exceptional men and women of the United States Euro-

pean Command and the North Atlantic Treaty Organization (NATO), Allied Command Operations. It has been the privilege of a lifetime, for a mission I deeply believe in: one that directly links U.S. national security and the American way of life with our most steadfast allies and partners in vital strategic partnerships that produce global security and stability. I can report to you today that we continue to make strong progress—in military operations, theater security cooperation, strategic rebalancing efforts, and important initiatives with our international, interagency, and public-private partners—to protect America's vital national security interests and provide stability across Europe and Eurasia. In meeting this enduring mission, most recently endorsed and mandated in the Department's 2012 Defense Strategic Guidance, Sustaining U.S. Global Leadership: Priorities for 21st Century Defense, these exceptional men and women continue to provide for the forward defense of the United States and ensure the collective security and continued viability of the NATO Alliance.

Today, thanks to decades of sustained leadership, tireless devotion, and ironclad commitment on both sides of the Atlantic, the United States and our historic allies enjoy an unprecedented degree of freedom, interconnectedness, economic opportunity and prosperity, and interdependence toward achieving these common goals of global security and stability. Indeed, as former Secretary of State Clinton remarked in assessing the legacy of the last century and its impact on the current one: "Today's transatlantic community is not just a defining achievement of the century behind us. It is indispensable to the world we hope to build together in the century ahead."



This partnership and investment, made in the 20th century, continues to pay us considerable dividends in the 21st. For even as the global economy fights through its current perturbations, the fact remains that the transatlantic partnership—rooted in the stability that flows from security—constitutes nearly half the world's Gross Domestic Product (GDP) and a third of global trade. The transatlantic economy is valued at nearly $31 trillion,[1] generates approximately $4 trillion in annual trade revenue, and supports 15 million jobs.[2] Acting together, the United States and Europe still command the heights of the global economy, and maintain the advantage that position offers.

In support of that position, our European partners continue to make important financial and military contributions to our shared security. For, in spite of recent and oft-repeated criticisms focused exclusively on single national contributions, the fact is that, collectively, our European allies and partners are annually investing nearly $300 billion on defense, second only to the United States ($600 billion) and

[1] CIA World Factbook, https://www.cia.gov/library/publications/the-world-factbook/rankorder/2001rank.html.

[2] European Commission Directorate-General for Trade, "Report on European trade with the United States," http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/countries/united-states/.

well ahead of available figures on annual defense expenditures by China ($140 billion) and Russia ($70 billion).[3]

It is also a fundamental reality of the modern security environment—one recognized in the 2012 Defense Strategic Guidance—that these defense contributions and NATO's continued evolution have transformed Europe, in the span of a single generation, from a security consumer to one of the world's most important security producers. Today, NATO militaries include 750 ships, 24,000 aircraft, and over 3 million active duty personnel. Over the past decade, as these assets were vigorously put to use, our European allies and partners made conscious national decisions to set aside the security paradigms of the previous century and stand shoulder-to-shoulder with the United States, making unprecedented deployments on out-of-area expeditionary operations to confront 21st century threats. It remains one of history's more ironic twists that NATO's only Article 5 declaration was made by our NATO allies in the defense of the United States after the events of September 11, 2001.

In the decade of war and military operations that followed, European military personnel comprised 80 percent of non-U.S. forces in Iraq and 90 percent of non-U.S. forces in Afghanistan—essentially a third of the International Security Assistance Force (ISAF). In addition, our European partners provided substantial military support—in command and control, basing, air sorties, and maritime interdiction—to execute Operation Unified Protector in Libya successfully in 2011. They also sustain 90 percent of the mission in Kosovo, provide 6,000 troops for U.N. peacekeeping operations across the world, and continue providing important support to current missile defense and counter-piracy operations. These are extraordinarily valuable contributions, both diplomatically and in terms of their relief on U.S. force generation requirements. They represent burden-sharing unparalleled in any other region of the world, showcasing the vital importance of our European allies and partners to U.S. national security interests and the viability of coalition warfare as we continue moving into the 21st century.

Yet, even as we acknowledge these extraordinary contributions and commitments, the fiscal realities and current inflection point that follow a decade of war have prompted necessary national deliberation to reconsider the U.S. defense strategy and rebalance global U.S. posture. Indeed, the Cold War and its strategic imperatives are long over. As the 2012 Defense Strategic Guidance makes clear, after 10 years of combat operations "our Nation is at a moment of transition" requiring us to put "our fiscal house in order here at home and renew our long-term economic strength." These considerations have increased scrutiny of U.S. posture in Europe. Yet, the reality is that U.S. posture in Europe has been steadily declining for more than 2 decades.

At the height of the Cold War, more than 450,000 U.S. forces were stationed across 1,200 sites on the European continent. Today, U.S. forces on the continent have been reduced by more than 85 percent and basing sites reduced by 75 percent. Indeed, shortly after release of the 2012 Defense Strategic Guidance, European Command announced further significant force structure cuts, phasing out the Army's V Corps Headquarters, the 170th and 172nd Brigade Combat Teams, three forward-stationed Air Force squadrons, and a host of Army and Air Force enablers in concert with the Department's strategic rebalancing effort. Additionally, over the past 6 years, the U.S. Army has dramatically consolidated its theater footprint, closing six garrisons and over 100 sites across Europe to consolidate and align its much smaller presence with enduring 21st century missions.

In light of these reductions, European Command is today comprised of approximately 64,000 joint forces—representing less than 5 percent of the military—strategically located across 21 main operating bases and smaller supporting sites. The command is sharply focused on the goals outlined by the Secretary of Defense in his own preface to the 2012 Defense Strategic Guidance. That guidance seeks to ensure that 'Joint Force 2020' is capable of: "maintaining our defense commitments to Europe; strengthening alliances and partnerships across all regions; deterring and defeating aggression by our adversaries, including those seeking to deny our power projection; countering weapons of mass destruction (WMD); effectively operating in cyberspace, space, and across all domains; maintaining a safe and effective nuclear deterrent; and protecting the homeland." For European Command, these remain our existing and most critical missions, performed from forward-stationed locations that protect the United States through strategic depth and distance, while providing our Nation the strategic agility and responsiveness to deal rapidly with 21st century crises and complex contingencies in an environment of unforgiving speed.

[3] The Guardian, "Military Spending: How Much Does the Military Cost at Each Country, Listed," http: www.guardian.co.uk/news/datablog/2012/apr/17/military-spending-countries-list.

Despite these realities, there persists in some quarters a notion that the strategic rebalance represents a zero-sum game for U.S. global posture, recalling debates from the last century pitting advocates of 'Europe first' or 'Asia first' against each other. Yet, what that century taught us, and what the 2012 Defense Strategic Guidance makes clear, is that the United States must retain its global reach, access, and prerogatives to maintain its status and influence as a global superpower, particularly in regions vital to U.S. economic well-being such as Europe and the Middle East. Power, like nature, abhors a vacuum. A zero-sum withdrawal or substantial diminishment of U.S. presence, influence, and supporting infrastructure across these vital regions provides opportunity for other rising powers to displace the United States, and gain the geostrategic benefits from that substitution.

The new strategic guidance is also clear in identifying the Nation's evolving strategic challenges, as well as its enduring strategic partnerships. While the guidance directs that the U.S. military will "of necessity rebalance toward the Asia-Pacific region," it also articulates that, in addition to working with America's allies in the Pacific, Europe remains "our principal partner in seeking global and economic security, and will remain so for the foreseeable future." Chairman Dempsey echoed this point at the strategy's roll-out: "Our strategic challenges are shifting, and we have to pay attention to those shifts. But what we do will always be built on the strong foundation of our traditional strategic partnerships, and NATO is chief among them." Thus, NATO remains an essential vehicle, given its more than 60 years of security experience, strong and progressive direction from the Lisbon and Chicago summits, and a decade of sustained investment and gains in expeditionary out-of-area operations, capabilities, and interoperability. Within this construct, European Command remains the essential catalyst, driving and strengthening that principal partnership through vital theater security cooperation and multilateral training events, particularly at places like U.S. Army Europe's full-spectrum Joint Multinational Training Command, centrally located and accessible in southern Germany.

Geographically, Europe provides the critical access and infrastructure to meet the Defense Strategic Guidance's priorities and expand U.S. global reach across half the world, to Europe and on to Eurasia, Africa, and the Middle East. America's enduring presence and leadership in Europe provides our Nation with an indispensable geostrategic platform—a metaphorical forward-deployed "unsinkable aircraft carrier"—to facilitate and conduct global operations in direct support of NATO, six U.S. Combatant Commands (European Command, Central Command, Africa Command, Transportation Command, Special Operations Command, and Strategic Command), a wide host of U.S. Government interagency organizations, and 51 U.S. Embassies. In accordance with the 2012 Defense Strategic Guidance, our evolved but enduring presence will continue to support these missions, assure our allies, deter potential adversaries, promote enhanced capabilities and interoperability for future coalition operations, support and provide leadership for NATO's continued progressive evolution, and provide critical forward defense against the rising threats of the 21st century.

The timing of the U.S. strategic rebalance—coming simultaneously with a number of other rapidly unfolding events in and around our theater, in places like Israel, Turkey, Syria, North Africa, the wider Middle East, and Afghanistan—has also provided the command with a strategic inflection point of our own to consider and to focus on as we move into the future.

European Command has aggressively leveraged this opportunity to undertake a significant strategic review last fall, guiding our implementation of the Defense Strategic Guidance and ensuring the responsible utilization and maximum efficiency of increasingly precious defense resources. That strategy acknowledges the environment we are witnessing: one characterized by decreasing resources and increasing instability; one that endorses the Department's emphasis to work with America's "most stalwart allies and partners" to maintain our commitments to allied security; one that promotes enhanced allied capacity and interoperability, ensuring that a decade of sustained investment and combat experience with these partners is not lost; and one that leverages resource pooling and sharing opportunities—such as NATO's 'Smart Defense' program—to economize our efforts as we meet the challenges of the 21st century.

In light of this environment and the path forward, European Command's new strategy tightly aligns our enduring posture with the command's most pressing 21st century missions and priorities. Those priorities include: the command's readiness to execute NATO Article 5 missions and other priority U.S. contingency plans; preservation of our strategic theater partnerships, both to enable a successful ISAF transition and to preserve the return on past U.S. investment in partner capability and interoperability; and European Command's charge to defend the Homeland forward against rising threats from ballistic missiles, international terrorism, WMD

proliferation, transnational illicit trafficking, piracy, and malevolence in cyberspace. European Command's new strategy will serve to ensure that our resources are harmonized effectively and efficiently across the command, that we are prepared to address conflict across the spectrum of operations with a focus on the most likely scenarios, and that we are meeting the growing need, based on fiscal realities, to align high-end training opportunities, capability development, and sustained outreach with our allies and partners on future coalition operations and military burden-sharing.

The transatlantic alliance is and will remain an essential foundation for sustained global security, stability, and freedom. It is a precious and profound generational inheritance from those who preceded us; a tool forged in the fire of the last century to provide us the edge we need in this one. In candid remarks on his departure, outgoing Secretary of Defense Robert Gates warned against the growing devaluation among American leadership of this inheritance: "The policymakers who will follow us will not have the same historical, personal, and, indeed, emotional ties to Europe and may not consider the return on America's investment in Europe's defense worth the cost . . . and that will be a tragedy." Former Secretary Panetta has also stated it clearly: "We live in a world of growing danger and uncertainty where we face threats from violent extremism, nuclear proliferation, rising powers, and cyber attack. We cannot predict where the next crisis will occur. But we know we are stronger when we confront these threats together. It is precisely because of these growing security challenges and growing fiscal constraints that we need to work more closely than ever as partners."

To summarize, there are five key responses to the question: "Why is Europe of such importance to the United States?" First, Europe is home to most of the world's progressive democracies; nations with which we share the fundamental values that are a critical element in building effective coalitions. Second, with a GDP of $19 trillion—a quarter of the world's economy—and approximately $4 trillion in annual trade with the United States, Europe's importance to the U.S. and global economies cannot be overstated. Third, the European theater remains critical geostrategic terrain, providing the United States with the global access it needs to conduct worldwide operations and crisis response. Fourth, Europe is the backdrop for NATO, history's most successful and effective alliance, and a vital partner for dealing with the challenges of the 21st century. Fifth, Europe is today a security exporter, possessing among the most highly trained and technologically advanced militaries in the world. No other region possesses such a comparable pool of capable and willing partners able to conduct global operations with the United States.

Therefore, our Nation must take care—even as we grapple with significant economic challenges and chart the necessary strategic reorientations—to protect, preserve, and continue evolving this extraordinary partnership. We must keep the transatlantic light burning brightly. It will help guide us as we continue navigating the shadows, complexity, and continuous evolution of the 21st century security environment. It will prove, as we persevere and rise to meet today's economic and security challenges, that we are still, and will remain, STRONGER TOGETHER.

> "Over a decade of war, from the mountains of Afghanistan to the shores of Tripoli, this alliance has proven its relevance in the security challenges of the 21st century. We have moved closer to realizing a vision for the Atlantic community articulated by President John F. Kennedy 50 years ago, envisioning that one day the United States would partner with a revitalized Europe 'in all the great and burdensome tasks of building and defending a community of free nations.'"—Former U.S. Secretary of Defense Leon Panetta

MISSION, VISION, PRIORITIES

Mission

The mission of the U.S. European Command is to conduct military operations, international military engagement, and interagency partnering to enhance transatlantic security and defend the United States forward.

Vision

We serve the Nation as an agile security organization executing full-spectrum activities in a whole-of-government framework to deliver solutions that contribute to enduring security and stability across the world.

2013 Theater Priortites:

1. Ensure readiness to execute European Command's NATO Article 5 commitment and other contingency plans.

2. Preserve our strategic partnerships.
   - Sustain relationship with our allies to ensure a strong NATO Alliance;
   - Preserve recently developed allied and partner capability and interoperability;
   - Maintain regional stability and security.
3. Enable ISAF's transition to Afghan security lead.
4. Counter transnational threats, focusing on: missile defense; weapons of mass destruction; counterterrorism; illicit trafficking; counterpiracy; and cyberspace.
5. Maintain U.S. strategic access across Europe in support of global operations.
6. Maintain particular focus on four key countries: Israel, Poland, Russia, and Turkey.

SUCCESS AND PROGRESS

Meeting the Chairman's Strategic Priorities

Aligned and Supporting Joint Force 2020

The Defense Strategic Guidance provides a blueprint for optimizing the U.S. Joint Force by the year 2020. This blueprint provides a 21st century fighting force that sustains U.S. global leadership, is postured to protect America's vital national security interests, stands ready to confront and defeat aggression anywhere in the world, and maintains the missions, capabilities, and capacity to prevail in the complex security environment of the 21st century. As part of that blueprint, the Chairman of the Joint Chiefs of Staff has outlined 10 critical mission areas for Joint Force 2020:

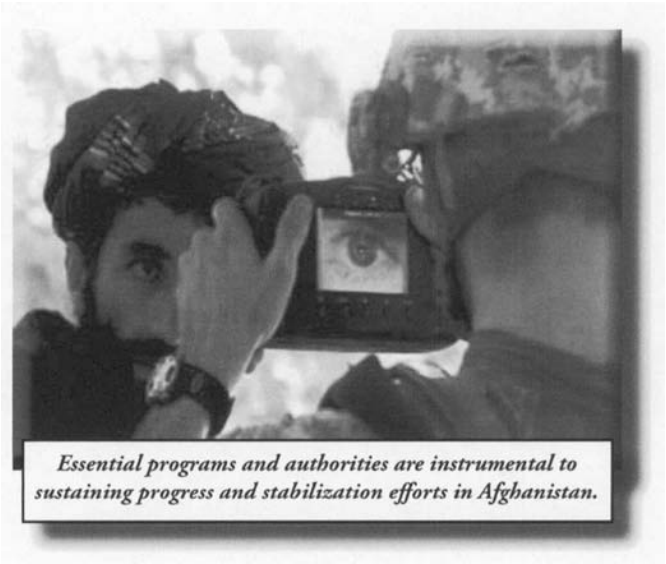
1. Counter Terrorism and Irregular Warfare
2. Deter and Defeat Aggression
3. Maintain a Safe, Secure, and Effective Nuclear Deterrent
4. Defend the Homeland and Provide Support to Civil Authorities
5. Project Power Despite Anti-Access/Area Denial Challenges
6. Counter Weapons of Mass Destruction
7. Operate Effectively in Cyberspace and Space
8. Provide a Stabilizing Presence
9. Conduct Stability and Counterinsurgency Operations
10. Conduct Humanitarian, Disaster Relief, and Other Operations

U.S. European Command is closely aligned with, and executing, all ten of these mission areas. Every day, through a wide array of operations, exercises, and supporting initiatives, conducted in conjunction with our allies and partners, European Command is providing the forward defense of the United States and preserving America's vital national security interests across multiple continents in each of these priority areas. Over the past year, we have achieved significant progress in line with the Chairman's strategic priorities. Highlights include:

1. Counter Terrorism and Irregular Warfare

Afghanistan

European Command continues a wide range of activities to enable a successful transition to Afghan security lead at the end of 2014. Our European allies and partners, who constitute a third of ISAF, have made an "in together, out together" commitment, with some countries, including Georgia, Hungary, and Romania, having recently increased their ISAF contributions to address critical shortfalls. Allied and partner special operations forces, working in concert with Special Operations Command Europe (SOCEUR) under the Partnership Development Program, have demonstrated a particularly noteworthy level of commitment, indicating their willingness to continue contributing to Afghan stabilization efforts beyond 2014 should this requirement exist. European Command leverages a number of essential programs and authorities, including Section 1206 (global train & equip), the Coalition Support Fund, the Coalition Readiness Support Program, and the SOCEUR Partnership Development Program to assist our allies and partners with necessary pre-deployment training and equipment needs. Through these vital programs, we have provided training in critical combat skills and specialized equipment to enhance our partners' downrange interoperability and operational effectiveness. The continued availability of these programs is essential to support the transition and post-2014 missions in Afghanistan.



Essential programs and authorities are instrumental to sustaining progress and stabilization efforts in Afghanistan.

In quarterly training rotations this year through U.S. Army Europe's Joint Multinational Readiness Center in Hohenfels, Germany, European Command has also prepared a total of 72 Security Force Assistance Teams from 16 countries for ISAF deployment. Additionally, we provided life-saving Counter-Improvised Explosive Device training to 2,481 personnel from 22 countries. To date, the command's Expeditionary Intelligence Training Program has developed counterinsurgency intelligence, analysis, and operational skill sets for over 1,000 personnel from 26 countries. European Command has expanded our 'Georgia Deployment Program' to support the simultaneous deployment of two Georgian battalions every 6 months to ISAF's Regional Command Southwest, where they operate in conjunction with the U.S. marines without caveats. U.S. Air Force Europe's Warrior Preparation Center has also contributed to the ISAF mission by training 60 Joint Tactical Air Controllers from 19 partner nations. Finally, in 2012, European Command obtained and delivered critical lifesaving equipment for deploying partners from 10 Central and Eastern European countries.

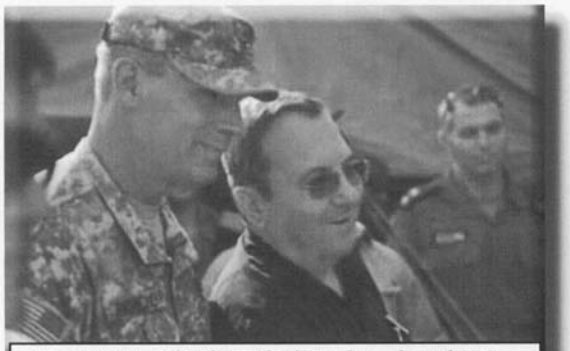
Theater Counterterrorism

Exercise Jackal Stone is U.S. European Command's premier Special Operations Force (SOF) training event. In 2012, this theater-wide SOF exercise was conducted in Croatia involving over 1,700 personnel representing 15 countries: Canada; the Czech Republic; Denmark; Estonia; Finland; France; Hungary; Italy; Lithuania; Latvia; Norway; Poland; Romania; Slovakia; and the United Kingdom. Exercise Jackal Stone honed theater SOF capabilities in all mission sets from counterterrorism to high-intensity conflict. The exercise validated Special Operations Task Force-Europe's ability to conduct special operations, and enhanced SOF relationships with these key partners who continue deploying to ISAF and fully support our strategy of active security.

2. Deter and Defeat Aggression

Austere Challenge

In its 8th year as European Command's premier joint force headquarters exercise, Austere Challenge 12—the largest and most significant exercise ever to take place in U.S. European Command since the end of the Cold War—continued to provide world-class training opportunities for U.S. European Command Headquarters, our Service component commands, and the Israel Defense Forces. An extensive, multi-phased event, Austere Challenge 12 exercised existing U.S. European Command plans and capabilities in the Levant, focused on combined missile defense training and interoperability with a critical partner in a challenging strategic environment. The exercise involved 3,500 U.S. personnel from all 4 Military Services, integrating U.S. Army Patriot batteries, Air Operations Center command and control capabilities, Aegis Ballistic Missile Defense (BMD) ships, and other air defense systems to sharpen combined defensive capabilities against a variety of threats. As part of the broader Austere Challenge event, European Command also conducted the largest of our combined exercises and engagements with Israel, Exercises Juniper Cobra and Juniper Falcon. These exercises also sustain the U.S.-Israeli political-military relationship, exercise important theater capabilities, and provide further demonstration of the United States' strong commitment to the security of Israel.



Israeli Minister of Defense Ehud Barak speaks with U.S. forces during Exercise AUSTERE CHALLENGE in October, 2012. AUSTERE CHALLENGE was the largest exercise conducted in EUCOM since the end of the Cold War. It involved 3,500 U.S. and 1,000 Israeli forces exercising critical air and missile defense capabilities.

The Combatant Command Exercise and Engagement Fund continues to be a linchpin for theater-wide Joint and Coalition training. In 2012, the fund supported 31 joint and coalition exercises, training European Command Headquarters staff and more than 25,000 U.S. military personnel across a full spectrum of critical missions from integrated air and missile defense to counterterrorism. This funding enables European Command and NATO to be a net exporter of security, from ISAF operations to the defense of Israel, and was instrumental in ensuring the success

of Exercise Austere Challenge 12, demonstrating a fully-rehearsed, seamlessly integrated missile defense capability and clear U.S. commitment to a key ally during a critical period.

3. Maintain a Safe, Secure, and Effective Nuclear Deterrent

Theater Nuclear Forces

U.S. European Command maintains a safe, secure, and effective theater nuclear deterrent in support of the NATO Alliance and enduring U.S. security commitments. Through rigorous and effective training, exercises, evaluation, inspection, operations, and sustainment, European Command ensures U.S. nuclear weapons, dual-capable aircraft, nuclear command centers, materials, procedures, and personnel are fully ready to support national strategic nuclear directives. Our annual program includes command-only exercises, such as Fig Leaf and Clover Leaf, as well as participation in the NATO Steadfast exercise series, and multiple Joint Staff, NATO, and U.S. European Command assessments and inspections.

4. Defend the Homeland and Provide Support to Civil Authorities

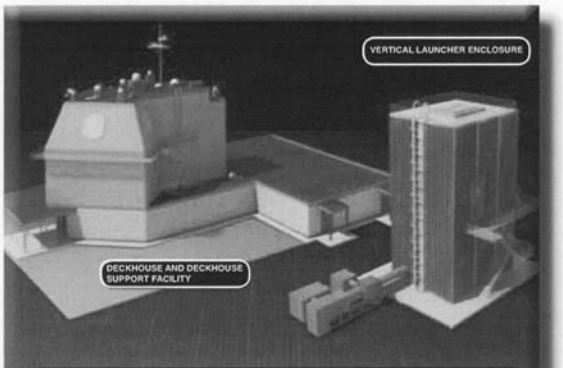
Collective Security Defends the U.S. Homeland

In 2012, U.S. European Command continued its mission to defend the Homeland forward by expanding our planning efforts with, and in support of, NATO. Through America's fulfillment of its Article 5 commitments, and a strong and enduring NATO Alliance, we support our national and collective security, manifested so clearly in NATO's historic and only Article 5 declaration, made in the wake of September 11, 2001.

Supporting the Fight against Transnational Organized Crime

Additionally, through the work of European Command's Joint Interagency Counter Trafficking Center (JICTC), we continue to provide strong support to the President's Transnational Organized Crime Strategy, the U.S. Government interagency, and numerous U.S. Country Teams working to counter global transnational illicit trafficking and terrorism. With profits from illicit enterprises estimated in the trillions, these efforts focus on disrupting versatile illicit networks who traffic in a wide host of destabilizing influences, including narcotics, terrorism, weapons (from small arms to WMD), human trafficking, and illicit finance. These networks pose a growing threat to the U.S. Homeland, as well as the security of our allied and partner nations. Through these efforts, we are contributing to U.S. interagency efforts to disrupt and dismantle these networks, and assisting our partner nations develop and refine the counter-trafficking and counterterrorism skills and capacity needed to keep these threats as far as possible from American shores.

5. Project Power Despite Anti-Access/Area Denial Challenges



A critical component of the European Phased Adaptive Approach (EPAA) to missile defense, this graphical depiction portrays what the Aegis Ashore facilities will look like in Romania and Poland.

Ballistic Missile Defense

Throughout 2012, European Command continued to improve its ballistic missile defense (BMD) readiness for the defense of Israel and Europe. In particular, 2012 saw the AN/TPY–2 radar—on-line at Kürecik, Turkey, since 2011—transition to NATO control as part of the European Phased Adaptive Approach (EPAA) to missile defense. Additionally, important EPAA Phase Two progress was made last year, as we successfully completed all international negotiations to forward-station four U.S. Navy Aegis BMD warships in Spain,and continued to prepare the Aegis Ashore site in Romania.

European Command has also taken a number of proactive steps to set the theater and increase our readiness in response to heightened instability in the Levant. Increased Intelligence, Surveillance and Reconnaissance (ISR) operations enable the command to maintain a close watch on that region. As the situation in the Levant became increasingly serious last year, we significantly increased our coordination and collaborative planning with our counterparts in the Israeli Defense Forces (IDF). European Command also took steps to increase our force posture and readiness during this time frame, in order to be prepared to rapidly execute operations in the Levant should it become necessary.

6. Counter Weapons of Mass Destruction

European Counter-Proliferation Stakeholders

Weapons of Mass Destruction (WMD) in the hands of a rogue state or non-state actors continue to represent a grave threat to the United States, our allies, and partners. In confronting this high-stakes challenge, one that possesses far-reaching and highly destabilizing consequences, several factors intersect across European Command's theater: the bulk of the world's WMD resides here; European population centers and U.S. military installations present numerous targets for terrorist organizations; and European ports and terminals are the last line of defense for much of the commercial traffic that enters the U.S. port system.

Our allies and partners share these concerns, and we continue to leverage their capabilities as we pursue efforts, both bilaterally and regionally, to reduce the potential for successful WMD trafficking. We have increased our preparedness through several military-to-military and military-to-civilian engagements, joint training events, NATO's annual consequence management exercise (conducted in conjunction with over 30 European nations), U.S. interagency cooperation, defensive consequence management planning with Israel, the work of the Joint Interagency Counter Trafficking Center, and other partnering to bolster our collective capabilities in this critical mission area.

7. Operate Effectively in Space and Cyberspace

Cyberspace Operations

European Command is pursuing a cyber posture that ensures mission assurance by protecting the command's critical data, information systems, and networks against an expanding number of increasingly sophisticated cyber threats. Over the past year, European Command has refined the organization and functionality of its Joint Cyber Center (JCC), which serves as the focal point for coordinating, integrating, and synchronizing the theater's cyber activities. It is an integral part of the command's contingency planning efforts and operations, working closely with U.S. Cyber Command and Service cyber components to ensure responsiveness to priority mission requirements in the cyber domain.

In an effort to enhance the security of its networks and enhance their operational effectiveness, European Command is also working with U.S. Africa Command and the U.S. Army to implement the initial increment of the Joint Information Environment. This is a multi-phased effort supporting the Department's migration from Service-centric networks to a single information technology infrastructure and common network architecture. This undertaking will allow analysts at each combatant command to assess potential cyber threats on a near-real time basis and react to potential adversary activity in a more cohesive and effective manner.

Cyber Defenses

European Command's cyber posture also includes military engagement to strengthen coalition networks and the cyber defense capabilities of our NATO Allies and Partnership for Peace nations. Thirty-seven European Command country cooperation plans include activities that help partners strengthen their cyber defense programs and exchange information about cyber threats and vulnerabilities. Successful again last year, European Command conducted Exercise Combined Endeavor

12, the largest communications and information systems interoperability exercise in the world. The event drew delegates from 40 nations (26 NATO and 14 Partnership for Peace countries) focused on partnership capabilities, operational preparation of deployable command, control, communications, and computer forces, cyber training and professional development, and the development of interoperability standards for cyberspace.

European Command also hosted Exercise Cyber Endeavor, which promotes a common standard for network defense processes and procedures. The exercise involved 175 participants from 32 countries, including NATO members and Warsaw Initiative Fund-resourced Partnership for Peace nations. It focused on malware analysis and reverse engineering, cyber incident response, and network and computer forensics. Through this capstone event with NATO, partner nations, academia, and industry, European Command is enhancing theater-wide cyber capabilities, and building strong defense partnerships to ensure that the United States and NATO are prepared to prevail in this critical domain.

8. Provide a Stabilizing Presence

Israel and the Levant

European Command's sustained engagement with Israel, through our theater security cooperation program and numerous annual military-to-military engagement activities, continues to strengthen our Nations' enduring ties and military capabilities. European Command chairs four bilateral, semiannual conferences with Israel addressing planning, logistics, exercises, and interoperability. Additionally, the U.S.-Israeli exercise portfolio includes eight major recurring exercises. Through these engagements, our leaders and staff maintain uniquely strong, recurring, personal, and direct relationships with their IDF counterparts.

U.S. Security Coordinator for Israel and the Palestinian Authority

European Command's comprehensive engagement strategy with Israel complements other U.S. Government security cooperation initiatives, including the important work of the U.S. Security Coordinator for Israel and the Palestinian Authority (USSC). USSC's mission is to help Israel and the Palestinian Authority meet security conditions to support a two-state solution; to transform and professionalize the Palestinian Authority's security sector; and to support U.S. and international whole-of-government engagement, with both the Israelis and the Palestinians through security initiatives designed to build mutual trust and confidence. Continued U.S. support for this engagement and the progressive capacity and capabilities of the Palestinian Authority Security Forces remain in the interest of overall Israeli-Palestinian regional security.

Kosovo

In advance of the Serbian elections last year, for which there were indications Serbia would attempt to organize illegally in the territory of Kosovo, European Command worked closely with Senior Department of Defense officials to identify Kosovo Force (KFOR) capacities, capabilities, and risks to mitigate against a deterioration in security resulting from such an effort. We prepared ground forces, forward-stationed in Germany, to deploy rapidly to reinforce KFOR if required. Though this augmentation was ultimately not needed as a diplomatic solution was found to allow the OSCE to administer polling sites where dual national Kosovo Serbs could vote, the proximity and presence demonstrated important U.S. resolve to continued stability in the Balkans.

Caucasus

With U.S. assistance, Georgia conducted cross-border Humanitarian Assistance and Disaster Response training with Armenia in 2012, and also continued to develop their biohazard threat analysis capabilities to enhance regional stability. Further south, European Command facilitated Armenia's participation in Exercise Combined Endeavor and the U.S. Marine Corps' Black Sea Rotational Force, efforts focused on regional security, while also providing non-commissioned officer training to the Armenian military. In Azerbaijan, European Command also involved Azerbaijan forces in the Black Sea Rotational Force, coordinated training events at the Joint Multinational Training Center in Germany, and provided section 1206-funded explosive ordnance disposal (EOD) training to Naval Special Operations Forces.

Pennsylvania National Guard Soldiers participating in a live-fire drill with Lithuanian soldiers during Exercise SABER STRIKE held in Adazi, Latvia. Lithuania is paired with Pennsylvania under the State Partnership Program. Lithuanian troops joined with 2,000 other forces from Latvia, Estonia, Finland, Canada, France and the United Kingdom for this important Baltic-focused multinational security exercise.

9. Conduct Stability and Counterinsurgency Operations

Baltic States

In support of this priority, focused on stability and expanding military-to-military cooperation to strengthen partner capabilities and reduce reliance on U.S. forces, European Command sponsored the 42nd annual Baltic Operations (BALTOPS) engagement, a maritime exercise which has grown to become the largest military-to-military event in the region. BALTOPS 2012 continued America's highly visible outreach and engagement in the Baltic region, supporting development of Latvian, Lithuanian, and Estonian maritime capabilities, enhancing regional and NATO Alliance unity of effort, and exercising a host of key military competencies focused on joint and combined air, land, and sea training. The exercise brought together 12 European nations—including Russia—27 ships, 33 aircraft, and 1 submarine to conduct tactical unit actions, in-port and at-sea events, and a culminating exercise employing multi-national sea and air forces. The exercise was important in promoting assurance and stability in this key maritime region, and expanding our engagement with Russia, one of European Command's leading priorities.

State Partnership Program

The National Guard State Partnership Program (SPP) remains one of European Command's most effective and efficient programs to enhance theater stability and influence the development of partner nation military capabilities. Launched in 1993 to reach out to former Warsaw Pact and Eastern European countries after the Cold War, the program accounts for 25 percent of European Command's theater security cooperation and military-to-military engagement programs with these nations. In the European Command Theater, SPP partners U.S. National Guard forces from 21 participating States with 22 allied and partner nations. SPP in the theater leverages other programs and authorities, such as National Guard annual training and Overseas Humanitarian, Disaster and Civic Aid program activities to conduct military training and education, pursue key theater security cooperation objectives, and foster positive relationships among junior and mid-grade military professionals. These relationships pay dividends as these professionals progress to ever higher positions of responsibility in their militaries. The program has also delivered a significant operational return on investment, with 19 participating nations contributing forces to ISAF, and 9 of these nations training, deploying, and serving side-by-side

with participating U.S. National Guard units in Security Force Assistance Teams and Provincial Reconstruction Teams across Afghanistan.

Dr. Darko Nisavic, a member of Montenegro's emergency medical team is hoisted aboard a UH-60 Black Hawk MEDEVAC helicopter by Sgt. Joseph Campbell of U.S. Army Europe's 12th Combat Aviation Brigade during last year's humanitarian assistance mission to rescue stranded Montenegrins affected by severe weather.

10. Conduct Humanitarian, Disaster Relief, and Other Operations

Disaster Relief

In 2010, in coordination with the U.S. Agency for International Development (USAID), European Command provided critical firefighting support to control wildfires raging across Russia and Israel. A year later, in August 2011, the Command provided significant disaster relief to Turkey in the wake of a devastating earthquake. Last year, in response to a particularly harsh winter, European Command provided rapid disaster response across the Balkans. In February 2012, blizzard conditions caused widespread power outages across Bosnia and Herzegovina, prompting officials to request emergency assistance from the international community. On short notice, European Command delivered badly needed parts and supplies to repair degraded military helicopters so that Bosnians could respond to isolated mountain communities. A short time later, Montenegro declared a similar state of emergency. European Command again answered the call, providing intra-theater lift to transport required material, personnel, and equipment to Montenegro, and dispatched two U.S. Army UH–60 helicopters to assist the government with emergency resupply and medical evacuation operations.

Humanitarian Assistance

European Command also supports civil-military engagement programs that focus humanitarian assistance and disaster response along four key lines of operation: disaster preparedness; education; health; and water and sanitation. These programs provide training and construction support to develop disaster preparedness in poorer regions of southeastern Europe and Eurasia. This program, also coordinated with USAID, generates significant 'soft power' for the United States, as efforts to renovate clinics, schools, orphanages, and water lines build tremendous goodwill and leave a lasting positive American legacy for a relatively modest investment. In 2012, the program obligated $9 million across 17 countries in the region to help build and reinforce stability.

To summarize, through the execution of the command's combined operations, theater exercises, interagency outreach, and security cooperation across each of these ten national mission areas, European Command is protecting and preserving every one of America's vital national security interests. These interest, defined by the Chairman of the Joint Chiefs are:

- Survival of the Nation (deterrence of nuclear attack);
- Survival of the global economic system (enabling physical and virtual flow of global commerce);
- Prevention of catastrophic attacks on the Nation (from ballistic missiles, WMD, or terrorists);
- Freedom of action for the United States (facilitate the exercise of American power);
- Secure, confident, and reliable allies and partners (fulfilling obligations to our partner states);
- Protection of American citizens abroad (defending diplomatic facilities and conducting hostage rescue, counterterrorism, and evacuation operations);
- Preserving and, where possible, extending universal values (human rights, democracy, humanitarian assistance and disaster relief).

Supporting each of these vital national security interests, European Command is making a difference, keeping America safe, and ensuring the Nation's defenses are Stronger Together with our European allies and partners.

CHALLENGES, OPPORTUNITIES, AND INITIATIVES

> "European security remains an anchor of U.S. foreign and security policy. A strong Europe is critical to our security and our prosperity. Much of what we hope to accomplish globally depends on working together with Europe."—Former U.S. Secretary of State Hillary Clinton

The most important challenge facing U.S. European Command is maintaining our readiness to conduct unilateral operations, as well as combined operations with our European allies and partners, to support our collective NATO Article 5 responsibilities, out-of-area operations, and other contingency missions. Today, rising tensions—stemming from declining resources, long-simmering ethnic strife, regional hegemonic desires impacting U.S. European Command area of responsibility partners' security, and a host of demographic, social, political, and economic forces—pose challenges and risk to security and stability in and around our theater. Enduring U.S. presence and engagement remains critical to preventing destabilizing influences or simmering resentments from erupting into violence or escalating into open conflict. While these challenges are real, European Command remains vigilant, proactive, and engaged to seek out opportunities in each of these challenges and leverage our presence, leadership, and capabilities to continue to protect U.S. vital national security interests and meet our collective security commitments.

Afghanistan

We have entered the critical transition period in Afghanistan. Over the next 20 months, ISAF must continue to fully recruit and field the Afghan National Security Forces (ANSF), both army and police, in order to shift the main security effort to the Afghans later this year. We must also prepare to support the Afghan presidential election and the NATO Training Mission-Afghanistan (NTM–A), while planning to redeploy thousands of ISAF forces and restructure our basing readiness to ensure that European Command is postured to support this redeployment and the post-2014 mission.

A Turkish UH-60 Black Hawk helicopter is loaded onboard a U.S. Air Force C-17 Globemaster at Incirlik Air Base, Turkey, for deployment to Kabul. EUCOM will provide indispensable logistical capacity and collaboration with U.S. Transportation Command to conduct significant U.S. and allied retrograde and redeployment operations from Afghanistan in 2013 and 2014.

European Command is involved in a wide range of supporting activities to enable a successful transition in Afghanistan in accordance with the 2012 Defense Strategic Guidance and NATO's Chicago Summit Declaration. As mentioned, European Command continues to leverage Section 1206, Coalition Support Fund, Coalition Readiness Support Program, and a host of other security assistance programs to provide the critical training and equipment that enable our European allies and partners—particularly Central and Eastern Europeans who are punching far above their weight in ISAF—to continue contributing to security and stability in Afghanistan. The continued availability of these authorities, particularly Section 1206, is essential to helping us meet the transition timeline and our post-2014 responsibilities. European Command is also providing critical logistical support to the mission in Afghanistan. We are working closely with U.S. Transportation Command to ensure the existing capacity, versatility, and responsiveness of redeployment mechanisms, routes, and infrastructure can cover the size and scope of the Afghanistan redeployment mission. To that end, European Command's recently established multi-modal logistical hub at U.S. Forward Operating Site Mihail Kogalniceanu Airfield in Romania represents an extremely valuable addition to this logistical capacity, helping to mitigate risk from existing logistical ground and sea lines of communication in Afghanistan and Pakistan.

NATO Evolution

While progress continues, in step with the Lisbon and Chicago summit declarations, budget pressures and the transition in Afghanistan will continue to affect NATO's ongoing evolution. This challenge is characterized by several elements. First, NATO will discover new force capacity when troops, both U.S. and European, return home from Afghanistan as we move closer to 2014. This will facilitate support to the NATO Response Force (NRF), which provides the alliance with Article 5 and other crisis response capabilities. Second, the allies will naturally refocus on training, exercising, and initiatives inside alliance borders, even as they seek to retain hard-earned counterinsurgency and expeditionary capabilities. The Department's decision to reinvigorate U.S. participation in the NRF offers a significant opportunity to ensure America's allies and partners sustain their expeditionary capabilities and maintain their interoperability with U.S. forces. European Command is working to implement this decision, through support to rotational U.S. battalion task forces participating in NRF exercises and important training events with our European allies and partners. Third, the importance of counterinsurgency skill sets will give way to other priorities, including missile defense, cyberspace, and regional stability. Fourth, NATO will continue to adjust to its recently reduced command

structure. Fifth, the alliance will seek to integrate increasingly capable allies, such as Turkey and Poland, into high-end planning, command structures, and exercises. Lastly, the alliance will become more aware of, and focused on, evolving transnational challenges, including illicit trafficking, piracy, terrorism, WMD proliferation, and energy security.

The challenge to NATO presented by the current evolution is to develop a capable force structure to ensure enduring alliance credibility. European Command continues to support NATO's ongoing evolution through our bilateral and multilateral engagements, exercises, training, theater security cooperation programs, participation in the NATO Centers of Excellence, and a wide variety of other initiatives. One of the most effective enablers in this effort continues to be the U.S. International Military Education and Training (IMET) program. Through this invaluable program, the United States has trained and educated a number of our partner nations' top performing military personnel and future leaders, increasing international understanding, cooperation, and interoperability. IMET beneficiaries have risen to the highest echelons of their defense establishments, which today include 3 Eastern European Chiefs of Defense, 11 partner nation Service Chiefs, and 8 Sergeants Major of our partner nations' militaries. The IMET program continues to build and expand on these vital relationships, strongly supports NATO's continued evolution, and provides the United States with considerable advantage in outreach and connection as we maintain these relationships over the years. Through these programs, European Command reinforces U.S. leadership in NATO and reenergizes our enduring commitment to the alliance's collective security. These efforts sustain confidence in NATO's aggregate strength, shared democratic values, recognition of global responsibilities, and continued adherence to operational competence.

By supporting NATO's continued viability and success, the United States encourages European nations to approach global security issues from within the alliance, ensuring that European and U.S. viewpoints are shared, considered, and weighed together in the decisionmaking process. Today, NATO stands at a second major crossroads, similar to the decision point that followed the fall of the Berlin Wall. Our challenge is to work diligently to support the broader U.S. Government effort to demonstrate tangible U.S. commitment to the alliance, ensuring that the correct choices are made to maintain NATO's capabilities, capacity, and credibility.

> "NATO not only serves to protect our collective nations but our Homeland as well."—Congressman Michael Turner (R–OH), House Armed Services Committee

Israel and the Levant

The 'Arab Spring' movement is significantly reshaping leadership across the Middle East and North Africa. New strategic challenges are emerging. Several Arab countries are undergoing major internal changes resulting in a more dynamic, less predictable region. For Israel, a country inside European Command's area of responsibility, these movements bring increased uncertainty for enduring stability in the region. The Sinai's growing instability is of increasing concern to Israel. Over the past 3 decades, Israel has made significant military reductions along its southern border based on a stable Egyptian/Israeli border. Internal developments in Egypt have now put the stability of that border into question. Additionally, aggressive actions by elements inside Gaza eventually compelled Israel to launch its 7-day 'Pillar of Defense' operation last November. To the north, events in Syria have severely destabilized Israel's northern border. Israel must be prepared to deal with the actions of the current Syrian regime as well as a range of possible successors. In addition, Lebanese Hezbollah continues to grow as a powerful actor on the Israel/Lebanon border, possessing lethally accurate rockets and missiles with the potential to severely damage Israeli infrastructure. To the east, Iran continues to increase its ballistic missile stockpile and pursue a nuclear weapons program, further narrowing Israel's strategic depth and decision space. Given this situation, it is feasible that increasing violence or war could erupt from multiple directions within the Levant with limited warning and grave implications for regional stability, Israeli security, and U.S. interests.

Accordingly, European Command continues to work with our IDF partners to ensure strong U.S. support to the defense of Israel. European Command works closely with U.S. Central Command to keep abreast of all emerging threats and intelligence regarding Iran, Syria, the Sinai, Hamas, and Hezbollah, ranging from missile threats to terrorist activity. Lastly, European Command continues a robust program of security cooperation and military-to-military activities with Israel to demonstrate U.S. resolve and ensure a high degree of defense synchronization between our two nations.

Russia

Though a significant actor who at times disagrees with U.S. and NATO policies, Russia still presents potential for future engagement. The military component of the relationship exists principally in the annual bilateral U.S.-Russian Military Cooperation Work Plan. Since its re-establishment in 2008, focused on 'zones of cooperation' where our interests overlap and that avoid enhancing Russian combat capabilities, our bilateral activities have increased from 10 events in 2009 to 110 events and exercises in 2012, in areas of mutual interest including: combating terrorism; counter-piracy; counter-trafficking; crisis response; maritime capabilities; search and rescue; the Arctic; and support to coalition stabilization efforts in Afghanistan. Despite recent disagreements over missile defense, we continue to seek out additional areas for cooperation, such as security for the 2014 Sochi Winter Olympics and Russia's recent request for assistance developing its new Military Police organization, which the U.S. Army is working diligently. The ability to effectively work together not only provides important strategic access for ongoing NATO and coalition operations, but continues to satisfy our mutual strategic goals.

USS Normandy (CG 60) and Russian Federation Ship (RFS) Kaliningrad (LSTM 102) conduct anti-piracy training on the high seas. Naval operations, from counter-piracy to counter-trafficking to search-and-rescue, remain an important zone of cooperation for continued constructive U.S.-Russian engagement.

Militarily, Russia seeks to enhance its regional influence and leverage through participation with former Soviet states in the Collective Security Treaty Organization (membership includes Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia, and Tajikistan), as well as a robust defense build-up through its 'State Armament Plan.' That plan calls for the construction and modernization of: naval surface combatants and submarines; air defense brigades; attack helicopters; developments in fifth generation fighters; and the continued maintenance of its existing strategic and tactical nuclear weapons. At the same time, Russia faces many challenges, including declining demographics, a high rate of drug and alcohol abuse, a relatively narrow economic base stemming from oil and gas, and uneven infrastructure. While appropriately anticipating these developments, European Command will continue to seek and leverage existing and emerging zones of cooperation as a priority and focus for our current and future engagement with Russia.

Turkey

A NATO ally since 1952, Turkey continues to make important contributions to vital U.S. national security interests, particularly in its support for regional missile defense with the AN/TPY–2 radar site located in eastern Turkey as well as ongoing counter-terrorism operations. Turkey is an indispensable partner in addressing the increasingly complex challenges in the Levant and across the broader Middle East. Turkey's own challenges include a growing refugee crisis on the Syrian border,

threat of Syrian ballistic spillover (hence NATO's Patriot deployment to southern Turkey), and increased terrorist activity, specifically with the Kongra-Gel (KGK, formerly the Kurdistan Workers Party or PKK) along their border with Iraq.

We continue to support U.S. efforts with the Government of Turkey to ensure optimum cooperation and outcomes given the Assad regime's uncertain future in Syria. European Command and the Turkish General Staff are engaged in a dialogue that will serve as the foundation for deeper cooperation as the situation requires. Turkey's status as a stable, democratic nation, its sizable security resources, and its influence as a regional power broker combine to make this NATO ally a critical component in achieving U.S. regional objectives. In return, Turkey is raising its expectations for U.S. cooperation and partnership, specifically with access to high-end Foreign Military Sales (FMS), cooperation on counter-terrorism activity, and increased leadership opportunities in NATO and coalition political/military structures. That said, Turkey's eroding relationship with Israel bears special emphasis. Resumption of good relations between these two U.S. allies, and willingness to facilitate these relations on a military-to-military level, remain a priority for European Command.

Poland

Poland remains a pivotal nation in our theater, and an emerging leader in eastern Europe and the NATO Alliance. The strong cooperation between the United States and Poland remains important to overall regional security. European Command sees value in the increased visibility and presence of U.S. forces in Poland, through military engagements and regionally-hosted exercises, to assist Poland in realizing its full potential as a capable and reliable security partner, able to contribute forces that can operate side-by-side with the United States in future NATO and coalition operations. U.S. military engagement with Poland is multi-faceted. Recent cooperation across a variety of initiatives, to include missile defense, Patriot battery rotations, the establishment of the U.S. Air Force aviation detachment, and multinational exercises, has allowed the United States to maintain strong defense ties with this important regional power.

Balkans

In the Balkans, the overarching U.S. goal is to achieve stability and advance Euro-Atlantic integration. However, strong enmity remains between former warring factions, especially within Bosnia and Herzegovina and between Serbia and Kosovo. Bosnia and Herzegovina possesses a stagnant economy. Public sector spending accounts for an unsustainable 40 percent of GDP. Efforts at post-conflict economic revitalization have proven fitful at best. The complex governmental structures created by the Dayton Peace Accords are inefficient and prone to obstruction by political interference, and resistant to reforms promoted by the international community. European Command continues its outreach and engagement with Bosnia and Herzegovina through theater exercises, humanitarian assistance activities, disaster readiness training, theater exercises, and the State Partnership Program. We are also energizing defense reform efforts to address chronic problems in logistics, procurement, and defense institution building.

Serbia's efforts to realize its aspirations to join the European Union, as well as advance military-to-military relations with the United States, will be strained until and unless Belgrade makes real progress to normalize relations with Kosovo and reach durable solutions on northern Kosovo. European Command is looking to the EU-facilitated Pristina-Belgrade dialogue to deliver progress in these areas, while further engaging Serbia in regional exercises and engagement to encourage a constructive relationship.

Serbia's refusal to date to normalize relations with Kosovo—as well as actions by hardliners and criminal elements in northern Kosovo—have hampered Pristina's ability to extend its authority to its northern borders without significant international presence. Tensions in northern Kosovo remained high in 2012, including at least one serious violent incident that required the rapid deployment of KFOR personnel to control the situation. Accordingly, despite earlier NATO plans to continue drawing down alliance force levels in Kosovo, of which U.S. troops comprise only 15 percent, KFOR should remain at current levels until further progress is made. In addition to KFOR support, European Command continues to facilitate State Partnership Program engagement between Kosovo and the Iowa National Guard, as well as traditional military-to-military efforts aimed at professionalizing the Kosovo Security Force's training program and noncommissioned officer corps. These efforts are designed to assist in the eventual transition of international security responsibilities to Kosovo institutions.

U.S. and German Soldiers assigned to the Kosovo Force (KFOR) provide perimeter security during roadblock removal operations on June 1, 2012 near Mitrovica, Kosovo. Border tensions in northern Kosovo continue to bear close watching, and require KFOR to maintain current force levels for now to ensure stability and support the ongoing Pristina-Belgrade dialogue.

Overall in the Balkans, European Command continues its work to encourage greater collaboration among partners in regional venues such as the Adriatic Charter. The Adriatic Charter serves as the flagship forum for regional cooperation, and builds on U.S.-provided support toward the goals of eventual integration into NATO and other Euro-Atlantic institutions. European Command's objectives remain focused on facilitating regional solutions to challenges, promoting regional stability, protecting and strengthening borders through counter-trafficking and counter-proliferation initiatives, and promoting a safe and secure environment in Southeast Europe's most fragile countries.

Caucasus

Similar to the Balkans, instability and fragility in the Caucasus will continue. That instability is highlighted by Russia's continued non-compliance with the August 2008 cease-fire agreement with Georgia, as well as the ongoing political struggle between Georgia and Russia over the occupied regions of South Ossetia and Abkhazia. The North Caucasus may very well experience more violence in the near term, as persistent economic stagnation, lack of government investment (outside of Sochi, the site of the 2014 Winter Olympics), social instability, and wholesale emigration by ethnic Slavs seeking safer territories all take their toll, resulting in challenges to governance and susceptibility to the increasing influence of radical Islamists. Though not as volatile as the North Caucasus, the South Caucasus remains a concern in the absence of an agreed political resolution to the Nagorno-Karabakh conflict between Armenia and Azerbaijan and continued violent incidents on the Line of Contact separating the opposing forces.

European Command continues vigorous engagement across the Caucasus, given the region's strategic importance as a global energy corridor, key node on the Northern Distribution Network, source of national contributions to ISAF, potential for narcotics and illicit weapons trafficking, interest area for both Russia and Iran, and location of frozen conflicts that have potential to flash into wider and more destabilizing wars. In 2012, Armenia deployed a platoon of peacekeepers to serve alongside the United States in KFOR, and Georgia remains a key partner in the region, one who continues to make extraordinary ISAF contributions. European Command is involved in defense cooperation assessments and efforts with Georgia as directed in the National Defense Authorization Act for Fiscal Year 2012. Additional security cooperation program priorities in the South Caucasus are focused on developing and sustaining relationships that: ensure U.S. access and freedom of action (focused in the near term on Northern Distribution Network areas); counter regional and transnational threats, especially violent extremist organizations, counter-WMD proliferation, and illicit trafficking; solidify defense institutional reforms; and sustain

partner capacity to enhance regional security while not hindering diplomatic efforts to settle the region's frozen conflicts.

European Economic, Social, and Demographic Dynamics

Europe will continue to feel the cumulative effects of several economic and associated socio-cultural stresses for the foreseeable future. These stresses include: the lasting impact of the Euro zone debt crisis; the aging and retirement of a large segment of the population, with its attendant pressure on already stressed social services; increased labor demand that exceeds worker supply, with a resultant pressure to assimilate a growing immigrant work force; and the draining of human resources and intellectual capital in countries experiencing slow or no growth. These economic and demographic forces pose a challenge to European economic and political clout in the near term, stress transnational and national governance structures, including the European Union and NATO, and increase the potential for instability around the continent. The result of these forces is also magnified on European militaries, as national GDPs have fallen and governments reduce the GDP percentage dedicated to defense spending in order to deal with increasing deficits and reduced revenue. European Command's response is a campaign of active engagement with allied and partner Ministries of Defense across the theater to keep national defense funding at effective levels, encouraging wise investment of available defense spending and supporting the broader U.S. interagency effort to assist newly democratic nations develop well-crafted government institutions and reduce the effects of corruption.

Pooling Resources, Sharing Capabilities

In response to this climate of fiscal austerity and corresponding defense cuts, European Command is working with NATO to make the most of available defense expenditures by pooling resources, sharing capabilities, setting priorities, and enhancing coordination of effort—in initiatives like the NATO Centers of Excellence—that sustain the required military capabilities that underpin the alliance's core tasks, evolving needs, and priorities set in Lisbon and Chicago. Additionally, we must also continue to strongly encourage our allies to meet the minimum NATO goal of spending at least 2 percent of their GDP on defense.

Ballistic Missile Defense

Unfortunately, our adversaries continue efforts to procure, develop, and proliferate advanced ballistic missile technologies, posing a serious threat to U.S. forces and installations in the theater, as well as to the territory, populations, and forces of our European allies and partners.

Accordingly, European Command continues to make significant progress in implementing the President's European Phased Adaptive Approach (EPAA) to missile defense. EPAA Phase One is complete, with the AN/TPY–2 land-based radar established and operating from eastern Turkey, U.S. Navy Aegis BMD warships on-station in the Mediterranean, and NATO's declaration last May in Chicago of its interim ballistic missile defense (BMD) capability. EPAA Phase Two is currently in progress, with planning and construction efforts on track to homeport four forward-deployed U.S. Navy Aegis BMD warships at Naval Station Rota, Spain, and with work progressing on the first of two Aegis Ashore facilities, with the first site located in Romania. The BMD agreement with Poland for the second Aegis Ashore site, as part of EPAA Phase Three, is signed and in force.

Admiral James Stavridis, NATO Supreme Allied Commander, Europe, describes shipboard capabilities for the NATO Ballistic Missile Defense program to NATO Secretary General Anders Fogh Rasmussen, NATO Military Committee Chairman General Knud Bartels, and other officials during the NATO Summit in Chicago last May.

The BMD mission also offers another excellent example of the tangible benefits of cooperative resource pooling with our allies and partners in a critical collective security mission. At last year's European Command-sponsored BMD conference in Berlin, the United States and our allies conferred on existing advanced maritime air defense systems that could be upgraded to provide European-procured upper-tier BMD surveillance or interceptor contributions to NATO's BMD mission, augmenting the U.S. national contribution. The conference also explored ways to burden-share through a multi-national interceptor pool. This is an important dialogue that, adequately supported, can generate ideas and realize initiatives to increase allied upper and lower-tier BMD contributions complementary to, and interoperable with, existing high-demand, low-density U.S. assets. European Command efforts in this area are already achieving results, as we contributed to the recent Dutch decision to procure upper-tier maritime surveillance BMD systems.

Terrorism and Violent Extremism

With more than 700 kinetic terror incidents occurring in the theater over the past several years, ongoing instability and terrorism (both international and indigenous) existing in, and transiting through, our theater will continue to threaten Europe and the United States. The diversification of the threat landscape in Europe combined in some cases with the destabilizing social and economic factors described earlier will increase the number of disaffected groups across the political and cultural spectrum that may support extremist groups or seek to express their growing frustrations through violence. The concern is that, stretched increasingly thin by fiscal and policy constraints, theater national governance mechanisms, including law enforcement and intelligence agencies, may be hard-pressed to respond to these trends. Meanwhile, Al-Qaida and other Islamist extremist groups, with extensive ties to individuals and groups in Western Europe, continue to pose a significant regional threat. These groups regard Europe as an important venue for recruitment, logistical support, financing, and the targeting of U.S. and Western interests. Additionally, Iran's Qods Force continues to operate in Europe, and the rising influence and actions of Lebanese Hezbollah in our theater also operates against U.S. and partner interests.

In addition to designating Special Operations Command Europe (SOCEUR) as the lead organization for theater counter-terrorism efforts, and the associated creation of the SOCEUR CT-Core Cell organization described in the SOCEUR appendix, European Command continues to work closely with theater-based U.S. Intelligence Community partners, U.S. Central Command, U.S. Special Operations Command, and U.S. Northern Command to track terrorist threats across Europe and the Levant which may pose a risk to the security of the Homeland, forward-stationed or deployed U.S. forces, or our allies and partners.

In fighting back against theater terrorism and extremism, influence operations constitute a key element of the command's 21st century strategy and military activities. In the literate and wired societies of Europe, these operations provide us with the ability to communicate and influence key target audiences using traditional print and broadcast media, as well as increasingly pervasive 21st century tools, including web sites, social media, and cell phones. Our ongoing influence program, Operation Assured Voice, is a vital contributor to the pursuit of our military objectives and theater campaign plan. Through these increasingly necessary 'soft power' activities, we seek to counter violent extremist messaging and mitigate the potential loss of influence given reduced force presence in Europe. We must be able to compete effectively in the information environment, confront violent extremist ideology and recruitment, and reach out to fence sitters wherever ideas compete. Success on the front lines of the information age is critical to preserving stability in our theater and shaping the information environment should a crisis occur.

Transnational Organized Crime and Illicit Trafficking

In addition to, and often in collusion with, terrorist and extremist threats is another source of growing instability inside the European Command theater: the expanding reach and influence of transnational organized crime. Transnational organized crime networks are using increasingly sophisticated business models, operations, and networks to perpetrate global illicit activities. These networks are highly adaptable, bold in technique, ruthless in execution, and are expanding and diversifying their activities at an alarming rate. Some estimates project their revenue at 8–15 percent of the $70 trillion in global GDP.[4] The result is a convergence of well-funded transnational organized crime networks that can destabilize entire economies, undermine good governance, and create national security threats to the United States, our allies, and partners.

There is also growing evidence of an evolving relationship among terrorists, criminals, and financiers, as each group attempts to exploit the seams that exist in national policies to further this growing illicit global enterprise. Additionally, the pace and scope of 21st century global commercial activity is increasing smuggling venues and innovation to facilitate the movement of a wide range of threats from small arms to threat finance to human trafficking to, in a worst-case scenario, WMD agents and delivery systems. Continued pressure on European security budgets, along with Europe's open borders and eased customs checkpoints, could increase the difficulty in combating these threats. Yet, as the President's strategy makes clear, we must continue our collective efforts to understand, disrupt, and dismantle these growing threat networks. In an increasingly interconnected world, the threat from transnational organized crime represents a 21st century national and global security imperative.

Joint Interagency Counter-Trafficking Center

In support of the President's National Strategy to Combat Transnational Organized Crime (TOC), European Command has stood up the Joint Interagency Counter-Trafficking Center (JICTC). It is important to note that JICTC is a facilitator in support of U.S. Country Teams, and that JICTC is not a law enforcement organization and does not conduct law enforcement activities. Created from existing European Command personnel and infrastructure, JICTC uses existing legal authorities to support U.S. security cooperation activities conducted by U.S. Embassy personnel, operating in countries within the European Command area of responsibility. All of the support and training provided to any particular European nation is done at the request, and through the auspices, of the U.S. Country Team in that nation. JICTC's operations are focused security cooperation activities in the areas of counter-narcotics and support to law enforcement. JICTC provides a single point of contact for U.S. Country Teams to provide training to host-nation partners in these areas. The emphasis on counter-narcotics is consistent with NATO's priorities, and has been a European Command mission for many years.

[4] U.S. National Defense University, "Final Report of the Trans-Atlantic Dialogue on Combating Crime-Terror Pipelines," June 25–26, 2012.

In support of these objectives, JICTC supports U.S. Country Team and interagency efforts, and collaborates with similar European organizations, to assist our partner nations build self-sufficient counter-trafficking skills, competencies, and capacity to defend the United States and Europe from rising TOC threats. Importantly, JICTC does not seek a leadership role for combating organized crime; rather it simply serves as an important forward, theater-based facilitation platform for U.S. agencies and international partners to synchronize counter-trafficking efforts in a collaborative, whole-of-government approach. In a recent example of its contributions and effectiveness last year, JICTC partnered with Southeastern Europe nations to implement biometric screenings at border entry ports in order to rapidly identify potential terrorists and TOC figures. In just the first day in operation, these enhancements netted two arrests, including a known terrorist.

Whole-of-Government Approach

Given the likelihood of reduced budgets for years to come, a 'whole-of-government' approach to finding and implementing solutions to sources of instability and conflict is more important than ever. Partnering unlocks efficiencies and avoids costly duplication of effort. European Command's J–9 Interagency Partnering Directorate, a model that is also in use at numerous other U.S. combatant commands, applies the multiple perspectives of U.S. Government interagency partners to address complex 21st century problems that transcend military-only solutions. For 3 years, European Command has diligently worked to assemble a diverse team of representatives from eleven U.S. Government agencies, including the Departments of State, Justice, Treasury, Energy, Homeland Security, the Defense Threat Reduction Agency and the U.S. Agency for International Development. Their expertise, skills, and direct linkage to their Washington DC-based headquarters make these team members an invaluable resource in taking a more probative look at sources of regional instability

across our theater, including terrorism and extremism, and applying the collective wisdom and intellectual resources of the interagency community to form more comprehensive long-term solutions.

Public-Private Partnering

'Whole-of-society' solutions are the next evolution to build upon 'whole-of-government' success. European Command continues to support the Department of Defense initiative to integrate the capabilities and expertise of the private and non-profit sectors, in coordination with our interagency partners, to support theater objectives. Our long-term strategic partnership with the Business Executives for National Security (BENS) group continues to enhance our partner nations' abilities to provide for their own security. This year, BENS sent a delegation of volunteer business executives to the Azores in Portugal to help identify economic development opportunities in anticipation of projected force structure reductions at Lajes Airfield. BENS also teamed with cyber experts to assist the Government of Iceland cope with a host of cyber security challenges.

In direct support of the transition mission in Afghanistan, European Command has developed strategic partnerships with the private sector, non-profit organizations, and U.S. interagency partners to improve access and economic opportunities for countries along the Northern Distribution Network. Additionally, we are working with partner nations in the South Caucasus to develop and improve treatment capabilities for their wounded warriors who have suffered complex amputations from combat in Afghanistan. Lastly, these public-private efforts are focused on assisting partners improve their disaster preparedness and response capabilities by working with private sector and non-profit partners to enhance the ability of local commercial sectors to assist national recovery efforts in vulnerable areas.

Cyberspace

Cyberspace remains largely indifferent to national borders and traditional security arrangements. Continuous technology evolution and the relative ease of employing disruptive effects in cyberspace have elevated its strategic significance in the military arena. Challenges in attribution and identity management in cyberspace make it difficult to differentiate between state-sponsored and non-state threat actors, while employment of non-state proxies in cyberspace allows states to mask their involvement in malign activity. Traditional deterrence strategies and defensive concepts still need to be adapted to the unique character and functions of this increasingly vital operational domain, without negatively impacting the vital global connectivity, commerce, and free flow of information that cyberspace provides.

Apart from developing technologically superior defensive countermeasures and seeking multinational commitment to ensuring fundamental freedoms, privacy and the free flow of information in cyberspace, European Command continues to work collaboratively with regional allies and partners in a whole-of-government effort to build strong and resilient collective cyber security. These efforts include assisting our partners develop and sustain information assurance and cyber defense programs, capable cyber defense workforces (including a cyber incident response capacity), and promoting shared situational awareness about existing threats and the best practices to mitigate them. The command pursues these initiatives through our annual cyber exercise program, Combined Endeavor, our ongoing coordination with U.S. Cyber Command, and our participation in the NATO Cooperative Cyber Defense Center of Excellence in Tallinn, Estonia.

Energy

Reliable access to affordable energy remains a core issue for countries across the European Command theater, whether they are energy exporters, importers, or transit states. The reality is that dependence on Russian natural gas will continue to drive energy security considerations for many of our European partners. We continue to support alternatives and monitor changes to the energy status quo in Europe, including changes in global oil markets, the potential large-scale development of unconventional gas resources, alternate hydrocarbon supply lines (such as those from the Caspian Sea region), and the increased supply of liquefied natural gas.

European Command's J–9 Interagency Partnering Directorate assists our partners in this area by working with the U.S. Department of Energy and other U.S. agencies to investigate and expand alternative opportunities, primarily in support of partner nation military forces and facilities. Advances in hydrocarbon exploration and extraction, developments in current and next-generation renewable energy technologies, and improvements in energy efficiency all combine to provide European states a significant opportunity to reduce their energy dependence. The J–9 Directorate continues to work closely with these nations to explore these issues and identify energy solutions. Last fall marked a milestone, as European Command's bilat-

eral engagement and 2011 Memorandum of Understanding with Lithuania's Energy Security Center assisted in elevating the importance of that Center's work; one which was recently certified by the North Atlantic Council to become NATO's fully-accredited Energy Security Center of Excellence. Closer to home, J–9 continues its work with the Office of the Secretary of Defense to implement the Department's Operational Energy Strategy Implementation Plan, focused on energy security and efficiency for U.S. forces, defense installations, and critical infrastructure.

THEATER POSTURE

> "For Europe, the U.S. defense strategy reaffirms the lasting strategic importance of the transatlantic partnership with the United States. Although it will evolve in light of strategic guidance and the resulting budget decisions, our military footprint in Europe will remain larger than in any other region in the world. That's not only because the peace and prosperity of Europe is critically important to the United States, but because Europe remains our security partner of choice for military operations and diplomacy around the world."—Former Secretary Panetta

Force Laydown

The United States will sustain a military presence in Europe that meets our NATO Article 5 commitment, enables execution of our likely European Command contingency plans, continues to support America's leadership position in NATO, ensures a credible deterrent against aggression, and is sufficiently robust to maintain and sustain the strategic access, infrastructure, and lines of communication that enable the United States to conduct global operations. Global access through Europe remains a critical aspect of America's ability to execute our existing contingency plans in and beyond Europe. This strategic access is dependent upon continued success in sustaining the long-term relationships we enjoy with our European allies and partners, who remain our hosts. We recognize the challenges of the fiscal environment and, in accordance with the Defense Strategic Guidance, continue to consolidate our installations and seek additional efficiencies in U.S. overseas posture while maintaining the necessary capacity to meet our mission requirements. We will continue to advocate for a deliberate and balanced approach to posture in Europe to ensure that future changes meet minimum requirements to conduct U.S. contingency operations, support U.S. global strategic access, and meet our NATO commitments.

U.S. posture in Europe provides unparalleled proximity and access to three continents (Europe, Asia, Africa), stands ready to support U.S. and NATO operations on extremely short notice, and is critical to U.S. planning, logistics, and operations in support of U.S. European Command, U.S. Central Command, U.S. Africa Command, U.S. Transportation Command, U.S. Special Operations Command, and U.S. Strategic Command. Forward-stationed active duty servicemembers, forward-deployed rotational units, and Reserve Forces remain the Nation's primary tool to maintain influence across our theater and, when called upon, to project power quickly within and beyond it. U.S. posture in Europe is an incontestable manifestation of our commitment to the region, preserving strategic relationships and trust, helping build interoperability with our allies and partners, and facilitating progressive transformation within European militaries. The U.S. approach throughout the recent defense strategy review was guided by our enduring need for, and commitment to, these objectives.

There are approximately 64,000 military personnel authorized for the support of U.S. European Command and our Service component commands. Additionally, there are approximately 10,000 additional U.S. personnel supporting U.S. Africa Command, U.S. Transportation Command, NATO, and other U.S. Government and Department of Defense activities in Europe. Moving forward into the future, European Command's mission focus for our enduring forces is as follows:

- Ground Forces: U.S. Army Europe will retain a deployable Contingency Command Post, two Brigade Combat Teams (BCT), and theater enabling forces to include aviation, signal corps, medical, engineers, air and missile defense, logistics units, and the Joint Multinational Training Command. From a pool of globally available forces, the U.S. Army will also allocate a BCT, with rotational assignments described previously, to be part of the NATO Response Force (NRF) beginning this year.
- Air Forces: U.S. Air Forces Europe will retain the capability to conduct air superiority, theater nuclear support, suppression of enemy air defense (SEAD), and strike missions. In addition, the Air Force will maintain its current capability in terms of operational and tactical-level command and

control, theater airlift, air refueling, intelligence, surveillance, and reconnaissance, special operations forces, and base operations support.

• Naval and Marine Forces: U.S. Naval Forces Europe will retain the USS MOUNT WHITNEY and provide command and control of rotational naval forces. Additionally, the U.S. Navy will begin to base four Aegis destroyers at Naval Station Rota beginning in fiscal year 2014. U.S. Marine Corps presence includes the U.S. Marine Forces Europe Headquarters, the USMC Prepositioning Program in Norway, and rotational forces, including those assigned to the Black Sea Rotational Force.

• Special Operations Forces: Special Operations Command Europe will retain a headquarters element, along with an Army Special Forces Battalion, an Air Force Special Operations Group, and a Naval Special Warfare (SEAL) unit.

Strategic Rebalance

In accordance with the Defense Strategic Guidance, U.S. European Command continues to rebalance its force levels and base footprint in order to help the Department of Defense divest itself of legacy forces, reapportion forces toward regions of greater instability, and save money. Several recent inactivation decisions will make significant changes to our posture. The most notable change is the inactivation of the U.S. Army's V Corps Headquarters (2013), 170th Brigade Combat Team (2012), and 172nd Brigade Combat Team (2013). Additionally, as the U.S. Army reduces force structure in the coming years, there will be an additional reduction of approximately 2,500 enabling forces and their equipment. Lastly, the Air Force de-activated an air support operations squadron (2012), and plans to inactive an A–10 squadron and an air control squadron.

Consistent with the Defense Strategic Guidance and the new NATO Strategic Concept, we will also continue to adapt and develop our theater requirements by: (1) reinvigorating our contribution to the NATO Response Force, allocating elements of a rotational BCT to train in a multi-national European environment and leveraging the premier U.S. Army training facilities located at the Joint Multinational Training Center in Germany; (2) meeting the objectives of the European Phased Adaptive Approach by supporting the AN/ TPY–2 radar in Turkey, homeporting four Aegis BMD-capable ships in Spain, and establishing land-based Aegis Ashore sites in Romania and Poland; (3) enhancing regional SOF responsiveness by stationing CV–22 aircraft in the United Kingdom, and continuing our strong partnership with the NATO SOF Headquarters in Belgium; and (4) continuing C–130 and F–16 aircraft rotation to the newly established aviation detachment in Poland to enhance Eastern European aviation training and interoperability.

Military Construction

Thanks to strong and continued congressional support, previous annual military construction authorizations and appropriations have enabled us to address a balanced mix of our most pressing requirements to support the missions and priorities articulated above. The goal of our fiscal year 2014 military construction program is to support our posture initiatives, recapitalize key infrastructure, and consolidate at enduring locations. Of particular importance in the coming year is support for our EPAA missile defense projects and the Landstuhl Regional Medical Center/Rhine Ordnance Barracks theater medical consolidation and recapitalization project.

Congressional support for EPAA Phase One projects, including approval to replace expeditionary facilities in Turkey with semi-permanent facilities, was critical to achieving a high degree of readiness at the AN/TPY–2 radar site. In fiscal year 2013, the command will begin EPAA Phase Two projects, including an Aegis Ashore site in Romania. Additionally, a request for an EPAA Phase Three Aegis Ashore site in Poland is being developed in fiscal year 2015 as part of the budget submission and will provide the U.S. and our allies improved deterrence against rogue BMD activity.

The Landstuhl/Rhine Ordnance Barracks Medical Center replacement project remains one of the command's highest military constructions priorities. Fiscal year 2012 and 2013 funding support have greatly facilitated the project's progress to date. The new facility consolidates duplicative medical facilities in the Kaiserslautern Military Community, and provides a vitally important replacement to theater-based combat and contingency operation medical support from the aged and failing infrastructure at the Landstuhl Regional Medical Center. This recapitalization project will provide lifesaving intervention, combat trauma, emergency care, and other medical support to warfighters operating in the U.S. European Command, U.S. Central Command, and U.S. Africa Command theaters, as well as forward-stationed U.S. forces in Europe and their families. Continued support and progress

with this critical project will ensure the continued availability of the highest level trauma care to future U.S. warfighters at this medically significant halfway point between the United States and areas of persistent conflict in the Middle East, Africa, and other regions across half the globe.

The aeromedical evacuation system and trauma care provided at U.S. medical facilities in Germany have saved thousands of lives and driven U.S. combat-related deaths to historic lows. Sustaining these capabilities is critical to ensuring their continued availability for U.S. military personnel serving across half the globe, including areas of persistent conflict in Africa and the Middle East.

European Command continues to carefully assess our investments at enduring locations. We have reduced our footprint dramatically over the past 22 years, consolidating all operations to approximately 21 main operating bases, with smaller supporting sites. As mentioned earlier, this represents a 75 percent reduction in installation inventory since the end of the Cold War. Additionally, the command is on a trajectory to reduce our footprint further, to 17 main operating bases with the closure of the U.S. Army communities at Heidelberg, Mannheim, Darmstadt, Schweinfurt, and Bamberg. While further theater consolidation at enduring locations remains a command priority, it is important to note that continued reductions and consolidations to gain greater efficiencies may require additional military construction.

OUR MOST IMPORTANT RESOURCE

> "We will keep faith with our troops, military families, and veterans who have borne the burden of a decade of war and who make our military the best in the world. Though we must make hard fiscal choices, we will continue to prioritize efforts that focus on wounded warriors, mental health, and families. As our newest veterans rejoin civilian life, we continue to have a moral obligation—as a government and as a nation—to give our veterans the care, benefits, and the job opportunities they deserve."—President Obama

Taking Care of our People and their Families

As the Department of Defense continues to deal with the effects of more than a decade at war, we have a solemn obligation and responsibility to continue successful programs and seek new and innovative ways to support our forces and families. In that effort, European Command's 'Force and Family Readiness' priorities are closely aligned with the administration's 'Strengthening Our Military Families' initiative.

While maintaining our focus on mission readiness, we continue to seek avenues and resources to respond to the significant stress placed on our forces and families due to protracted combat operations and cyclical unit and personnel deployments. There remains a need for sustained behavioral health services to support our warriors and their families, particularly in an overseas environment with few private

sector options. It remains a command priority that the members of our All-Volunteer Force and their families continue receiving the quality care and responsive support they need in a stigma-free environment.

European Command also supports the efforts being led by the Department of Defense Education Activity to transform and modernize our 1950s-era, aged and, in some cases, failing overseas school infrastructure. European Command is fortunate to have some of the best and most committed teachers at work in our theater. We are committed to providing the resources these educators need to ensure the children of our military and DOD civilian families receive a first-rate education.

Lastly, as total force levels continue to change, servicemembers must transfer more often than originally expected, placing yet another burden on the military family. The inability of the military spouse to remain in his or her chosen career field is a part of that burden, adding further economic strain in difficult times. Of the 26,000 Active Duty and Reserve spouses who live in our theater, 25 percent possess a college degree and 10 percent hold graduate degrees. Accordingly, in order to support greater spouse employment, European Command launched our first-ever 'Spouses Virtual Job Fair' last year. Part of the wider 'Military Spouse Employment Partnership' program, this initiative provided key assistance by linking military spouses with employers seeking a highly qualified 21st century workforce.

NATO AND ALLIED COMMAND OPERATIONS (ACO)

NATO's Strategic Direction

The NATO Alliance remains the center of a transatlantic framework focused on the strategic concept of 'Active Engagement, Modern Defense.' The core principles of collective defense, crisis management, and cooperative security contribute to the peace and safeguarding of the United States and our European allies and partners. The alliance has evolved from a Cold War construct, consisting of a few nations, to twenty-eight member nations today with a shared vision and growing interoperability to provide expeditionary capabilities for out-of-area operations. To safeguard the alliance against the evolving challenges of 21st century security, including ballistic missile defense, cyber attack, proliferation of weapons of mass destruction, and terrorism, NATO is evolving through institutional reform, programs and initiatives, and increased interoperability and partnerships.

NATO Command Structure Reform

The Lisbon Summit set the glide path for a new NATO command structure that is leaner, more affordable, and more effective at conducting operational and transformational tasks across the full range of alliance missions. NATO Command Structure reform is on track to reduce its staff manpower from 13,000 to 8,800 and cut major headquarters from 11 to 6. Organized under two Strategic Commands (Operations and Transformation), it will include two deployable joint force headquarters (JFHQs), land, air, and maritime components, and the NATO communications and information systems group. The NATO command structure links the alliance's over 3 million active military personnel, 24,000 aircraft, 750 ships, and 50 AWACS to operate stronger together in the 21st century.

NATO Forces 2020. NATO's vision for future capability improvement was unveiled at the Chicago Summit as a framework to build the concepts of 'Smart Defense' and the 'Connected Forces' initiative. NATO's Smart Defense initiative provides the path to develop the capabilities; the Connected Forces initiative is how NATO will employ these capabilities.

Smart Defense

The Smart Defense initiative is a means to provide access to crucial capabilities while collectively taking multinational and innovative approaches to pooling resources. As mentioned, this initiative creates opportunity for the alliance to work together, wisely using individual defense budgets to make NATO greater than the sum of its parts. In critical areas—such as sustainment, training, engagement, ballistic missile defense, force protection, and intelligence, surveillance, and reconnaissance—Smart Defense gives nations the ability to contribute to projects and acquire capabilities that they may otherwise be unable to afford individually. To date, the Europeans participate in every one of the 147 Smart Defense projects. More importantly for the transatlantic partnership, they lead over two-thirds of them. Smart Defense aims to assure continued capability development commensurate with global security challenges in order to meet NATO's Strategic Concept, even in the prevailing resource-constrained global economy.

> "We will ensure that our Alliance has the modern, deployable, and connected forces that we need for the next decade and beyond. We will do this

through a renewed culture of cooperation called 'Smart Defense' . . . We call it 'Smart Defense' because it is about spending defense money in a smarter way. The smarter way is to prioritize, to specialize, to cooperate, to focus on not just what we cut, but on what we keep. And to choose multi-national solutions instead of unilateral solutions."—NATO Secretary General Anders Fogh Rasmussen

Connected Forces Initiative

The Connected Forces initiative presents an opportunity to contribute to the 'NATO Forces 2020' vision and goal, by building on alliance experience in recent operations, and maintaining and enhancing NATO's combat effectiveness—hard earned over the past decade—through expanded education and training events, increased exercises, and the better use of technology.

Major Operations

Over the past year, NATO and Allied Command Operations have executed multiple major operations, demonstrating the alliance's impressive capabilities. Today, roughly 150,000 military personnel are engaged in NATO missions around the world, successfully managing complex ground, air, and naval operations in every type of environment. Every day, NATO forces are operating in Afghanistan, Kosovo, the Mediterranean, with the African Union, in the skies over the Baltic and North Seas, and in the waters off the Horn of Africa.

International Security Assistance Force (ISAF) efforts continue to build the strength, confidence, and competencies of Afghan National Security Forces, supporting the transition of security responsibilities to Afghans in 2013 and 2014. Asia Foundation's 2012 Survey of the Afghan People reflected Afghans' continued confidence in the Afghan National Army and National Police as the country's most trusted public institutions.

Afghanistan

NATO's operation in Afghanistan continues to remain the top priority and operational commitment of the alliance and our partner nations comprising ISAF. There are 106,000 troops from 50 troop-contributing nations sharing the combined burdens and sacrifices of the Afghanistan mission as we press forward with a balanced drawdown of combat forces and provide sustainment post-2014. The sacrifices shared by ISAF and our Afghan partners will ensure that Afghanistan will never again become a safe-haven for terrorists. Since NATO's intervention, the lives of Afghan men, women, and children have significantly improved with respect to security,

health care, education, and opportunity. Today, over 80 percent of Afghans have access to health care. Since 2002, school enrollment for children has increased from 2 million to 8 million with girls representing 38 percent of this enrollment, up from a dismal low of 3 percent under the Taliban. Infant, child, and maternal mortality rates have decreased by over 34 percent since 2002, and adult life expectancy has gone from 42 to 62 years of age. NATO's goal remains to turn over full responsibility for security to Afghanistan by December 31, 2014.

The strategy outlined at the 2010 Lisbon Summit, assured at the May 2012 Chicago Summit, and reinforced at the July 2012 Tokyo Conference is on track to build the capacity, capability, and professionalism of the Afghan National Security Forces (ANSF). Today, ANSF stand at a force level of 335,000: 182,000 from the Afghan National Army; 6,000 from the Afghan Air Force; and 147,000 from the Afghan National Police. In October 2012, ANSF reached their recruiting goal of 352,000. The transition—which started in 2011, and is being sequentially expanded through five tranches of selected districts and cities to encompass all of Afghanistan by mid-2013—is underway in some part of all 34 provinces, all provincial capitals, and two-thirds of all districts. The ANSF have assumed lead responsibility for areas that encompass 76 percent of the Afghan population, and conditions in these areas have remained stable or improved. In fact, civilian casualties have fallen for the first time in 6 years, down 12 percent, and ISAF casualties are down 27 percent compared to last year. Last December, the 'Tranche 4' announcement transitioned security responsibility for the remaining internal and border areas. Once the full transition is complete by the end of 2014, the ISAF mission will end.

In support of post-2014 operations in Afghanistan, NATO will launch the NATO Train, Advise, and Assist Mission, tentatively named 'Resolute Support' in Afghanistan. In October 2012, NATO Defense Ministers approved the North Atlantic Council (NAC) Initiating Directive for developing the concept of operations for the Resolute Support Mission in Afghanistan. It is due this spring. This demonstrated resolve ensures the gains made during the transition are irreversible.

Tangible signs of the gains in Afghanistan continue to be shown. In findings recorded by the Asia Foundation in their 2012 Survey of the Afghan People, 52 percent of Afghans polled conveyed their belief that the country is "headed in the right direction," up from 46 percent last year.[5] It is worth noting that this statistic is higher than the percentage found in most Western countries. Moreover, the survey noted a moderate decrease in the percentage of Afghans who fear for their safety, while reflecting Afghans' continued confidence in the Afghan National Army and National Police as the country's most trusted public institutions. NATO will not leave a security vacuum in Afghanistan.

Kosovo

The international supervision of Kosovo has ended 4½ years after it became independent. The situation remains outwardly calm, but there remain underlying tensions and fragility while Serbia and Kosovo proceed within the EU-facilitated Belgrade-Pristina dialogue to resolve their differences peacefully. To ensure this outcome, the NATO-led Kosovo Force (KFOR) mission maintains 5,600 troops from 30 contributing countries in Kosovo. KFOR will be staying there for the time being, along with the 1,250 international legal experts and police supporting the EU's rule of law mission. While progress will require committed political dialogue between Belgrade and Pristina, KFOR continues to create positive conditions for this dialogue by helping to maintain a safe and secure environment and facilitate freedom of movement.

Counter-Piracy and Operation Ocean Shield

Operation Ocean Shield is NATO's counter-piracy mission, consisting of up to seven ships working alongside EU and U.S. task forces to counter piracy in waters surrounding the Horn of Africa. These relationships and the shipping companies' use of armed security teams and industry best practices have notably reduced piracy. During the first 6 months of 2012, there were 69 incidents involving Somali pirates, down from 163 during the same period in 2011, a reduction of over 40 percent. Today, 2 vessels and less than 100 hostages are being held, compared with 30 ships and 682 mariners in 2011.

[5] The Asia Foundation, "Afghanistan in 2012: A Survey of the Afghan People," http://asiafoundation.org/publications/pdf/1155.

A vessel burns off the Somali coast after being used by pirates to attack the Dutch warship HNLMS Rotterdam. NHLMS Rotterdam, NATO's counter-piracy flagship, returned fire, disabling the vessel and scattering the attackers. NATO's Operation OCEAN SHIELD, in coordination with shipping industry best practices, continues to reduce episodes of piracy in waters off the Horn of Africa.

Operation Active Endeavor

As NATO's only current Article 5-based operation, Operation Active Endeavor provides maritime situational awareness through operations in the Mediterranean to demonstrate NATO's resolve to deter, defend, disrupt, and protect against terrorism. Ongoing since 2001, Active Endeavor is on a path to transform from a platform-based to a network-based operation, based on an intelligence and information-sharing network among the 63 nations and regional partners that contribute to the Maritime Safety and Security Information System.

NATO Members Defense Commitments and Budgeting Outlook

The European financial crisis has had a security impact on NATO and partner nations. Few allies currently meet the NATO goal that each ally commits 2 percent of GDP to defense spending. The Smart Defense Initiative, Connected Forces Initiative, and NATO Forces 2020 all strive to fill capacity and capability gaps. However, at a time of uncertain security challenges and severe fiscal austerity it remains difficult, but still critical, to adequately fund defense spending.

Enduring 21st Century Impact & Relevance

The 2012 U.S. Defense Strategic Guidance addresses Europe and NATO prominently, noting: "Europe is home to some of America's most stalwart allies and partners, many of whom have sacrificed alongside U.S. forces in Afghanistan, Iraq, and elsewhere." One of NATO's most important priorities is to maintain working relationships, at the tactical, operational, and strategic levels, with those allies who have recently developed capabilities and interoperability with each other and with U.S. Forces. The NATO Response Force (NRF) is a key way to meet this priority.

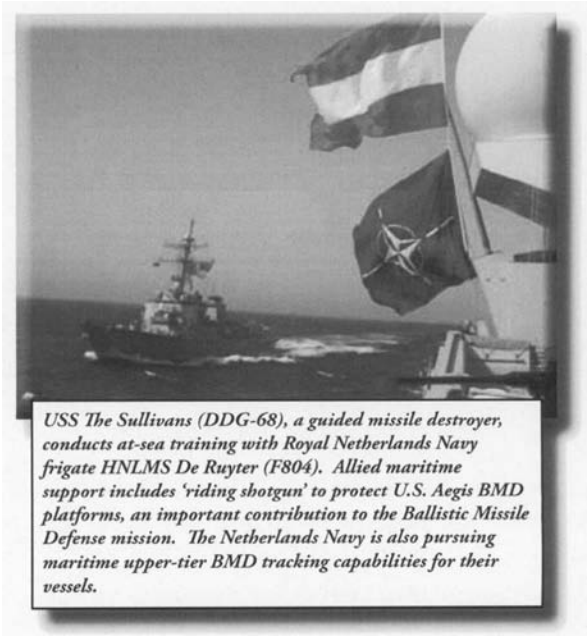
> "Today, I can announce that the United States will make a new commitment to the security of our NATO partners by reinvigorating our contribution to the NATO Response Force that we value so much. The NRF was designed to be an agile, rapidly deployable, multinational force that can respond to crises when and where necessary. The United States had endorsed the NRF but has not made a tangible contribution due to the demands of the wars—until now."—Former Secretary Panetta, Munich Security Conference, February 2012

As announced by the Secretary of Defense last year, our commitment of U.S. forces to the NRF is a means to reinvigorating and bolstering the NRF. By providing a rapid demonstration of force or an early establishment of NATO military presence in support of Article V or crisis response operations, NRF mitigates force

structure reductions in Europe by improving interoperability and capitalizing on flexibility. Over the long term, NRF will be a vital asset for post-ISAF interoperability ensuring adherence to, and constant improvement of, Standing NATO Agreements (STANAGS). The NRF will also serve as both a key training resource and valuable tool for evaluating the status of European forces. As they remain our most likely companions in any security effort—from humanitarian assistance to full-spectrum conflict—the United States must have confidence in the interoperability and readiness of European forces.

Ballistic Missile Defense

The protection of NATO European territory, populations, and forces against ballistic missiles from increasing threats to the alliance is vitally important. NATO declared an Interim Ballistic Missile Defense (BMD) capability at the May 2012 Chicago Summit. As mentioned, the U.S. AN/TPY–2 surveillance radar based in Turkey has been declared to NATO as a part of EPAA's Phase One implementation. The initial operational capability of NATO BMD is anticipated in 2016, with full operational capability in 2020.



USS The Sullivans (DDG-68), a guided missile destroyer, conducts at-sea training with Royal Netherlands Navy frigate HNLMS De Ruyter (F804). Allied maritime support includes 'riding shotgun' to protect U.S. Aegis BMD platforms, an important contribution to the Ballistic Missile Defense mission. The Netherlands Navy is also pursuing maritime upper-tier BMD tracking capabilities for their vessels.

Moreover, NATO's recent decision to provide Patriot missiles to defend Turkey against the threat of Syrian ballistic missiles is yet another sign of the alliance's solidarity and effectiveness in this area.

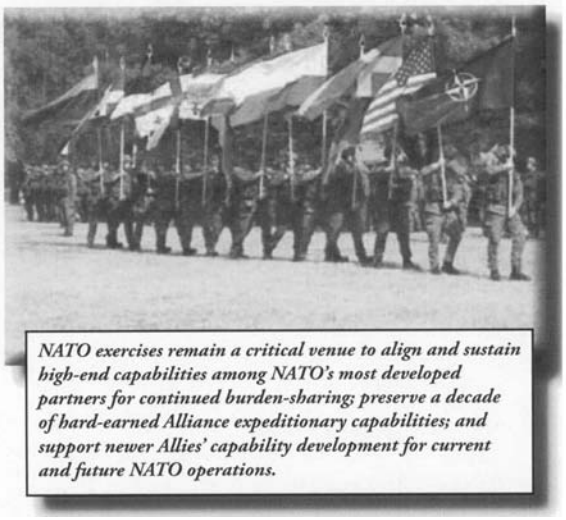
Cyber Defense

NATO's policy on cyber defense focuses on the protection of cyber assets and sharing of cyber situational awareness among NATO nations. The fielding of the NATO Computer Incident Response Center was a significant milestone as we progress towards full operational capability in 2013 to support alliance operations and missions.

NATO Special Operations Forces

U.S. leadership of the NATO Special Operations Headquarters (NSHQ) remains instrumental in driving the rapid transformation of NATO Special Operations Forces (SOF) and creating a NATO allied and partner SOF collaborative network. A deployable core of the NATO Special Operations Component Command Headquarters will achieve initial operational capability in 2013, providing an assured, responsive, and agile command and control entity for NATO SOF under the operational command of the Supreme Allied Commander, Europe. This core will be capa-

ble of coordinating NATO military operations within the complex and asymmetric environments of the 21st century. Today, over 2,000 NATO allied and partner SOF are conducting SOF missions in Afghanistan. Additionally, NSHQ is moving forward with several initiatives to develop interoperable SOF standards. NATO SOF brings unprecedented opportunities to leverage partnerships, improve interoperability, and deliver expanded capabilities for NATO to ensure peace and stability for the alliance and our partner nations.



NATO exercises remain a critical venue to align and sustain high-end capabilities among NATO's most developed partners for continued burden-sharing; preserve a decade of hard-earned Alliance expeditionary capabilities; and support newer Allies' capability development for current and future NATO operations.

Keeping the Edge through Exercises

The planned reduction of NATO forces supporting ISAF, combined with U.S. reinvigoration in the NRF, provides a unique opportunity for NATO to modify and align exercise programs with U.S. combatant commands and regional partners. After 10 years of combat deployments against an asymmetric enemy, NATO will need to dedicate itself to flexible training that emphasizes traditional skill sets, while incorporating lessons learned from recent conflicts. Additionally, these exercises provide the opportunity for newer members of the alliance, as well as our other NATO partners, to pair with some of the highly-capable founding members, continuing to burden-share collective defense while raising the overall quality of NATO forces.

> "The NATO Alliance continues to wield unprecedented influence in our world, and remains a critical element of U.S. and European security."—Senator Jeanne Shaheen (D–NH), Senate Armed Services Committee

CONCLUSION

Every day, the soldiers, sailors, airmen, marines, coast guardsmen, and civilians of U.S. European Command and NATO Allied Command Operations are making vital contributions to the forward defense of the United States, the preservation of America's vital national security interests, and the continued evolution and effectiveness of NATO. As they continue their work, through the seamless execution of combined military operations, interagency cooperation, and whole of society activities, I ask that you keep faith with these extraordinary men and women, and their families, to ensure they receive the care and benefits they have earned and so rightly deserve.

I entered Annapolis and joined the Navy over 40 years ago. Among the many things I have learned, one of the clearest lessons is that the most reliable constant in this world is change. But in today's world of accelerating change, connectivity, and complexity, another anchor has also held remarkably constant, recognized by national leaders time and again, for providing the essential foundation of continued security and stability in the 21st century. That anchor is the transatlantic alliance. It is simply a fact, one bridging two centuries and continuing to evolve in a dynamic security environment, that Europeans remain our most steadfast, reliable, battle-

tested, and important global partners as we confront the strategic risks and military challenges of the 21st century. No other region so readily combines the same commitment to shared values, high-end military capabilities and capacity, and willingness to stand with America—as our European allies and partners have demonstrated at great cost and sacrifice over the past decade—in this century's fight for freedom and the pursuit of global security and stability. The 2012 Defense Strategic Guidance states it clearly: "Europe is our principal partner in seeking global and economic security, and will remain so for the foreseeable future."

The world is changing again. Yet, as we consider the contributions and future of the transatlantic alliance, the numbers are worth repeating, especially in an era of significant fiscal pressure and austerity: Together, the United States and Europe generate half the globe's GDP. Our European partners collectively spend $300 billion on defense, second only to the United States and well ahead of China and Russia. As essential contributors to an alliance comprised of 750 ships, 24,000 aircraft, and over 3 million Active-Duty Forces, and with over 40,000 European forces currently devoted to NATO and U.N. operations, our European allies and partners are significant and necessary global security providers, fielding forces for combat and stability operations that have stood shoulder-to-shoulder with the U.S. in Afghanistan, Iraq, Libya, Kosovo, and other hot spots across the world. Europeans have willingly shared the burden of war over the past 10 years, consistently comprising the bulk of non-U.S. coalition forces for the missions in Iraq, Afghanistan, Kosovo, and Libya.

Even as we acknowledge these facts, the convergence of several factors last year—the 2012 Defense Strategic Guidance, rising tensions in the Levant, North Africa, and the Balkans, and the global tightening of defense resources—has provided an opportunity for European Command to reconsider and rebalance our present priorities and enduring capabilities to ensure that we are providing the most efficient and effective support to the Nation and to NATO. This effort offered several conclusions. First, European Command is actively contributing to every one of the Defense Department's ten national missions for Joint Force 2020, protecting America's vital national security interests, and defending the Nation against the threats of the 21st century: ballistic missiles; WMD proliferation; terrorism; piracy; cyber attack; and transnational illicit trafficking. Second, U.S. presence and infrastructure in Europe, which continues to be right-sized for these enduring missions and the future security environment, provide the United States with an indispensable strategic platform for engagement across the globe, directly supporting the operations of 6 U.S. combatant commanders, numerous U.S. Government Interagency functions, and 51 U.S. Country Teams. Third, U.S. leadership and commitment to the NATO Alliance continues to support the evolution of that institution into the world's premier security organization, contributing highly capable and interoperable forces to Afghanistan, Iraq, Libya, and Kosovo, and preparing them for future coalition expeditionary operations. As such, the alliance has also become a hub for continued cooperation and outreach with like-minded partners in the Pacific, including Australia, South Korea, Singapore, New Zealand, and Japan, essential in the years ahead. In this capacity, the transatlantic partnership—one the President calls the "cornerstone of global security"—remains one of the Nation's most valuable and enduring strategic investments. Properly sustained, it will continue providing critical security dividends in the challenging decades ahead.

To safeguard that investment, European Command continues to leverage the funding and authorities that Congress has provided to preserve our strategic partnerships and maintain the essential warfighting capabilities and interoperability that our allies and partners have gained, with our help, over a decade of sustained deployment and combat operations. In the near term, European Command is working to enable a successful ISAF transition and preserve partner capability and commitment to the post-2014 mission in Afghanistan. To that end, we request that Congress continue supporting Section 1206 (Global Train and Equip) and other ISAF coalition support programs, in order to meet our goals to transition security responsibility in Afghanistan over the coming year and, in concert with our allies and partners, to continue training, advising, and assisting the ANSF after they assume full security responsibility in 2014.

Over the longer term, we seek your assistance and support to sustain the value of the transatlantic alliance and its continued contributions to global security. The key to that future is ensuring our European allies and partners can and will continue contributing deployable, capable, and interoperable forces for future conflicts and coalition military operations. Despite the economic constraints we all face, this future is within reach if we sustain the necessary investments to maintain critical gains in expeditionary capabilities and interoperability that have been achieved in recent years, and preserve the vital strategic relationships that have been painstak-

ingly built over the past 6 decades. The preservation and future employment of these capabilities represent the impending return on our investment when crises arrive on our doorstep at their unscheduled hour, seeking urgent, multilateral, and coalition-based solutions.

Mitigating the risks posed by the fiscal environment to U.S. influence in the region and NATO's enduring strength and cohesion also requires a clear and unequivocal U.S. commitment to our theater and Article V responsibilities. Those responsibilities require that we maintain a balanced and enduring U.S. presence in Europe; reinvigorate U.S. participation in the NATO Response Force; continue resourcing important security assistance programs such as Foreign Military Financing, International Military Education and Training, the Warsaw Initiative Fund, and the Combatant Commanders' Exercise and Engagement Fund; and support NATO's Smart Defense, Connected Forces, NATO 2020, and related initiatives.

History may not repeat itself, but its patterns are clear. After a decade of war, and facing significant fiscal challenges, we stand once again at the crossroads: on one side, the military retrenchment and risk that has traditionally accompanied the end of every period of American war; on the other, a belt-tightening but balanced approach that sustains U.S. leadership and engagement in the world, with a focus on continued global security and prosperity. Each choice entails risks, and the future is hard to see. But one thing history has also shown us, time and again, is the enduring value of this remarkable transatlantic alliance.

Though the strategic and fiscal challenges are very real on both sides of the Atlantic, this historical moment offers us a critical opportunity, one acknowledged by former Secretary Panetta: "I believe that today's strategic and fiscal realities offer NATO the opportunity to build the alliance we need for the 21st century—an alliance that serves as the core of an expanding network of partnerships around the globe in support of common security objectives. But it is an alliance that remains rooted in the strong bonds of transatlantic security cooperation and collective defense."

The men and women of U.S. European Command and NATO Allied Command Operations are building, strengthening, and preserving those vital bonds to provide for the forward defense of the United States, our collective security, and the viability of this critical partnership. This is critical work, as the transatlantic partnership continues to serve as the security foundation for the world's economic center of gravity, America's secure Eastern flank, and the "vital cornerstone of global security and stability" to deal with the challenges of a rapidly changing century and security environment. Through this work, European Command and NATO form that vital "core" of an "expanding network of partnerships"—through joint and coalition forces, civil-military security partnerships, and international security structures—that provide us with what I call the "sum of all security."

In his remarks at last year's NATO summit in Chicago, President Obama reiterated and reinforced the importance of this security and an enduring truth of the global security environment; one that bridges the past and current centuries in order to guide us into the future. In that statement, the President acknowledged: "NATO has been the bedrock of common security, freedom and prosperity for nearly 65 years. It hasn't just endured—it has thrived—because our Nations are stronger when we stand together."

For nearly 4 years now, the motto of U.S. European Command has been that we are, clearly and unequivocally, 'Stronger Together.' For nearly 65 years, this has been NATO's historic organizing principle. It is even truer today in light of the economic challenges and increasing threats we face. We must continue to work together, trust each other, and continue building and evolving this historic partnership to meet the needs and challenges of the 21st century. In doing this, we will not only endure; we will prevail, we will thrive, and we will continue to grow and to be STRONGER TOGETHER.

> "Our transatlantic partnership is the most successful alliance and the greatest catalyst for global action. I am determined to keep it that way."—President Obama

APPENDIX

EUROPEAN COMMAND SERVICE COMPONENTS

Service Component Commands. Except when assigned to a joint task force for military operations or participating in joint exercises, European Command forces are managed, trained, and equipped by our five Service component headquarters: U.S. Army Europe; U.S. Marine Forces Europe; U.S. Naval Forces Europe/Naval Forces Africa; U.S. Air Forces Europe/Air Forces Africa; and U.S. Special Operations Command Europe. These organizations provide forces for our military-to-military engagements, serve both an assurance and deterrence function in the region, deploy units for contingency operations, and, when necessary, may be tasked to provide a tailored joint task force headquarters. Understanding our service component commands is essential to understanding European Command, as they conduct the majority of our steady-state activities. A brief description of each Service Component Command, and its recent activities, is provided in this appendix.

U.S. Army Europe
Wiesbaden, Germany

Introduction & Overview: United States Army Europe leads Army forces in support of U.S. European Command and the Department of the Army by training and preparing for unified land operations, strengthening alliances, and conducting theater security cooperation. Executing this mission, U.S. Army Europe supports numerous U.S. combatant commands around the world as America seeks to prevent conflict, shape the global environment with our international partners, and win any contemporary fight. U.S. Army Europe plays a critical role in strengthening and preserving European Command's strategic partnerships, specifically by increasing interoperability, building partner capacity, and enhancing allied and partner expeditionary capabilities.

Major Accomplishments: In 2012, U.S. Army Europe provided trained and culturally aware units and enabling forces, capable of conducting full-spectrum operations in support of ISAF and other contingency operations. Supporting ballistic missile defense in Europe, U.S. Army Europe played a leading role in operating and maintaining the ground-based AN/TPY-2 radar site in Turkey. Theater enabler units also provided vital intelligence, logistics and sustainment support to U.S. European Command, U.S. Africa Command, and U.S. Special Operations Command forces operating across Europe and Africa.

In accordance with the 2012 Defense Strategic Guidance, U.S. Army Europe is aggressively continuing consolidation efforts and theater force rebalancing. As mentioned, key modifications include the inactivation of the 170th Infantry Brigade Combat Team (BCT) last year, and the inactivation of the 172nd BCT and U.S. Army V Corps Headquarters this year. As a result of ongoing reductions, the U.S. Army will have closed 102 theater sites from FY 2006 to FY 2012. The closure of an additional 30 sites, including the entire communities of Heidelberg, Mannheim, Darmstadt, Schweinfurt, and Bamberg, has also been publicly announced and is on track for completion by FY 2015.

Operations & Operational Support: U.S. Army Europe stands ready to support contingency operations and meet future global threats. Though some operations have been ongoing for years, others are completely new and unexpected, requiring flexibility and innovation to support. Last year, an average of 20% of U.S. Army Europe's forces were deployed to support to U.S. Central Command and ISAF. In 2012 alone, the U.S. Army's V Corps, 173rd Airborne BCT, and 12th Combat Aviation Brigade all deployed to Afghanistan.

Soldiers from U.S. Army Europe's 1st Battalion, 503rd infantry, 173rd Airborne Brigade Combat Team fire an 81-mm mortar while executing operations at Combat Outpost Kherwar, Afghanistan, on August 6, 2012.

Critical to supporting operations in Afghanistan, U.S. Army Europe has established and maintained a transportation node in Romania. Located at Mihail Kogalniceanu Airfield and operated by U.S. Army Europe's 21st Theater Sustainment Command, this transportation node is a critical link in the Northern Distribution Network. Since its establishment, this facility has supported over 130 flights, transporting nearly 10,000 service members and approximately 800 tons of equipment between the United States and Afghanistan. In addition, U.S. Army Europe personnel have established a trans-shipment point at Naval Station Rota, Spain, transporting 141 helicopters out of Afghanistan and redeploying them by sea to the United States.

In cyberspace, U.S. Army Europe's 5th Signal Command is addressing the array of rising challenges while, at the same time, providing the backbone for communications between deployed forces and the United States. Already partnered with multinational experts, 5th Signal Command is incorporating simulated cyber threats into U.S. and multinational training exercises and improving operational approaches to these threats.

Exercises, Theater Security Cooperation, and Partnerships: The U.S. Army Europe exercise program remains critical to the pre-deployment training of U.S. and coalition forces supporting ISAF and other contingency operations. It serves to prepare these same forces for future operations across U.S. European Command, U.S. Africa Command, and U.S. Central Command. In 2012, U.S. Army Europe prepared two Polish brigades, two Romanian battalions and, in close cooperation with the Marine Corps, two Georgian battalions for deployment to ISAF.

U.S. Army Europe's Joint Multinational Training Command (JMTC) is a strategic national asset, providing U.S. forces and our multinational partners an unparalleled training venue to prepare for ISAF deployments and exercise critical theater security skills. Here, Polish Special Operations Forces conduct search-and-rescue drills as part of a downed-aircraft exercise in Hohenfels, Germany.

Leveraging U.S. Army Europe's forward deployed brigades and America's long-standing investment in the premier training facilities at the Joint Multinational Training Command (JMTC) in Grafenwoehr and Hohenfels, Germany, U.S. Army Europe trained and mentored 2,481 multinational soldiers from 22 countries in counter-improvised explosive device (C-IED) skill sets, and trained 1,204 multinational drivers on Mine Resistant Ambush Protected (MRAP) vehicles. U.S. Army Europe teams also mentored and advised the Afghan National Army and Afghan National Police. In partnership with NATO, four mission rehearsal exercises were conducted at JMTC in 2012, training 72 mentoring and advisory teams from 16 European partner nations to support ISAF. U.S. Army Europe also enabled 190 National

Guardsmen to co-deploy as part of 14 advisory/mentoring and embedded support teams, deploying with over 4,200 multinational personnel in support of ISAF operations.

Additionally, U.S. Army Europe participated in 21 Joint and combined Army exercises last year, including four major mission rehearsal exercises conducted in 14 countries with 44 participating nations. Highlights from those highly successful events include:

• AUSTERE CHALLENGE 12, supported by the 10th Air and Missile Defense Command, which partnered with the Israeli Defense Forces to exercise missile defense capabilities.

• ATLAS VISION 12, conducted with forces from the Russian Ground Forces Central Military District as an important confidence-building measure and the first exercise of its kind since 2006. The exercise supported European Command's priority for increased cooperation with Russia.

• SABER JUNCTION, a decisive maneuver action training event conducted last October by the 2nd Calvary Regiment (2CR) with over 1,800 multinational soldiers from 19 partner nations—the largest and most sophisticated such exercise in 20 years.

Way Ahead: With approximately 90% of multinational forces in Afghanistan contributed by our European allies and partners, European armies remain our most likely, willing, and able coalition partners. Accordingly, it is critical that we maintain the strong alliances that U.S. Army Europe has forged over the past 60 years. Forward-based U.S. Army forces in Europe do this, and continue making major contributions to U.S. vital national security interests by extending U.S. strategic reach, assuring access, preserving strategic partnerships in Europe in a post-ISAF environment, addressing a wide array of hybrid threats, and maintaining regional security and stability. Importantly, the consolidation of U.S. Army Europe's command leadership continues, with U.S. Army Europe Headquarters finishing its move from Heidelberg to Wiesbaden this year, the inactivation of V Corps, and the reduction of 2,500 enabler forces. Also in 2013, the Army will commit a CONUS-based brigade to reinvigorate U.S. participation in the NATO Response Force (NRF). As part of this commitment, elements of this brigade will rotate twice annually to Europe to train with our NATO and non-NATO partners. JMTC will play an important role in hosting and supporting this U.S. component as we implement the Department's pledge to reinvigorate U.S. participation in the NRF.

U.S. Marine Forces Europe
Stuttgart, Germany

Introduction & Overview. Marine Forces Europe leverages rotational expeditionary Marine Forces and prepositioned capabilities-based equipment to reassure allies, deter potential adversaries, and maintain strategic access while supporting rapid response to crises and contingencies. Throughout 2012, Marine Forces Europe strengthened strategic partnerships, assured access, enhanced interoperability, and prepared forces for operations in Afghanistan through three critical programs: the Special Purpose Marine Air Ground Task Force, Black Sea Rotational Force; the Georgia Deployment Program for the International Security Assistance Force (GDP ISAF); and the Marine Corps Prepositioning Program Norway (MCPP-N); as well as an aggressive annual exercise program. Additionally, Marine Forces Europe's 2012 security cooperation activities focused on the Caucasus, Black Sea, Balkan, and Baltic regions, contributing to European stability and the forward defense of the United States.

Major Accomplishments. During the summer of 2012, Marine Forces Europe coordinated with Naval Forces Europe to support three simultaneous theater requirements: configuring vessels in the Mediterranean to posture for contingency operations; supporting Exercise Baltic Operations (BALTOPS 12) with Baltic NATO partners; and trans-loading vital equipment and ammunition from a Military Sealift Command vessel in support of the MCPP-N initiative. This concurrent planning and execution demonstrated extraordinary in-theater flexibility, organization, and teamwork.

Marine Forces Europe also continues to serve as a vital and integral contributor to U.S. relations with Georgia. Following last year's meeting between the U.S. and Georgian Presidents, Marine Forces Europe was tasked with leading assessments of the Georgian junior officer and non-commissioned officer professional development programs as well as Georgian combat engineer training and education. These efforts have informed the ongoing development of U.S. security cooperation engagement plans directed in the FY 2012 National Defense Authorization Act. Marine Forces Europe is also coordinating Georgian field grade officer augmentation to deploy Marine Regimental Combat Teams. This effort will support enhanced security cooperation for Georgian Brigade command and staff development. Finally, Marine Forces Europe enhanced the Black Sea Rotational Force in 2012 by adding capabilities to support non-combatant evacuation operations, humanitarian assistance, and disaster relief missions.

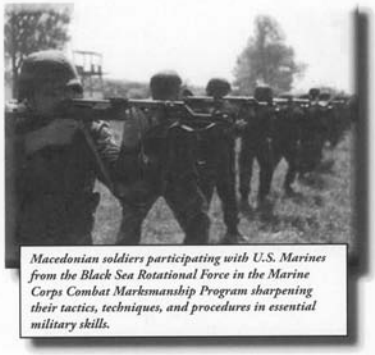
Georgia Deployment Program—International Security Assistance Force (GDP-ISAF). In support of nationally directed theater strategic end states, Marine Forces Europe is leading European Command's mission to train the Georgian Armed Forces. Performing this mission since 2010, Marine Forces Europe has developed and implemented a program that applies the USMC organizational model for Security Force Assistance, using general purpose forces and security cooperation organizations to train

Georgian battalions for full-spectrum counterinsurgency operations supporting ISAF. The program's first iteration, GDP-ISAF 1, contributed four battalions to the fight in Afghanistan. GDP-ISAF 2 is contributing an additional nine battalions, making Georgia one of the largest non-NATO contributors providing full-spectrum counterinsurgency support to ongoing ISAF coalition operations.

In order to simultaneously train two battalions, the Georgians have added the Vaziani South Training Area (VSTA) to enduring training activities at the Krtsanisi Training Area (KTA). Pre-deployment training at these locations have incorporated lessons learned from previous deployments, and optimized the training curriculum to include biometrics, counter-IED tactics, Pashtu language training, blue force tracker, medical training, driver training, and improved squad and small unit level tactics. This highly successful program continues to develop Georgian institutional capacity to conduct its own full-spectrum counterinsurgency training. It also takes advantage of proximity to the training facilities at U.S. Army Europe's Joint Multinational Training Center for mission rehearsal exercises prior to ISAF deployment. This program's success is clear, as deployed Georgian battalions currently constitute half of the ground combat power in ISAF's Regional Command Southwest. GDP-ISAF Rotations 10 and 11 are currently conducting their pre-deployment training evolutions for subsequent rotation into Afghanistan later this year.

U.S. Marine Corps' Black Sea Rotational Force. Marine Forces Europe also deploys and supports the Special Purpose Marine Air Ground Task Force, Black Sea Rotational Force (BSRF), a program that demonstrates U.S. commitment and maintains strategic access across the Caucasus and Black Sea regions through theater security cooperation and security force assistance. The BSRF uses the well-placed U.S. Forward Operating Site at Mihail Kogalniceanu Airfield in Romania as its staging base.

BSRF focuses its partner engagement on tasks that prepare and train these regional partners for out-of-area operations. The program builds enduring trust while enhancing U.S. strategic objectives in the region. In 2012, BSRF supported European Command crisis response requirements through its capabilities to conduct non-combatant evacuation control center actions and provide support to humanitarian assistance and disaster relief operations. Equipped by the Marine Corps Prepositioning Program Norway (MCPP-N), BSRF executed 97 engagement events with 20 countries (15 of which contribute forces to ISAF), participated in three Joint Chiefs of Staff (JCS) exercises, and conducted five community relations projects. This year, BSRF will continue supporting European Command's crisis response mission, is scheduled for 85 engagement events with 22 countries, will participate in four JCS exercises, and will conduct at least five community relations projects.



Macedonian soldiers participating with U.S. Marines from the Black Sea Rotational Force in the Marine Corps Combat Marksmanship Program sharpening their tactics, techniques, and procedures in essential military skills.

Marine Corps Prepositioning Program Norway (MCPP-N). In 2012, the Marine Corps began transforming this program from the current Marine Expeditionary Brigade prepositioning objective to an equipment set capable of supporting an ashore-based, balanced Marine Air Ground Task Force, built around the core of an Infantry Battalion Task Force. This Marine Air Ground Task Force, equipped through the MCPP-N for crisis response, can support operations up to the mid-intensity conflict level. European Command has supported MCPP-N's transformational effort in coordination with the Norwegian Ministry of Defense, the Department of State, Joint Staff, Headquarters United States Marine Corps, and Marine Forces Europe to obtain the necessary Conventional Armed Forces in Europe (CFE) entitlements to store USMC combat vehicles in Norway. MCPP-N transformation mitigates, but does not replace, the divestiture of the theater's Maritime Prepositioning Squadron which occurred last September. MCPP-N also continues to support the reinforcement of Norway, reaffirming America's strategic relationship with this important partner.

Exercises. Marine Forces Europe participated in 18 joint, bilateral, and multilateral exercises in 2012, reassuring theater allies and deterring potential adversaries by demonstrating rapid assembly, deployment, and maritime expeditionary capabilities. Noteworthy exercises last year included:

- AGILE SPIRIT, a Warsaw Initiative Fund (WIF)-resourced pre-deployment training workup for Georgian Battalions slated for the Georgia Deployment Program;
- BALTOPS 12, training important amphibious assault, arrival, and assembly skills with our Baltic NATO partners; and
- NOBLE SHIRLEY, building and maintaining critical interoperability with our Levant partners.

U.S. Marines and amphibious forces from Latvia, Lithuania, Estonia, Poland, the Netherlands, and Germany hit the beach during Exercise Baltic Operations (BALTOPS) 2012. BALTOPS '12 reinforced key theater security cooperation efforts through joint maritime, air, and land operations conducted across the Baltic region.

Way Ahead. Marine Forces Europe will continue to pursue an innovative task-organized expeditionary force presence in the European Command theater to meet crisis and contingency response requirements. We will provide bilateral combined arms and amphibious training with key partners, including Israel, Turkey, France, and the United Kingdom. Establishing and exercising expeditionary presence supports important theater reassurance and deterrence objectives. Marine Forces Europe will continue to support Service-led efforts to transform the MCPP-N, while maintaining our commitment to the reinforcement of Norway. Additionally, Marine Forces Europe will continue to evolve BSRF's crisis response capability, fully aligning this force with maritime crisis response capabilities inside the European Command theater.

Commander Naval Forces Europe / Commander Naval Forces Africa
Naples, Italy

Introduction & Overview: Commander, U.S. Naval Forces Europe and Commander, U.S. Naval Forces Africa is a unified organization that reports to both U.S. European Command and U.S. Africa Command. It is responsible for leading full-spectrum maritime operations in concert with allied, coalition, joint, and interagency partners to advance U.S. interests and enhance maritime security and stability in Europe and Africa. U.S. Naval Forces Europe performs Navy Component Commander functions that support daily fleet operations and Joint Force Maritime Component Commander/Joint Task Force Commander missions, strengthen U.S. relationships with enduring allies, and provide leadership for the development of maritime capabilities with emerging partners, particularly in European Command's southern and eastern regions.

Major Accomplishments: U.S. Naval Forces Europe met all mission requirements in 2012 and retained its certification as Joint Force Maritime Component Commander. By concentrating on key theater security cooperation initiatives, the command advanced vital U.S. and partner-nation skills in maritime domain awareness, security, and sea control in the European Command area of responsibility. The command also supported numerous global security and stability operations in 2012, including U.S. Central Command's Operation ENDURING FREEDOM and U.S. Africa Command's Operation JUKEBOX LOTUS, while maintaining its readiness posture for regional crisis response operations.

Operations & Operational Support:

North Africa. Responding last September to attacks on U.S. facilities in Libya, U.S. Naval Forces Europe's forward-stationed and rotational forces played a critical role in the response mission. The availability of Naval Air Station Sigonella, Italy, and Naval Support Activity Souda Bay, Greece, enabled U.S. forces to be rapidly postured, employed, and sustained as tasking evolved over the course of the crisis response, designated Operation JUKEBOX LOTUS. U.S. Navy and Joint force operations could not have occurred without these bases and the direct support they provided. Additionally, the command flagship, USS MOUNT WHITNEY, operating from international waters with the Commander, U.S. Sixth Fleet, embarked, provided command and control, planning, and support coordination during the initial phase of the crisis.

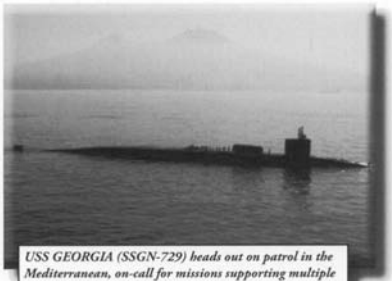
Ballistic Missile Defense. Through the deployment of U.S. Navy Aegis Ballistic Missile Defense (BMD)-capable surface combatants, Naval Forces Europe supported Phase One implementation of the European Phased Adaptive Approach (EPAA) to the ballistic missile defense of Europe. The command also supported EPAA Phase Two, with efforts to complete implementing agreements and prepare for construction of an Aegis Ashore site in Romania. U.S. Naval Forces Europe facilitated NATO's declaration of interim BMD capability through its participation in the European Air and Missile Defense Exercises and NATO Exercise RAPID ARROW, which was the first live fire test of NATO's BMD capability. Weekly BMD exercises with NATO participants are being conducted to sustain the proficiency gained through these events and others, and are expected to continue for the foreseeable future.

Intelligence, Surveillance and Reconnaissance (ISR). U.S. Naval Forces Europe supported theater ISR objectives with persistent coverage of vital operating areas, using air, surface, and subsurface assets. U.S. Navy surface combatants conducted active radar surveillance of airspace over or near regions of potential volatility to provide indications and warnings of aircraft activity as well as surveillance of surface and subsurface vessels. In addition, P-3 Maritime Patrol Aircraft and EP-3 Reconnaissance Aircraft operating from bases in Italy, Spain, and Greece, as well as ship-based Remotely Piloted Aircraft missions (SCAN EAGLE and FIRE SCOUT), also provided mobile, flexible ISR coverage in areas of interest within the theater. Employing a mix of these platforms and capabilities, U.S. Naval Forces Europe was able to support NATO forces in Kosovo, Operation JUKEBOX LOTUS, and operations in the Baltic Sea.

USS McFAUL (DDG-74), an Arleigh-Burke class guided missile destroyer launching a 'Scan Eagle' UAV during Operation JUKEBOX LOTUS last September. These versatile platforms cover multiple theater missions, from Ballistic Missile Defense to maritime interdiction to expanded U.S. Intelligence, Surveillance, and Reconnaissance.

Forward Deployed Naval Forces, Spain. The decision to station four Aegis destroyers at Naval Station Rota, Spain, will significantly increase the availability of these multi-mission surface platforms for training, interoperability, and crisis response operations in the Atlantic Ocean and Mediterranean Sea. Tasking will include theater BMD, maritime security operations, humanitarian missions, and bilateral and multilateral exercises in support of regional security and stability.

Theater Submarine Operations. U.S. submarine forces provided assurance, deterrence, and unique ISR capabilities, while maintaining their readiness to execute anti-submarine and anti-surface warfare



USS GEORGIA (SSGN-729) heads out on patrol in the Mediterranean, on-call for missions supporting multiple U.S. Combatant Commands.

operations, ensure undersea dominance, deliver precision strike weapons, and provide high-value unit protection.

Exercises, Theater Security Cooperation, and Partnerships: U.S. Naval Forces Europe participated in seven JCS exercises and 15 NATO and European Command exercises in 2012. As mentioned, Exercise BALTOPS 2012 brought together 12 European nations, including Russia, to conduct maritime operations and interoperability training in the Baltic Sea. Exercise SEA BREEZE 12, another WIF-funded event, aggregated 13 ships and personnel from 15 nations to train in and around the Black Sea. Exercise FRUKUS (France, Russia, United Kingdom, and the United States)—led by Russia in 2012—joined maritime forces from all four nations for a high-end multi-lateral engagement focused on maritime capabilities and interoperability. U.S. Sixth Fleet also led Exercise NORTHERN EAGLE, which involved Russia and Norway, and culminated in a successful U.S. ship visit to Severomorsk in northern Russia.

U.S. Sailor greeting a Ukrainian Marine at the launch of Exercise SEA BREEZE '12. Co-hosted by the U.S. and Ukrainian Navies, SEA BREEZE brought together naval, air, and land forces from Algeria, Azerbaijan, Belgium, Canada, Georgia, Germany, Israel, Moldova, Norway, Qatar Sweden, Turkey, UAE, Ukraine, and the United States. The largest multinational exercise conducted in the Black Sea region, SEA BREEZE provides an important venue for U.S. allies and partner nations to improve maritime safety, security, and stability in this vital area.

U.S. Naval Forces Europe continued to lead Eurasia Partnership Capstone, an initiative designed to integrate numerous efforts across Eurasia into a comprehensive maritime partnership. Training with naval forces from Azerbaijan, Bulgaria, Georgia, Greece, Israel, Russia, Poland, Romania, Turkey, and Ukraine, U.S. Naval Forces Europe focused on non-commissioned officer development, maritime interdiction operations, visit/board/search/seizure, search and rescue, maritime law enforcement, and environmental protection. In associated outreach to the Caspian Sea region last year, U.S. Naval Forces Europe coordinated with U.S. Central Command to include participation from Kazakhstan and Turkmenistan as well. The Partnership of Adriatic Mariners, a similar regional effort, was led by U.S. Naval Forces Europe and joined by Albania and key partners along

the Adriatic Sea to increase maritime domain awareness and enhance counter-illicit trafficking capabilities.

Way Ahead: U.S. Naval Forces Europe remains focused on maintaining maritime safety, security cooperation, and crisis response capabilities to defend the nation and secure its interests across Europe and Africa. The command will support, develop, and expand BMD capabilities afloat and ashore in synchronization with other European Command Service component commands and NATO. U.S. Naval Forces Europe will continue to exercise command and control of forward-stationed and rotational forces, focus on its primary mission of warfighting, and provide the nation with robust power projection capabilities across two combatant commands. Equally important, the command will continue to strengthen allied and partner maritime capabilities in foreign humanitarian assistance, disaster relief, and other operations, while responsibly balancing these initiatives within a fiscally constrained environment.

U.S. Air Forces Europe / U.S. Air Forces Africa
Ramstein Air Base, Germany

Introduction & Overview: U.S. Air Forces Europe / U.S. Air Forces Africa is a unified organization that reports to both U.S. European Command and U.S. Africa Command, postured to provide forward-based, full-spectrum airpower in support of global, national, alliance, and coalition operations. U.S. Air Forces Europe provides credible, capable, and responsive air forces for U.S. European Command prepared to defend the Homeland forward and respond at any time to crises across the world. Furthermore, U.S. Air Forces Europe maintains critical infrastructure to provide mobility and communications through-put, logistical support, contingency bed-down, and command and control capabilities in support of global operations. Additionally, Europe is a critical entry and relay point for all cyber activities across U.S. European Command, U.S. Central Command, and U.S. Africa Command, including 90% of all ISR feed data. Our forward posture allows us to project U.S. power globally, support the NATO Alliance and multilateral coalitions, and reduce the burden on U.S. forces while providing ready access to European bases, as required.

Major Accomplishments: U.S. Air Forces Europe flew over 37,500 hours in support of ongoing European Command operations in FY 2012. Forward-based air forces were essential to the U.S. rapid response to emergent requirements following the attacks on our diplomatic facilities in Benghazi, Libya, providing forces to support U.S. Africa Command's Operation JUKEBOX LOTUS. The command leveraged its strong international partnerships to facilitate the basing of CONUS forces in Europe in less than five days. U.S. Air Forces Europe's forward-based presence and partnerships also enabled execution of aeromedical evacuation and subsequent security missions in Libya.

U.S. Air Forces Europe has made major contributions to ongoing operations in Afghanistan, deploying aircraft for multi-role ground attack, refueling, combat search and rescue, and operational support missions. Airmen from across the command have deployed in support of Operation ENDURING FREEDOM, and U.S. Air Forces Europe continues to provide critical lift and sustainment for the deployment and redeployment of forces and equipment into and out of the U.S. Central Command theater to support current operations and the future transition in Afghanistan.

U.S. Air Forces Europe supported four nuclear logistics missions, successfully conducted three nuclear surety inspections of its nuclear-capable units, as well as two joint safety and security inspections, and a strike evaluation in concert with NATO. All of these events ensured that the United States and NATO maintain a safe, secure, and effective nuclear capability.

A critical global communications hub, U.S. Air Forces Europe provides vital data links for worldwide communications, unmanned aerial system command and control, intelligence collection, and space operations. U.S. Air Forces Europe has worked diligently to implement new technologies and expanded

systems enhancing European Command's air component capabilities. In support of EPAA, the command acts as a force provider and performs vital command and control (C2) functions for U.S. BMD forces. Last year, U.S. Air Forces Europe transitioned the NATO European territorial missile defense C2 mission from a U.S. capability to an alliance interim operating capability, and is working with NATO to develop initial operating capability requirements. In other areas, the command's land mobile radio capabilities matured into radio over internet protocol terrestrial connections, maximizing the resources available to emergency services across the region and enabling real-time crisis notification. U.S. Air Forces Europe has also become a defense leader in the improvement of base infrastructure and investment to develop a resilient command, control, communications, computer, and information (C4I) architecture, providing improved support to flight operations and contributing to the BMD mission in Europe.

Operations & Operational Support: U.S. Air Forces Europe supports the operations of U.S. European Command, U.S. Africa Command, U.S. Central Command, U.S. Transportation Command, and NATO, while conducting combat deployments at the same or higher rate than U.S.-based air forces, and maintaining the throughput of over 60% of global air mobility missions. U.S. Air Forces Europe maintains combat air patrols supporting NATO's Icelandic and Baltic air policing and surveillance missions, and conducts ISR missions across the greater Levant.

An F-15E Strike Eagle conducts in-flight refueling with a KC-135 Stratotanker over the Atlantic Ocean. U.S. Air Forces Europe conducts operations for 4 U.S. Combatant Commanders—European Command, Africa Command, Central Command, Transportation Command—and supports U.S. commitments to NATO.

Recent combat support operations in North Africa highlighted the importance of our ability to interoperate with NATO and non-NATO coalition partner nations in all phases of the ISR mission. To this end, we have dramatically increased our contact with potential partners to build partner ISR capacity. Leading the success in this area is the joint U.S. / U.K. 'Project Diamond' initiative, begun in 2007, which seeks to develop a Distributed Common Ground System (DCGS) ISR imagery processing, exploitation, and dissemination capability. This capability, located in the United Kingdom, is tied to the 693rd ISR Group at Ramstein Air Base. A significant success story, Project Diamond has resulted in U.K. analysts conducting processing, exploitation, and dissemination (PED) of U.S. Predator and Reaper Unmanned Aerial System operations in Afghanistan since April 2011. These efforts have supported ISAF warfighters while demonstrating the high degree of cooperation that exists between the U.S. and U.K. ISR communities. Building on these lessons, we have launched the Coalition ISR / PED Integration Initiative. This initiative seeks to build and integrate partner ISR capacity among key partner nations in the U.S. European Command and U.S. Africa Command theaters. These efforts will enhance cooperation, facilitate greater burden-sharing,

share ISR information and methodologies, and incorporate important PED objectives and capabilities into NATO and non-NATO exercises in order to ensure the alliance is better postured in these critical mission areas for future contingency operations.

Exercises, Theater Security Cooperation, and Partnerships: In addition to our operational missions and support, U.S. Air Forces Europe participated in 21 JCS exercises, to include Exercises AUSTERE CHALLENGE, BALTOPS, and RAPID TRIDENT, and accomplished over 1,870 outreach, engagement, and training events with 21 U.S. allied and partner nations in direct support of U.S. European Command, U.S. Africa Command, and U.S. Central Command. These efforts sustained America's strategic partnerships and achieved a number of significant milestones in 2012. First, engaging one of NATO's newer and increasingly important allies, U.S. Air Forces Europe personnel activated the Aviation Detachment (AVDET) at Lask Air Base, Poland, last November. The AVDET will support the rotation of U.S. military aircraft to Poland, enable cooperative training events between U.S. and Polish Airmen, enhance the capabilities and interoperability of our nations' air forces, and ultimately increase the air resources available for future NATO operations.

November 9, 2012: Members of the 52nd Operations Group, Detachment 1, conduct the activation ceremony for U.S. Air Force Europe's AVDET on the flight line at Lask Air Base, Poland. Comprised of 10 U.S. Airmen supporting the periodic rotation of U.S. F-16 and C-130 aircraft, the AVDET will make important contributions to Poland's defense modernization and NATO interoperability.

Second, U.S. Air Forces Europe achieved initial operational capability at the newly established European Integrated Air and Missile Defense Center, the only one of its kind, dedicated to advancing BMD education, training, and wargaming for our European partners. Third, supporting Joint Force 2020's emphasis on humanitarian and disaster relief operations, we recently celebrated the 20-year anniversary of our 'Eagle Vision' Program, a cooperative agreement with France that has provided imagery for numerous disaster relief operations over the past year. Fourth, eying efficiencies, U.S. Air Forces Europe continued its successful 'Tactical Leadership Program,' preparing next-generation combat air leaders from ten allied nations for worldwide operations augmenting, or in some cases reducing the need for, U.S. Airmen. Finally,

General Philip Breedlove, Commander, U.S. Air Forces Europe and U.S. Air Forces Africa, briefs German Chancellor Angela Merkel and U.S. Ambassador to Germany Philip Murphy during a tour of U.S. military aircraft at the Berlin Air Show in September 2012.

U.S. Air Forces Europe continues to help develop a strong cadre of non-commissioned officers through engagement and training, at the Kisling Non-Commissioned Officer Academy, with senior enlisted leaders from nations across Europe and Africa.

Way Ahead: Recognizing the current inflection point and the 2012 Defense Strategic Guidance, U.S. Air Forces Europe continues to implement significant efficiencies executing its mission to support two combatant commands. Most notably, U.S. Air Forces Europe has consolidated its subordinate numbered air forces and their associated Air and Space Operations Centers to create an extremely lean, agile, and flexible headquarters with leadership and staff supporting both U.S. European Command and U.S. Africa Command while maintaining essential service support to forces in and across the theater. As we look to the near term, U.S. Air Forces Europe will continue aggressively implementing EPAA and associated BMD initiatives, and support U.S. global reach and access to achieve national and military objectives through our forward-based forces and infrastructure. Europe's strategic location and our strong international relationships remain critical enablers for rapid unilateral, joint, and multinational response to contingency missions across Europe, Africa, Asia, and the Middle East.

U.S. Special Operations Command Europe
Stuttgart, Germany

Introduction & Overview: Special Operations Command Europe operates from two main forward-deployed locations, in Stuttgart, Germany, and the Royal Air Force (RAF) station at Mildenhall, England. The Command is comprised of three assigned components: 1st Battalion, 10th Special Forces Group (Airborne); Naval Special Warfare Unit 2; and the 352nd Special Operations Group (Air Force Special Operations Command). Special Operations Command Europe continues to focus on expanding theater-wide special operations forces (SOF) capabilities, mainly by developing and enabling allied and partner nation SOF to deploy to Afghanistan in support of ISAF. Through the development of allied and partner SOF skills, we seek to enable niche capabilities which, taken together, can translate into unified SOF actions that support U.S. national security objectives, NATO, and our shared security interests.

Major Accomplishments: Special Operations Command Europe focused its efforts to deliver significant results across multiple areas in 2012. First, as mentioned above, the command maintained its emphasis on engagement activities with allied and partner nation SOF preparing them for deployment to Afghanistan. Additionally on this front, the command conducted numerous Joint Combined Exchange Training and other bilateral training activities, Partnership Development Program events, bilateral counter narco-terrorism training, an intelligence conference on Iranian activities in Europe, and numerous key leader and staff engagements to sustain partner SOF development. Second, Special Operations Command Europe continued to develop its important counterterrorism-related bilateral relationships with Russian and Turkish SOF. Third, Special Operations Command Europe was tasked to lead the theater counterterrorism (CT) mission and is responsible for monitoring, facilitating, coordinating, and synchronizing all CT efforts across the European Command area of responsibility.

By Sea, Air, or Land: Participants in Special Operation Command Europe's Exercise JACKAL STONE display the uniforms and tools of their trade. The purpose of this capstone exercise is to enhance Special Operations Forces (SOF) capacity and interoperability among 15 participating Allied and partner nations, simultaneously building cooperation and key partnerships for current and future coalition SOF missions.

Exercises, Theater Security Cooperation, and Partnerships: Special Operations Command Europe continued to facilitate SOF interoperability and prepare partners for current and future contingency missions through an intensive 2012 exercise schedule. Last September, Croatia hosted JACKAL STONE '12, our capstone SOF exercise, including 15 nations and over 1,700 participants,

with Croatian President Ivo Josipovic making a personal appearance to observe joint U.S.-Croatian exercise projects. Other JACKAL STONE activities included a vigorous aviation component featuring Slovakian and Croatian Mi-17 helicopters, and U.S. MH-60 Blackhawks facilitating exercise movements and parachute operations.

Special Operations Command Europe has also developed and strengthened important theater CT bilateral relationships across a wide range of FY 2012 activities, including:

Russia: The U.S. Army's 10th Special Forces Group hosted Russian airborne forces at Ft. Carson, Colorado. This is the first time U.S. SOF have worked together with Russian forces since 2008. This three-week tactical training event fostered positive relationships, helped to further important interoperability goals, and developed a mutual understanding and working knowledge of each other's CT capabilities. This successful bilateral training event culminated with the stated intention to conduct similar training events annually, another potential area for continued U.S.-Russian engagement.

Turkey: After a two-year hiatus to develop a new memorandum of understanding (MOU) with Turkey, we are once again working closely with our Turkish SOF counterparts. The establishment of the MOU with Turkish Army Special Forces will greatly improve the U.S.-Turkish bilateral SOF relationship, enabling exchanges that will continue to pay strong dividends for both countries in the near future. Special Operations Command Europe key leader engagements with CT forces from the Turkish Ministry of the Interior have also increased potential for important future cooperation.

Operations & Operational Support: Special Operations Command Europe continues to lead European Command's SOF support to U.S. Central Command and the mission in Afghanistan. For the sixth year in a row, Special Operations Command Europe has provided U.S. forces, directly supporting ISAF through the deployment of Combined Special Operations Task Force 10 (CSOTF-10), providing military assistance to five Afghan Provincial Reaction Companies. Notably, CSOTF-10, commanded by Special Operations Command's 1st Battalion, 10th Special Forces Group, is comprised of multinational special operations forces from eight European nations: Croatia, Estonia, Finland, Hungary, Macedonia, Romania, Slovakia, and Slovenia. Additionally, Special Operations Command Europe continues to provide advisory assistance to Polish SOF in ISAF. By coordinating the Special Operations Command Europe Partnership Development Program with other security cooperation resources, we have been able to

SOCEUR's Partnership Development Program provides valuable support and pre-deployment training for partner-nation SOF forces, including Poland (shown above). These nations have made, and continue to make, vital contributions to ISAF.

assist these developing allies and partners with their concerted national effort to create SOF capabilities that are, at the tactical level, on par with U.S. Special Operations Forces. Once developed, these allies and partners have demonstrated the willingness to employ these forces in a manner that supports and enables heavily-tasked U.S. SOF. Most importantly, these combined efforts have made critical contributions to the Government of Afghanistan and the transition effort, mentoring Afghan National Security Forces and reinforcing their sustained progress into a self-run, confident force capable of contributing to security operations across sizable Afghan population centers.

Special Operations Command Europe also chairs the Stuttgart Effects Group, a multi-headquarters interagency forum established to increase understanding of transnational threats and de-conflict associated efforts with U.S. combatant commands and U.S. Government interagency partners.

As the European Command lead for all theater CT execution, Special Operations Command Europe is focused on intelligence, information-sharing, and developing partner capabilities in step with the Department's highest prioritization for Joint Force 2020's 'Counterterrorism and Irregular Warfare' mission. To meet these responsibilities and synchronize the theater's CT Regional Campaign Plan, the command established the Special Operations Command Europe CT-Core Cell. The CT-Core Cell monitors, facilitates, coordinates, and synchronizes CT efforts across the theater, in concert with other U.S. Government agencies and our partner nation counterparts, in order to disrupt violent extremist organizations and promote an environment inhospitable to terrorism. These efforts, and ongoing coordination with the International Criminal Police Organization (INTERPOL), have assisted investigations in more than 80 countries to date. Special Operations Command Europe continues to work closely with our allies and partners, the U.S. Intelligence Community, and other U.S. combatant commands to identify and counter threats to the United States and U.S. forces originating from Europe, Afghanistan, and Pakistan.

Lastly, Special Operations Command continues to refine and adapt theater-wide strategic SOF requirements while also taking care of our people. Operational concepts, to include the Distributed SOF Network and ongoing coordination with allied and partner SOF through our U.S. Country Team SOF liaison elements, continue to pay dividends. Importantly, after a decade of sustained combat operations, the command remains focused on ways to take care of our warriors and their families. We continue to prioritize several family events and increase service member awareness regarding comprehensive health and well-being.

Way Ahead: Special Operations Command Europe will continue to focus its Partnership Development Program (PDP) efforts on contributing to ISAF SOF preparation beyond 2014. In 2012, the command increased its footprint from a company-size U.S. Special Forces element to a battalion-size task force, while increasing partner nation participation through staff positions, special operations task units, and special operations task groups. Beyond ISAF, Special Operations Command Europe will coordinate

and direct its critical security cooperation resources and authorities (PDP, 1206, etc.) toward working with our allies and partners to develop the national and institutional mechanisms required to sustain the SOF capacity that we have collectively built over the past decade. Our European allies and partners have proven their willingness, with relatively minimal assistance, to deploy their SOF to combat and other operations important to the United States. Our strategic objective is to ensure that we sustain this vital investment in order to have world-class, interoperable SOF available for employment where our national security interests converge in the future, without having to begin capacity building efforts anew. Looking forward, Special Operations Command Europe will continue to support U.S. European Command, national, and NATO objectives, maintain our combat edge, further develop allied and partner SOF, and always be ready for crisis response—a vanguard force for the forward defense of the United States.

Chairman LEVIN. Thank you very much, Admiral Stavridis.

General Jacoby.

STATEMENT OF GEN CHARLES H. JACOBY, JR., USA, COMMANDER, U.S. NORTHERN COMMAND AND COMMANDER, NORTH AMERICAN AEROSPACE DEFENSE COMMAND

General JACOBY. Chairman Levin, Senator Inhofe, distinguished members of the committee: Thank you for the opportunity to appear before you today. It is a pleasure to be here with my friends and fellow combatant commanders, Admiral Jim Stavridis and General John Kelly. I'm not as big an Army guy as John is a Marine, but we're here to protect you, Jim.

On behalf of the men and women of NORTHCOM and NORAD, I appreciate this committee's continuing support of our important missions. In the case of NORTHCOM, our missions include Homeland defense and that's my number one priority mission. It's a mission in which we work very closely with Canada in our integrated NORAD binational command.

Next, we remain active in conducting our core mission of defense support of civil authorities, for which the highlight last year was our participation in the interagency response to Hurricane Sandy.

Finally, alongside cooperative defense activities with our ally Canada, we continue to conduct security cooperation efforts with our close partners in Mexico and The Bahamas.

Our NORAD missions specifically include aerospace warning and control and maritime warning for the United States and Canada. Our commands' motto is "We Have the Watch!" This reflects the vigilance with which we approach our duties and commitment to both the American and Canadian people. We execute our NORAD missions principally through our well-honed and uncompromising 24/7 defense of our skies, and that's Operation Noble Eagle.

Our citizens have high expectations of our ability to defend and support them here in the Homeland, and rightfully so. In the event of a natural or manmade disaster, NORTHCOM meets those expectations by leveraging the tremendous capabilities and capacities of DOD to support a lead agency such as the Federal Emergency Management Agency (FEMA). Hurricane Sandy offered us glimpse of what a complex catastrophe which spans several States and regions could look like. We'll continue to mature the successful dual-Status Command construct, provided in the 2012 National Defense Authorization Act (NDAA) so that we will be ready to act swiftly and with unity of effort when the unthinkable happens and we are called.

We are facing an increasingly complex and dynamic security environment. Threats are adapting and evolving. Technologies advance and proliferate, creating greater vulnerability in the homeland than ever before and complicating the accomplishment of our mission sets, from cyber and ballistic missile defense to the disruption and defeat of transnational criminal organizations (TCO).

As such, critical command priority is to advocate and develop capabilities in our core mission areas in order to outpace these threats. Yet, while we are confronted with this emerging threat landscape, the current fiscal environment adds uncertainty to the

availability and development of the capabilities we will need to manage the risks these threats will pose.

Readiness concerns are sure to grow, as clearly described by recent Service Chief testimony. My most pressing of those will include unforecasted cuts to training and exercise programs, which are fundamental to building partnerships essential for responding to events in the Homeland. Unexpected loss of service capabilities and readiness could also, in the future, erode our ability to conduct our critical Homeland defense missions.

As we look forward, despite these challenges, our current layered partnerships and history of training, education, exercise programs, for now leave NORTHCOM and NORAD postured to defend the Nation against a full spectrum of threats. But we will have to work hard with the Services to sustain that posture as we deal with program and budget uncertainty.

Today and in the future, we will remain committed to deter, prevent, and defeat aggression aimed at the United States and Canada as two commands oriented on a single vision: that, with our trusted partners we will defend North America, outpace and mitigate threats, maintain faith with our people, and support them in their times of greatest need.

We will need this committee's continued support to meet that vision.

I thank you for the opportunity to appear today and look forward to your questions.

[The prepared statement of General Jacoby follows:]

PREPARED STATEMENT BY GEN CHARLES H. JACOBY, JR., USA

Chairman Levin, Senator Inhofe, distinguished members of the committee, thank you for the opportunity to report on the posture of U.S. Northern Command (NORTHCOM) and North American Aerospace Defense Command (NORAD). As the combatant commander charged with defense of our Homeland, it is a distinct privilege to represent the more than 2,000 men and women of the Commands who stand the watch around the clock on behalf of our Nation. Strengthened by robust partnerships with hemispheric neighbors and interagency communities, my commands execute three primary missions: homeland defense, defense support of civil authorities (DSCA), and security cooperation.

NORTHCOM was established October 1, 2002 to provide command and control of Department of Defense (DOD) homeland defense efforts and to command the Federal military response to requests for DSCA. The imperative to protect and secure the homeland against all hazards is even more important today. Over the last year, Hurricanes Isaac and Sandy, record wildfires, severe drought, and violent tornado activity tested the Nation. The continued opening of the Arctic precipitated significant growth in human activity, potentially posing new domestic, foreign consequence management, and homeland defense challenges and opportunities. In addition to these natural events, internal and external manmade threats continue to proliferate. Cognizant of these challenges, we remain positioned to support our mission partners in their response efforts to restore normalcy following any disaster, while continually honing our capabilities to outpace and adapt to shared security threats to the United States and Canada in accordance with the NORAD agreement. Leveraging the vitally important Combatant Commander Exercise and Engagement Program, we prepare for our missions through training, education, and exercises, and take every opportunity to learn from these events. With each real-world crisis, we apply a candid, rigorous lessons learned process to replicate successes, correct deficiencies, and ultimately strengthen our partnerships.

Defending the Nation requires a reliance on partners in three distinct geographic locations: globally, in the approaches to the Homeland, and within the Homeland. On the outer layer of this defense in depth, my global partners include the Office of the Director of National Intelligence, Defense Intelligence Agency, Department of State, and associated functional and geographic combatant commands, to name a few. In the approaches to the homeland are our partners in Mexico, The Bahamas,

and Canada. Within our homeland, my Federal partners include the Military Departments and Services, National Guard Bureau (NGB), Department of Homeland Security (DHS) (specifically, Federal Emergency Management Agency (FEMA), U.S. Coast Guard (USCG), Transportation Security Administration, and Customs and Border Protection (CBP)), Department of Justice (DOJ), and Federal Aviation Administration (FAA). Finally and perhaps most critically, are my subordinate headquarters strategically placed at key intersections between the approaches and the homeland: Joint Task Force North (JTF-North) on the Southwest border, Joint Task Force National Capital Region, Joint Task Force Civil Support on the eastern seaboard, and Joint Task Force Alaska (JTF-Alaska) in America's high north.

Partnerships are equally important in my DSCA responsibilities. I live daily with the knowledge that any moment can bring news of natural and manmade disasters. To meet the deservedly high expectations of our citizens, we work in support of primary agencies responding to natural disasters as part of a team of Federal, state, and local entities. Disaster response is largely a function of preparedness. As such, our training and exercise program, collaboration, and communications with our partners form the foundation of our ability to execute in times of crisis. The trusted partnerships we have built with some 50 Federal agencies are evident in the presence of more than 60 liaison officers in our headquarters with whom we work side-by-side.

These well-established partnerships achieve two principal effects. In pre-crisis, they enable safety and security activities that mitigate the effects of natural disasters and deter threat activities. Upon transition to crisis, unity of effort and the power of interagency teamwork are a function of our robust, realistic, and comprehensive training and exercise programs.

Today, our partners are pressured by budget constraints that can erode the defense and security of the homeland unless we judiciously build, balance, and protect homeland defense capabilities. We remain mindful of our Nation's budgetary challenges and understand that fiscal responsibility is itself a matter of national security. The nation realizes meaningful security dividends through interagency partnering and cooperative engagement with our Canadian, Mexican, and Bahamian neighbors. As we confront shared challenges such as transnational criminal organizations, terror and weapons proliferation, and other threat networks, prudent investments made possible by Congress equate to a significant down payment on our national security objectives. With a relatively modest geographic combatant command budget, NORTHCOM and NORAD carry out our country's foremost and uniquely solemn duties to protect our citizens and support them in their times of greatest need. We are working smarter in an era of significant budget constraints, knowing threats to the homeland will likely not diminish. Keeping faith with our fellow Americans is our greatest moral imperative, understanding that the physical and moral consequences of a successful attack in the homeland far outweigh those of a similar attack overseas.

HOMELAND DEFENSE

Homeland defense is perhaps the best example of how we defend in depth through our partners. Our Missile Defense, Aerospace Warning and Control, Maritime Warning, Cyber Security, Infrastructure Resiliency, and Antiterrorism/Force Protection mission sets require close cooperation and communication with partners globally, in the approaches, and in the Homeland.

Missile Defense

North Korea's Taepo Dong 2 launch in December 2012, followed by its announcement of a third nuclear test in February 2013, are sobering reminders that our Nation must remain vigilant against nation-states that can threaten the homeland directly. North Korea continues to seek international recognition as a nuclear-armed state and has unveiled a road-mobile Intercontinental Ballistic Missile (ICBM) with claims it can strike targets in our homeland. Although Iran does not yet possess a nuclear weapon, it is developing advanced missile capabilities faster than previously assessed and is apparently positioning itself to produce a nuclear warhead quickly should its leaders choose to do so.

I am confident in our ability to employ the Ground-based Midcourse Defense (GMD) system to engage the current ballistic threats against the United States. The fielded system was developed using a spiral acquisition approach designed to counter a limited, unsophisticated ballistic missile threat from a rogue nation. In light of the challenging threats that loom on the horizon, Admiral Locklear (Commander, U.S. Pacific Command), General Kehler (Commander, U.S. Strategic Command), Vice Admiral Syring (Director, Missile Defense Agency (MDA)), and I are working as a team with the intelligence community to improve our capability to

warn against and mitigate emerging threats. We remain committed to improving current Ballistic Missile Defense (BMD) capabilities to ensure we maintain our strategic advantage and guarantee confidence in our ability to defeat evolving, more complex threats in the future.

In view of the continued development of North Korean threat capabilities, we are partnering with the MDA to improve GMD reliability. To be sure, GMD is a system of systems. Only synergistic and comprehensive improvements across the entirety of the kill chain—intelligence, sensors, interceptors, and command and control—can ensure system confidence and maximize performance. We are working across the entire system to enhance system reliability. The complexity of the GMD system dictates an intricate interplay between development of new capability, operator tactics, component testing, and the continuous calibration of threat profiles.

We have worked closely with the MDA to maintain the right balance in developing and testing missile defense technologies, while increasing our readiness to execute this critical mission set. This requires that we achieve a cadence of at least one operational GMD intercept flight test annually. I am pleased with the successful flight test conducted in January 2013 and expect that future tests will serve to increase confidence in the fielded system.

Our BMD responsibilities include all potential missile threats, regardless of range or source. To evaluate our capability against a regional ballistic missile threat, we have conducted a series of tests and exercises using Joint, Deployable Integrated Air and Missile Defense systems in the protection of designated critical assets (such as population centers, major events, and critical infrastructure) against a limited air, cruise, or ballistic missile attack. These ongoing tests and exercises are oriented on the development of tactics, techniques, and procedures that integrate existing Aegis BMD, Patriot, and Terminal High-Altitude Area Defense (THAAD) systems into a layered defense. We will continue to pursue effective and efficient methods to improve our ability to protect the Homeland. Our citizens expect our vigilance and rigor to protect them from a missile attack on our soil. We work diligently to maintain their trust.

Aerospace Warning and Control

A vital component of homeland defense is NORAD's Aerospace Warning and Control missions. Through the execution of Operation Noble Eagle (ONE), NORAD defends North American airspace from unwanted and unauthorized aircraft on a 24/7 basis and accomplishes this critical mission with a combination of armed fighters on alert, air patrols, aerial refueling, Airborne Warning and Control System (AWACS) surveillance platforms, the National Capital Region Integrated Air Defense System, and our ground-based Air Defense Sector surveillance detection capabilities. These assets allow NORAD to respond to both strategic and asymmetric air threats to the Homeland.

Since September 11, more than 62,000 sorties have been flown in support of ONE. Our continued requirements for air domain awareness and intercept capabilities mean we must ensure that NORAD forces can protect our most critical national infrastructure, and that we maintain a basing architecture that defends key terrain and our most critical national infrastructure.

This has been an extremely busy year for the men and women of NORTHCOM and NORAD, as we have successfully supported the DHS and the U.S. Secret Service (USSS) to plan and execute many National Special Security Events (NSSEs). These include the G–8 Summit at Camp David, MD; the North Atlantic Treaty Organization (NATO) Summit in Chicago, IL; the Republican National Convention in Tampa, FL; the Democratic National Convention in Charlotte, NC; the Presidential Inauguration, and the State of the Union Address in our Nation's capital. In addition to NSSEs, the day-to-day operational planning and support generated by the 2012 National Election involved the cooperation and coordination of an array of interagency organizations. NORAD participated extensively in these efforts with a full array of support, when required by lead Federal agencies. We are proud of NORAD's successful planning and execution for these critical national events.

NORAD continues to demonstrate the ability to respond quickly to potential strategic threats through Northern Sovereignty Operations, which involves the monitoring and detection of announced and unannounced Russian Military Aviation flights entering the United States and Canadian Air Defense Identification Zones. This year again, Russian Long-Range Aviation (LRA) continues a deliberate modernization plan with increasing operational capability. The successful detection and intercept of such flights demonstrates NORAD's ability and intention to defend not only the northern reaches of our sovereign airspace, but all of NORAD's area of operations. Whether in the continental United States or along the northern tier of

Alaska and Canada, NORAD continues to successfully provide Aerospace Warning and Aerospace Control for North America.

Maritime Warning and Maritime Homeland Defense

NORAD's Maritime Warning Mission, which supplements the national intelligence analysis and warning capabilities of the United States and Canada, continues to mature, and we have achieved notable progress in building and maintaining relationships with mission partners and stakeholders in the maritime community of interest. My staff remains engaged with our Canadian partners through the Permanent Joint Board on Defense (PJBD) and the Military Cooperation Committee (MCC) as we continue to improve awareness and develop the NORAD Maritime Warning Mission.

Beyond maritime warning, NORTHCOM supports the execution of the National Maritime Security Strategy through preparations to lead or act in a supporting role to ensure the security of the homeland in the face of a maritime threat. With the recent assignment of Navy North (NAVNORTH), I now have a service component commander and headquarters responsible for maritime operations in my area of responsibility. NAVNORTH will continue to build on the outstanding working relationships with our interagency and Service partners, particularly the USCG, to ensure future operations are coordinated and integrated to the greatest extent possible.

Cyber Security

I share former Secretary Panetta's concern that the United States may be in a "pre-September 11 moment" with regard to a major cyber attack. Global dependencies on electronic information technology offer adversaries attractive opportunities to wreak havoc in this domain. Cyber operations are non-kinetic, asymmetric options that have the added advantage of shrouded attribution. The potential effects of a targeted attack could have severe consequences for U.S. infrastructure and institutions, impede our homeland defense mission, degrade our ability to support military activities overseas, and strain our ability to provide relief to civil authorities. To address growing threats, NORTHCOM and NORAD, in conjunction with U.S. Cyber Command, recently established a Joint Cyber Center (JCC) to recognize and assess when a cyberspace attack is being orchestrated against the homeland. Although in its infancy, the JCC's goal is to provide timely and accurate information associated with the cyber domain through focused situational awareness and integrated operational cyberspace planning. We have also incorporated more robust cyber play in our exercises to refine our cyber-defense capability and enhance our effectiveness to operate within the confines of a degraded environment.

Antiterrorism and Force Protection

Consistent with our Unified Command Plan authorities and guidance from the Secretary of Defense "to preserve the Nation's combat power," NORTHCOM executes an antiterrorism and force protection mission across our area of responsibility. This is achieved by implementing force protection and security-related policy, ensuring compliance with standards, developing new technologies, and engaging with key mission partners. To preempt insider threats as occurred at Fort Hood, NORTHCOM maintains a close, trusted partnership with the Federal Bureau of Investigation (FBI) to share threat information rapidly, and to synchronize the collective military response efforts of the Department.

Protection of our installations, people, and Defense Critical Infrastructure (DCI) is imperative to maintain mission assurance. NORTHCOM advocates to ensure that sufficient resource requirements are considered in Military Department budget deliberations to implement Service component antiterrorism and force protection programs. In addition, NORTHCOM continues aggressive planning and collaboration with DOD components to ensure DCI most vital to mission owners is always available and mission capable, consistent with DOD guidance.

DEFENSE SUPPORT OF CIVIL AUTHORITIES

We assist our domestic mission partners across the spectrum of activities in the homeland. Our civil support actions range from support to law enforcement agencies (LEAs) on our borders, to mitigating the effects of man-made incidents or natural disasters. Unless otherwise directed by the President or the Secretary of Defense, our assistance in this role is always in support of the lead Federal agency.

NORTHCOM, with its homeland in my area of responsibility, is uniquely characterized by domestic laws, policy, culture, and tradition. The nuances of the homeland, coupled with the evolutionary nature of the threat, highlight the criticality of NORTHCOM's close relationship with law enforcement partners. Our continued in-

vestment and partnership with LEAs in the execution of their homeland security activities prevents operational seams and is the cornerstone of our ability to defend the Nation. Underpinning the large majority of our relationship with LEAs is JTF–North, co-located with the El Paso Intelligence Center on key terrain of the Southwest border.

During 2012, we responded to multiple requests for assistance in support of CBP, Drug Enforcement Administration (DEA), U.S. Immigration and Customs Enforcement (ICE), USSS, FBI, and other agencies along the Nation's Southwest border. Exchange of information and analysis allows DOD and LEAs to be partners in the layered defense and security of the homeland. Our partnerships with Federal, State, and local agencies have never been stronger.

This last year speaks to the critical nature of our strong interagency partnerships and the continued requirement to support our partners. To complement the tremendous capacity of communities and states to deal with crises, DOD has capabilities that can save and sustain lives, reduce suffering, protect property, mitigate the damage to critical infrastructure, and get citizens quickly and solidly onto the path of resuming their daily lives. Our challenge in this environment is not to be late to need. DOD capabilities are only useful if they are accessible and responsive to relief requirements. To improve the agility and effectiveness of our support, we conduct detailed integrated regional planning to better understand concurrent employment challenges of Federal military forces and National Guard, and we employ Dual Status Commanders (DSCs), made possible by Congress, to improve unity of effort.

Dual Status Commanders

A fundamental change in how we execute our civil support mission is the use of DSCs—perhaps one of the most important initiatives taken in the area of DSCA in a decade. The Secretary of Defense and state governors authorize specially trained and certified senior military officers to command Federal and State military forces employed by DOD and a State, respectively, in support of Federal and State civil authorities, thereby promoting unity of effort in military assistance to the affected community. DSCs provide a link between the distinct and separate Federal and state chains of command that is vital to facilitating unity of effort between the operations of Federal and large State military force packages supporting civil authorities. In 2012, the use of DSCs for the Waldo Canyon fire and Hurricane Sandy provided opportunities, through unity of effort, to strengthen NORTHCOM's close collaboration with the National Interagency Fire Center (NIFC), FEMA, the NGB, and States' National Guard organizations. Multiple states requested and received DSC designations in 2012, including: California and Colorado (for wildland firefighting); and Florida, Maryland, Massachusetts, New Hampshire, New Jersey, New York, and Rhode Island (for hurricane response).

Wildland Firefighting

When the Waldo Canyon fire erupted less than 12 miles from my headquarters last June, our DSCA role was brought into sharp focus. No one could have predicted the June 26, 2012, firestorm that was fueled by 65 mile per hour winds and rapidly consumed 346 Colorado Springs homes, some of which belonged to members of my staff. In reaction to this crisis, immediate response support from Fort Carson, Peterson Air Force Base (AFB), Schriever AFB, and Buckley AFB was directed toward the effort, and the Secretary of Defense and the Governor of Colorado quickly authorized a DSC. At the request of NIFC, NORTHCOM coordinated the deployment of Air National Guard C–130 aircraft, equipped with U.S. Forest Service (USFS) Modular Airborne Firefighting System (MAFFS) to support the Federal wildland firefighting effort. Without hesitation, the courageous Airmen operating these aircraft continually put their lives at great risk to save and protect American lives and property during these wildfires. I would be remiss if I did not honor the names of Lieutenant Colonel Paul Mikeal, Major Joseph McCormick, Major Ryan David, and Senior Master Sergeant Robert Cannon from North Carolina Air National Guard's 145th Airlift Wing, who selflessly made the ultimate sacrifice fighting wildfires in South Dakota last July.

With senior leaders from the U.S. Department of Agriculture, U.S. Forest Service, Department of Interior, NIFC, and the NGB, we are focused on getting ahead of the next fire season. Through routine engagement, interagency teamwork, and a collaborative effort of working groups, we have expanded our collective understanding of the implications of and capabilities required to prepare for requests for assistance from our interagency partners' wildland firefighting operations. These include near-term proposals such as integrated training, improved processes for requesting and implementing support, and clarification of lines of authority, ensuring installation

preparedness and necessary agreements are in place, and identifying technology transfers that can be accomplished before the next wildland fire season.

Hurricane Sandy Response

Hurricane Sandy challenged the agility of the National Response Framework while impacting key terrain in New York City and New Jersey. Working with FEMA (the lead agency for the Federal response), the NGB, and the individual States, we estimated required support and prepositioned Title 10 resources in the region in order to respond as soon as requested. Throughout the response to the storm, NORTHCOM was able to support our Federal, State, and local partners by facilitating the Department's efforts in power restoration, dewatering, fuel distribution, transportation, and public health and safety. In addition, along with the NGB, NORTHCOM supported the Secretary's approval of Governors' requests for DSCs. As the hurricane made landfall, DSCs received orders to facilitate military unity of effort for the response and recovery efforts in New Jersey and New York. The DSCs provided critical leadership to promoting greater unity of effort between Federal and state military forces responding to the devastating effects of this hurricane. As a result, NORTHCOM was able to support our Federal, State, and local partners by facilitating power restoration, dewatering, fuel distribution, transportation, and public health and safety.

As part of the Hurricane Sandy response and recovery effort, and with Military Department Secretary concurrence, we designated a number of title 10 installations as Incident Support Bases and Federal Team Staging Facilities (as requested by FEMA). Located throughout FEMA Regions I and II, these installations provided a platform for FEMA to stage commodities and equipment as well as response and recovery teams (such as Urban Search and Rescue Teams). Additionally, we designated four installations as Base Support Installations with the task to support logistically the Title 10 response effort. Fort Hamilton and Joint Base McGuire-Dix-Lakehurst simultaneously supported both FEMA and DOD response efforts.

During the course of execution, we rapidly recognized the incredible capacity and capability of U.S. Transportation Command (TRANSCOM), the U.S. Army Corps of Engineers (USACE), and the Defense Logistics Agency (DLA). The established authorities, interagency agreements, funding mechanisms, and operational flexibility of these organizations are critical to mitigating large-scale catastrophic events in the future.

Leveraging our relationships with TRANSCOM and our interagency partners, NORTHCOM executed the strategic air and ground movements of DOD assets and private/commercial power utility company trucks and personnel. Together, our teams completed 241 sorties, hauling 4,173 short tons and 1,225 passengers. These numbers included the movement of 262 power restoration vehicles and 429 support personnel from western States to New York and New Jersey. Based on our past hurricane response experience, we pre-identified title 10 electrical generator and water pump availability as Hurricane Sandy approached the New Jersey and New York coasts. One hundred DOD water pumps and almost 300 pump operators were requested by FEMA and greatly contributed to the overall USACE pumping effort, which removed more than 475 million gallons of water from tunnels and other critical infrastructure.

NORTHCOM's success in civil support during Sandy was characterized by anticipation and timely support of our partners' requests for assistance during domestic crises. As a result, I am overwhelmingly convinced that DSCs are the right answer to facilitating military unity of effort before, during, and after a natural or man-made disaster. DSCs are vital for a successful roadmap to readiness that links organizational learning and adaptation to a continuous improvement of interagency preparedness in disaster response.

Chemical, Biological, Radiological, and Nuclear (CBRN) Response

We understand bad actors are committed to gaining access to chemical and biological weapons, as well as nuclear and radiological material, and employing these weapons against us. This truth demands our preparedness and resiliency if a CBRN attack should occur in the homeland.

NORTHCOM, in close collaboration with the NGB and our other military and civilian partners, has made significant progress improving our ability to respond in the aftermath of a CBRN incident by increasing the overall readiness of the Nation's CBRN Response Enterprise. Following a series of external evaluations and confirmatory exercises, the Enterprise achieved full operational capability (FOC) on October 1, 2012. Despite the FOC designation, important work remains to be done to realize the full potential of the enterprise. Through our robust exercise program and partnerships, we are using both title 10 exercises (e.g., Vibrant Response) and regional

state exercises (e.g., Vigilant Guard) to maximize preparedness for the entire range of CBRN threats and hazards.

SECURITY COOPERATION

Security Cooperation with Mexico and Countering Threat Networks

When it comes to the security of North America and the shared pursuit of enduring stability and prosperity, we cannot afford to work in isolation. The ties between the United States and Mexico are deep and growing. The Department of Defense views Mexico as a strategic partner in mutual regional and hemispheric security interests. At the center of our shared security concerns is the proliferation and influence of transnational criminal organizations (TCOs) and other threat networks that greatly undermine citizen security in Mexico.

TCOs are sophisticated international enterprises representing a national security threat based on their unique ability to move people, drugs, money, and weapons across borders. According to the National Drug Intelligence Center, the demand for illegal drugs in the United States continues, fueling the nearly $40 billion drug trade occurring in the region.[1] Per the Trans-Border Institute, since 2006 there have been more than 50,000 TCO-related homicides in Mexico,[2] often the result of conflicts over lucrative territory for drug trafficking and other illicit activity, routes, and access points to the U.S. drug market. Although narco-related homicides continued to occur at disturbing levels in 2012, the number modestly declined for the first time in 6 years.

More broadly, we are deepening our defense and military partnership with Mexico in a whole host of areas, including strengthening our ability to work together in humanitarian assistance and disaster relief, cyber security, defense planning, training and education, air and maritime defense, counter-terrorism, and defense acquisition and maintenance.

In support of the President's July 2011 Strategy to Combat Transnational Organized Crime, and his 2012 National Drug Control Strategy, NORTHCOM works with mission partners throughout our region to increase collaboration to confront TCOs. Our current priority of effort resides with the Mexican military where, at their request, we work with the Mexican Security Forces to build our shared capabilities and capacities. With full respect for Mexico's sovereignty and with full understanding that efforts to counter transnational organized crime have a civilian law enforcement lead, over the past year we have worked together in three key areas: increased capacity to conduct intelligence-driven operations; improved awareness and practice in protecting human rights; and increased capacity to work on a whole-of-government basis to address the challenges posed by TCOs.

Mexico's southern border, an area of strategic importance in the counter-TCO effort, also represents a border between the areas of responsibility of U.S. Southern Command (SOUTHCOM) and NORTHCOM, requiring close coordination between our commands to ensure mission success. Illustrative of our partnership, our commands co-sponsor Mexico, Guatemala, and Belize Border Region Workshops. These workshops bring together national security forces to address communications, border security, standard operating procedures, and air, land, and maritime surveillance. Another example of our efforts is the coordinated deployment of a ground-based radar and associated information sharing protocols for Mexico, Guatemala, and Belize.

Mexico and the United States are critical, strategic partners in the security sphere. My goal remains strengthening NORTHCOM's relationship with the Mexican military. We look forward to working closely with the leadership of the Mexican Army (SEDENA) and Navy (SEMAR) as they implement the strategy of President Peña Nieto and integrate their actions with those of Mexico's civilian agencies.

Through our positive partnership, both nations have improved their capacity to respond to TCOs, to terrorist threats, and to natural disasters. I consider my relationship with the U.S. Ambassador to Mexico of utmost importance in the execution of Department of Defense goals and objectives throughout the region and hemisphere. Ambassador Wayne is the U.S. Government lead for engagements with Mexico and, as such, is a vital partner in all coordination and execution of DOD and NORTHCOM's security cooperation mission. Confronting the security challenges we face in the future will continue to require an integrated, whole-of-government approach at home and close cooperation with our partners abroad. Nothing is more

[1] Richard M. Stana, Director of Homeland and Security Issues. Testimony before the U.S. Senate Caucus on International Narcotics Control. March 9, 2011.

[2] Trans-Border Institute. Drug violence in Mexico, Data and Analysis through 2011. March 2012.

important to our security and prosperity in this region than strengthening those partnerships.

Western Hemisphere Institute for Security Cooperation (WHINSEC)

Located at Fort Benning, GA, WHINSEC remains a key component of DOD's security cooperation outreach in the Western Hemisphere. WHINSEC is the only U.S. Army School that teaches in Spanish and informs the thinking of future Latin American leaders about democracy, human rights, and military topics. It is a strategic tool for international engagement supporting principles set forth in the Organization of American States (OAS) Charter. The training offered at WHINSEC impacts approximately 800–1,000 Latin American leaders annually from military, law enforcement, and civilian institutions and serves to increase collaboration and improve foreign partner capacity in pursuit of NORTHCOM's security cooperation objectives.

Security Cooperation with The Bahamas

The United States and The Bahamas share a strong bilateral relationship founded upon common interests in security, trade, disaster response, and the promotion of meaningful cultural exchange. These shared interests, including a common belief in the rule of law and democratic values, and The Bahamas' geographic proximity to the United States have been integral in building this long-standing partnership. The Bahamian Government is committed to close cooperation with the United States on law enforcement and maritime security concerns, as well as on counternarcotics efforts. This strong security cooperation relationship is highlighted by Operation Bahamas, Turks and Caicos, a trilateral counternarcotics effort conducted by personnel of the Royal Bahamas Police Force, Royal Bahamas Defence Force, and the Turks and Caicos Islands police, with counterparts from the DEA, ICE, CBP, and the USCG.

One of the key focus areas in The Bahamas is the Hawk's Nest Forward Operating Base, a staging location for counternarcotics operations. Hawk's Nest is a centrally located facility on Great Exuma, used by Bahamian and interagency counternarcotics partners. We were ardent supporters of U.S. Embassy-Nassau in its successful effort to develop a cost-sharing agreement among the CBP, DEA, and FAA in an effort to maintain Hawk's Nest in a state of minimal operational capacity. The proximity of The Bahamas to the United States means that relatively small sites (like Hawk's Nest) have strategic importance for counter-illicit trafficking and Cooperative Defense mission areas.

Establishment of U.S. Special Operations Command, North (SOCNORTH). On December 31, 2012, the Secretary of Defense approved the establishment of SOCNORTH. This subordinate unified command is the logical progression from our previous Special Operations Detachment (SOD). Reorganizing my existing command structures will improve the Department's ability to command, through a designated accountable commander, special operations forces throughout my area of responsibility under NORTHCOM's existing Defense Support of Civil Authorities, security cooperation, and Homeland Defense responsibilities. The establishment of SOCNORTH provides NORTHCOM with a command and control structure that matches that of all other geographic combatant commands, where a component commander is placed in charge of things we are already doing with a staff element. SOCNORTH will enhance NORTHCOM's ability to meet our current security cooperation mission requirements, and improve our ability to support our interagency and regional partners. This organizational change is consistent with the new Defense Strategic Guidance that calls for low-cost, small-footprint approaches to accomplish our national security objectives.

PARTNERSHIP WITH CANADA

We continue to build unprecedented levels of cooperation across our two nations, and Canadian and U.S. cooperation in defending our homelands has been seamless. One of the most important enablers to NORTHCOM and NORAD mission accomplishment remains our ability to conduct sophisticated, multi-echeloned exercises with our mission partners. This past December, the Commander of the Canadian Joint Operations Command (CJOC) and I signed the Tri-Command Training and Exercise Statement of Intent, which provides 2 years of training and exercise planning among NORTHCOM, NORAD, and CJOC.

Beyond combining our exercises, the three commands have improved cooperative efforts in the Arctic. Rapid reductions in the extent and duration of summer ice cover in the Arctic region have led to increased human activity, primarily in the forms of scientific research, speculative shipping, and resource extraction. As counties and private businesses vie for regional access and influence in pursuit of eco-

nomic interests, safety and security concerns will continue to rise. All Arctic nations have publicly stated their emphasis on cooperative approaches to peace and stability in the region.

The spike in regional activity may result in increased requests to militaries to provide support to other agencies, given the austere fiscal and operational environment. Other traditional military actors are already setting priorities for the region. Russia is actively recapitalizing its Arctic-focused fleet. Additionally, China, a nation without Arctic territory, is acquiring a second icebreaker.

In December 2012, NORTHCOM, NORAD, and CJOC signed the Framework for Arctic Cooperation, which acknowledges that Canadian and U.S. forces will support other departments and agencies in response to threats and hazards in the region when requested or directed. The framework also strengthens an already mature partnership, ultimately enhancing joint and combined readiness in support of safety, security, and defense missions through information sharing, planning, and capability development. In this document, CJOC Commander Lieutenant-General Beare and I recognize that our near-term capability gaps in the Arctic are communications, maritime domain awareness, presence, and infrastructure. Along with the CJOC's JTF North, JTF-Alaska, which is my operational lead in the Arctic, is focused on how we will most effectively cooperate and partner to mitigate these capability gaps and effect mission success in this expansive region. Our commands will continue to seek opportunities to, in coordination with, and as part of wider U.S. Government efforts, meet emerging needs associated with increased activities throughout the Arctic, and realize the full potential of our joint, interagency, intergovernmental, multinational, and private sector partnerships.

ENGAGEMENT WITH RUSSIA

We also continue to pursue our engagement with the Russian military, taking advantage of every opportunity to increase cooperation, interaction, and military-to-military training events. I believe these efforts are particularly important to foster shared understanding, especially in light of expanded Russian modernization and training efforts that extend the range of patrol activities by their air forces. For example, NORAD and the Russian Federation Air Force conducted our third annual Vigilant Eagle counter-hijacking exercise in August 2012. By mutual agreement we conducted a non-flying, command post exercise (with each nation) with NORAD and Russian forces practicing procedures to track, intercept, and pass control for monitoring and escorting a simulated hijacked aircraft into the other's airspace. Like our 2011 event, the upcoming August 2013 exercise will be a full-profile, live-fly event, involving a variety of NORAD and Russian military aircraft exercising a counter hijacking scenario. NORTHCOM and NORAD are in the early stages of planning a similar cooperative counter-hijacking exercise with our Mexican partners. This exercise, known as Amalgam Eagle, will provide an opportunity to practice military and civilian roles in responding to a simulated hijacking situation in our respective airspaces.

In addition to fostering mutual trust and increased transparency with Russia, NORTHCOM and NORAD have proposed connecting the Alaskan NORAD Region to the NATO/Russia Cooperative Airspace Initiative (CAI), currently operational in Europe. This proposal, called the Bering Strait Initiative, would provide Russian and NORAD air traffic controllers with information about tracks of mutual interest moving across the Bering Sea, using a web-enabled digital linkage to allow information exchange. Poland, Norway, and Turkey have already established a CAI link with Russia, and the system was declared operational in December 2011. We only await Russian concurrence to begin operational testing and implementation of the data link. This example of increased cooperation with Russia helps us to avoid unintended consequences associated with heightened tensions or misunderstandings.

CONCLUSION

We now face a security environment that is more violent, uncertain, and complex than ever before. This environment is distinguished by myriad global actors and destabilizing events including terrorism, cyber attacks, proliferators of weapons of mass destruction (WMD), turmoil in nations where WMD are stored, rogue threats, nations with nuclear weapons and those processing nuclear material, and transnational organized crime in the Western Hemisphere with a growing concern of a crime-terror nexus. Bad actors seek either to attack the homeland directly, or to diminish the Nation's ability to build strong relationships that foster regional stability, security, peace, and prosperity. In the midst of this environment are near-peer competitors seeking geopolitical advantage over the United States while we are engaged in countering global threats. Since the homeland is the likely confluence

of many of these threats, we face increased challenges as a nation and acknowledge the low level of national willingness to assume such risk. In the homeland, although the probability of existential and catastrophic attacks remains low, the consequences are unacceptable—driving us to seek preparedness and deterrence to reduce those probabilities as low as possible, and keep them there.

Robust, layered partnerships and steady improvement through rigorous training, education, and exercise programs have readied NORTHCOM and NORAD to defend the Homeland against a full spectrum of threats and support of civilian partners in providing life-saving and—sustaining assistance to the American people. We are guided by the belief that smart investment in relationship building with our partners in safety and security endeavors can prevent crises from reaching the Nation by deterring and dissuading adversaries, and arresting threat streams. Should a transition to crisis occur, we are strengthened by the unity of effort and synergy of capabilities made possible by the depth of our partnerships. NORTHCOM and NORAD stand ready to deter, prevent, and defeat any aggression aimed at the United States and Canada as two commands oriented on a single vision: with our trusted partners, we will defend North America by outpacing all threats, maintaining faith with our people, and supporting them in their times of greatest need.

I am grateful for the support this committee has provided my commands and am truly honored to serve as the Commander of NORTHCOM and NORAD. I look forward to your questions.

"WE HAVE THE WATCH"

APPENDIX: Missions and Organization

USNORTHCOM Mission: United States Northern Command partners to conduct homeland defense, civil support, and security cooperation to defend and secure the United States and its interests

- **Missile Defense:** execute and direct missile defense operations to protect the homeland from hostile acts while assisting the Missile Defense Agency in developing improved capability
- **Antiterrorism and Force Protection:** improve information sharing with our interagency partners and streamline reporting within the DOD to proactively detect emerging threats directed against our nation, our military personnel, and our critical capabilities and infrastructure
- **Civil Support:** support primary federal agencies, when requested, in responding quickly to natural and man-made disasters and to the effects of terrorist attacks in the homeland
- **Security Cooperation:** support and enable other agencies, advocate for complementary resources, and work toward common objectives to improve Interagency planning and coordination that synchronize U.S. support for building our partners' capacities
- **Arctic Activity:** prepare and plan for emerging Arctic challenges to ensure economic access and freedom of maneuver

Area of Responsibility: the USNORTHCOM geographic area of responsibility for the conduct of normal operations includes North America, the Gulf of Mexico, the Straits of Florida, the Caribbean region (inclusive of the U.S. Virgin Islands, British Virgin Islands, Bermuda, Puerto Rico, the Bahamas, Turks and Caicos Islands), and approaches to the continent including significant portions of the Atlantic, Pacific, and Arctic Oceans

Subordinate Commands

Joint Force Headquarters National Capital Region (Fort McNair, Washington D.C.)
Executes homeland defense, DSCA, and incident management in the National Capital Region

Joint Task Force Civil Support (Joint Base Langley-Eustis, Virginia)
Plans and integrates DOD support to the designated Primary Agency for domestic chemical, biological, radiological, nuclear, or high-yield explosive consequence management operations

Joint Task Force North (Fort Bliss, Texas)
Supports federal law enforcement agencies in the interdiction of suspected transnational threats within and along the approaches to the continental United States

Joint Task Force Alaska (Joint Base Elmendorf-Richardson, Alaska)
(Provisional) Deters, detects, prevents, and defeats threats within the Alaska Joint Operations Area to protect U.S. territory, citizens, interests, and as directed, conduct civil support

U.S. Special Operations Command, North (to be established)

Service Components

U.S. Army North (Fort Sam Houston, Texas)
Executes DOD's homeland defense and civil support operations in the land domain. Develops, organizes and integrates DOD CBRN response capabilities and operations. Secures land approaches to the homeland

U.S. Naval Forces North (Norfolk, Virginia)
Provides maritime forces prepared to conduct homeland defense, civil support operations and security cooperation activities

U.S. Air Forces Northern (Tyndall Air Force Base, Florida)
Ensures the air sovereignty and air defense of the continental United States

U.S. Marine Forces North (New Orleans, Louisiana)
Executes antiterrorism program and force protection responsibilities. Coordinates with and supports USMC forces to conduct homeland defense operations and provide DSCA

NORAD Mission: conducts aerospace warning, aerospace control, and maritime warning in the defense of North America. NORAD utilizes a network of satellites, ground-based radars, airborne radars, and fighters to detect, intercept, and when necessary, engage threats to Canada and the United States. NORAD assists in the detection and monitoring of aircraft suspected of illegal drug trafficking, ultimately passing information to civilian law enforcement agencies to help combat the flow of illegal drugs into North America

Chairman LEVIN. General Kelly.

STATEMENT OF GEN. JOHN F. KELLY, USMC, COMMANDER, U.S. SOUTHERN COMMAND

General KELLY. Mr. Chairman, Senator Inhofe, distinguished members of the committee: Thank you for the opportunity to appear today and speak on behalf of not only the SOUTHCOM personnel, full, civilian, and military, but also the region known as Latin America.

I'm here today to talk primarily about the four primary missions of SOUTHCOM: The first, countering transnational organized crime. This effort consists of both title 10 responsibilities that I have and security cooperation activities as well. Our support to law enforcement includes very highly effective, efficient, and cost effective detention and monitoring operations, also sharing information and building the capacity of countries to combat drug trafficking and dismantle very powerful criminal networks.

On our second mission, partner engagement, we focus on building relationships with regional militaries to enhance the defense of the United States and the security of the region. Human rights play a very, very big role in everything we do, everything I do, from my engagements with regional leaders to our joint training teams that are working alongside partner nation forces in Central America, South America, and in the Caribbean, to the courses of instruction at Western Hemisphere Institute for Security Cooperation (WHINSEC) at Fort Benning and in the Inter-American Defense College here in Washington.

Militaries in the region have made enormous strides in terms of professionalization and respect for civilian authority and human rights, thanks to a large measure to the role of the U.S. military over the years and our continued engagement.

The third mission, contingency response, involves planning for a wide range of possible crises in the region, including natural disasters, mass migrations, and the evacuation of U.S. citizens.

Finally, our most critical no-fail mission today is detention operations at Guantanamo Bay. I would just offer that I am concerned at this point in time that the facilities down there, the infrastructure down there, built to last 2 or 3 or 4 years, has now been in existence for 11 years. It's rapidly deteriorating and in large measure has deteriorated, and we have some initiatives that certainly in terms of infrastructure need to be taken seriously this year.

Mr. Chairman, members, I look forward to discussion of any of these issues. Thank you.

[The prepared statement of General Kelly follows:]

PREPARED STATEMENT BY GEN. JOHN F. KELLY, USMC

INTRODUCTION

Chairman Levin, Ranking Member Inhofe, and distinguished members of the committee: thank you for the opportunity to appear before you today. As U.S. Southern Command enters its 50th anniversary year, we continue to work diligently to build relationships that enhance the defense of the United States and the security of the region, and I am proud to now be part of this important mission. In my first months in command, I am struck by the stark contrasts in our area of responsibility. It is a region of enormous promise and exciting opportunities, but it is also one of persistent challenges and complex threats. It is a region of relative peace, low likelihood of interstate conflicts, and overall economic growth, yet is also home to corrosive criminal violence, permissive environments for illicit activities, and episodic political and social protests. Given the global security realities and the fiscal constraints facing the U.S. Government, some might argue that we should disengage from the Americas, turn our attention to other partners, other priorities. Mr. Chairman, members, let me be frank: we must not take progress and overall stability for granted; we must not disregard our geographic proximity and the economic, cultural, and social interconnections of Latin America and the Caribbean to the United States. I thank Congress for sharing this sentiment, for its longstanding commitment to our security partners, and for its continued support to U.S. Southern Command's mission. However, our ability to fully execute this mission is at extreme risk

as we face present-day budget uncertainty and the potentially devastating long-term impacts of sequestration and its associated out-year budget reductions.

BUDGET UNCERTAINTY AND SEQUESTRATION CONCERNS

Reduced Spending Plan

Due to shortfalls associated with the allocation of funding in the current Continuing Resolution and the cuts we face as a result of sequestration, U.S. Southern Command is facing an immediate, combined 26 percent reduction to our already lean headquarters operating budget. Although this reduction applies only to this fiscal year, we could easily face another dire budget situation next year as well. We have implemented a reduced spending plan to ensure continued operations this year under the Continuing Resolution, and as a practical measure, we have incorporated potential sequestration cuts into our planning efforts. We have already undertaken painful cost-savings measures, including a civilian hiring freeze, eliminating overtime costs, not extending temporary and term hires, and reductions in travel and administrative costs, as well as cutting back or cancelling numerous exercises, training activities, and military-to-military engagements for the remainder of the fiscal year. We are also preparing for furloughs of our 851 dedicated and patriotic civilian employees, beginning in April and lasting through September.[1] I expect morale and financial effects to be severe, especially for our civilian professionals in the lower pay grades, who will face significant financial hardships due to the resulting 20 percent reduction in take-home pay for the last 6 months of the fiscal year. This reduction is compounded by living and working in Miami, one of the most expensive cities in the world.[2] I have directed our manpower division to offer all means of advice, support, and guidance to our people if furloughing indeed occurs. Simply put, budget uncertainty in fiscal year 2013 is already having very real, deleterious effects on our readiness, effectiveness, and day-to-day operations in the region. Mandated sequestration cuts only amplify these effects.

Sequestration Impact—Assigned/Allocated Forces

Although I am able to accept risk associated with this year's reduced spending plan, sequestration presents significant additional strategic and operational risks. The severe cuts to U.S. Southern Command, and the numerous second and third order effects from the force-providing Service cuts, will adversely impact our training and ability to respond to crises. U.S. Southern Command has traditionally achieved valuable ends with limited means through a low-cost, small footprint approach. This approach, while effective, does carry inherent risk that increases exponentially under sequestration. Due to our minimally assigned forces and diminishing availability of surface assets, we are already challenged to respond to large-scale contingencies such as mass migration, natural disasters, the evacuation of American citizens, or ensuring the security of our embassies; maintain comprehensive awareness in the southern approaches to the United States; and support the National Drug Control Strategy's interdiction objectives. Across-the-board spending cuts will only exacerbate this situation, at a time in which several regional security challenges require active engagement by the United States.

Sequestration Impact—Future Operations

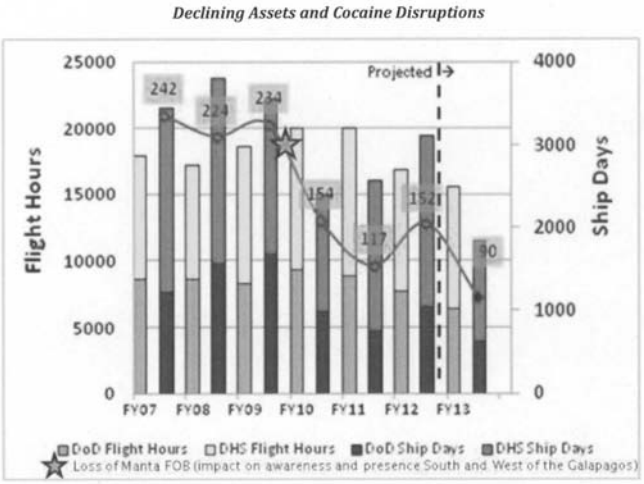
Mr. Chairman, members, let me be blunt: sequestration in fiscal year 2013 and its associated out-year budget cuts in future years will severely degrade our ability to fulfill the Department of Defense's title 10 statutory obligations and provide operational support to the U.S. interagency and our partners in the region. Given the drastic magnitude of cuts being contemplated by the Services, the day could soon come when U.S. Southern Command has no assigned DOD surface assets to conduct detection and monitoring operations.[3] This would not only impact our ability to detect and monitor the illicit transit of drugs towards the United States, but we would also be unable to fully support U.S. and partner nation law enforcement interdiction operations to disrupt this drug flow. Under sequestration, the Coast Guard has indi-

[1] This number includes: all Department of Army and Defense Intelligence Agency employees at our headquarters, including term and temporary hires, and civilian employees at Joint Interagency Task Force (JIATF) South, U.S. Special Operations Command South, JTF–GTMO and security cooperation offices.

[2] UBS. Pricings and Earnings Report, Edition 2012. Geneva: September 2012; Center for Housing Policy. Losing Ground: The Struggle for Middle Income Households to Afford the Risings Costs of Housing and Transportation. October 2012.

[3] As one example, the Chief of Naval Operations indicated in a memo dated January 25, 2013 (Ser N000/10005) that due to sequestration, the Department of the Navy will be compelled to reduce OMN expenditures through numerous actions, to include stopping all naval deployments to the Caribbean and South America.

cated that it too will curtail air and surface operations, affecting several missions including drug interdiction and other law enforcement operations. Taken together, these limitations would undermine the significant gains we have made through the highly successful and ongoing Operation Martillo; the 152 metric tons of cocaine seized to date represents over $3 billion in revenue that will not go to fund powerful criminal groups, violence in Mexico, and the destabilization of our Central American partners. These 152 metric tons will also not reach the streets of America nor fuel costly crime and drug addiction. Due to sequestration, and its associated out-year budget cuts of over $50 billion per year across the Department of Defense, we may no longer be able to support future interagency initiatives like the Department of State's Regional Aviation Program in Central America. Additionally, we could be forced to suspend our cooperation with U.S. Northern Command and Mexico on information operations, which had been heralded as the model for cross-Combatant Command collaboration. Finally, we will face challenges to resource and sustain our emergent cyber defense capabilities, at a time when cyber concerns are increasing in scope and magnitude.



Sequestration Impact—Operational Effectiveness

It is my position that scarce assets must be deployed where they have the greatest impact, but sequestration will cripple our proven operational effectiveness. As responsible stewards of taxpayer dollars, we have long employed a "defense forward" approach to attack the drug trafficking problem near its origin, before bulk shipments are broken up for transit into the United States. Although the U.S. Southwest border has received the greater share of public attention and counternarcotics funding, Joint Interagency Task Force South is more effective at the removal of large quantities of cocaine than U.S. Southwest border operations, as bulk cocaine shipments are broken up into numerous smaller quantities upon reaching the transit zone of Central America. While this success is noteworthy, diminishing assets already place significant limitations on JIATF South's ability to target the majority of documented drug trafficking events and support Coast Guard interdiction efforts. Sequestration cuts will only intensify this challenge, potentially allowing hundreds of tons of cocaine and other illicit products to flood into our cities. Likely second and third order effects include an increase in supply and purity and a decrease in cost of cocaine in the United States, undermining the significant progress that has been made in U.S. demand reduction. En route to our country, this largely unimpeded flow will chart a corrosive pathway through Central America and Mexico, contributing to instability, corruption, and violence and impacting efforts to improve citizen safety.

Sequestration Impact—Security Cooperation and Partner Engagement

Building the capabilities of regional militaries is a cost-effective strategy to help our partners confront internal challenges to security, stability, and sovereignty; in-

crease professionalism; and strengthen defense and security institutions. Mr. Chairman, Members, I am deeply concerned by the adverse impact sequestration will have on these efforts, many of which have yielded significant and valuable security dividends. Take, for example, how U.S. Southern Command has provided persistent, focused training to the Naval Special Forces (FEN) in Guatemala over the past 4 years. As a result, the FEN can now effectively locate and interdict target vessels, seize drug shipments, and cooperate as a cohesive unit. Severe budget cuts will likely reduce this type of sustained relationship building and training, the repercussions of which could be harmful to U.S. interests. Reduced engagement by the United States could result in a partnership "vacuum," which nations like China, Russia, or Iran may seek to fill. In recent years, these countries have made in-roads, deepening diplomatic, economic, and military ties with the region. Declining U.S. influence will provide an opportunity to expand these relationships at the expense of the United States.

From a strategic perspective, our government-to-government security relationships are critical to the United States' ability to meet complex global security challenges, facilitate U.S. military and coalition operations, and ensure regional stability. With the corresponding growth of globalization, economic integration, and a changing geopolitical landscape, expanding and deepening these bilateral relationships have become even more essential to U.S. national security and foreign policy. Sequestration cuts lead to the exact opposite outcome, forcing U.S. Southern Command to reduce support to partner nations' efforts to respond to internal and external threats and impeding our ability to provide defense support to U.S. foreign policy objectives, and those outlined in the 2012 Western Hemisphere Defense Policy Statement. Ultimately, sequestration undermines our efforts to help build and maintain an international community of nations that are stable and reliable partners, whose security forces fill an appropriate role in a society that is characterized by effective, accountable, democratic governance.

Mr. Chairman, members, this leads me to my final thought on the impacts of sequestration and its associated out-year budget cuts of over $50 billion per year across the Department of Defense. I will speak plainly: severe budget cuts will have long-term, detrimental effects on U.S. leadership in the hemisphere. Significantly reduced U.S. military engagement will make it difficult to counter those who would seek to exploit perceptions that the United States is abandoning our longstanding commitment to the region. Sequestration and its associated out-year budget cuts will result in damage to the United States' leadership, national security, readiness, and ability to deter or respond to global crises and regional security challenges.

REGIONAL SECURITY CHALLENGES

Unfortunately, the sequester, a full-year Continuing Resolution, and associated out-year budget cuts due to sequestration are not accompanied by a corresponding decline in security challenges within our area of responsibility. These challenges are non-traditional in nature, networked in design, and transnational in scope, requiring constant vigilance, regional cooperation, and collective action. When it comes to South America, Central America, and the Caribbean, I cannot overstate the importance of awareness, access, and the enormous return on investment from personal, on-the-ground security relationships. As the United States turns its attention to the home front to address domestic economic and budget issues, I firmly believe we must remain engaged with the Nations in our shared home, the Western Hemisphere, for one very simple reason: proximity. Left unaddressed, security concerns in the region can quickly become security concerns in the homeland.

Transnational Organized Crime

The prevalent problem in the region—particularly in Central America—is the growing power and destabilizing activities of criminal networks, whose illicit operations are funded in significant part by U.S. and international drug consumption, as well as diverse illicit funding streams like kidnapping and extortion. As recognized by the President's 2011 Strategy to Combat Transnational Organized Crime, transnational organized crime is a global issue with global implications that directly impact the United States.[4] In the U.S. Southern Command area of responsibility, these powerful groups exploit under-governed areas—where state capacity is weak and corruption and impunity are rampant—to consolidate control over drug, money, weapons, and human smuggling networks that span the hemisphere. This corrosive expansion is taking place in the context of deteriorating citizen security, especially

[4] National Security Staff. Strategy to Combat Transnational Organized Crime: Addressing Converging Threats to National Security, 25 July, 2011.

in Honduras, where the number of people killed rivals that of Iraq at the height of sectarian violence. Like many Members of Congress, I am troubled by this rising violence and its impact on regional stability.

2012 HOMICIDE RATES PER 100,000, SELECT CITIES[5]

San Pedro Sula, Honduras	169
Caracas, Venezuela	118
Tegucigalpa, Honduras (Distrito Central)	101
New Orleans, LA	56
Detroit, MI	54
Baltimore, MD	35
Washington, DC	17

The impact on our own country is also clear. Transnational criminal organizations, which have expanded their presence throughout Central America, were responsible for several high-profile murders of American citizens across or on our border in recent years. Additionally, a 2007 report estimated that illicit drug use cost the United States an estimated $193 billion in combined health and criminal justice impacts.[6] According to an analysis of arrestees carried out for the Office of National Drug Control Policy, more than half of the adult males arrested for crimes in 10 metropolitan areas tested positive for at least one drug at the time of their arrest.[7] A recent survey estimated 6.5 million Americans 12 years and older are dependent on or abuse an illicit drug,[8] while in 2009, 39,147 people died from drug-induced causes, more than double the amount that were murdered that same year.[9]

Mr. Chairman, members, I'd like to sketch an image of illicit trafficking operations in our hemisphere to illustrate the magnitude of this problem. Picture an interconnected system of arteries that traverse the entire Western Hemisphere, stretching across the Atlantic and Pacific, through the Caribbean, and up and down North, South, and Central America. Complex, sophisticated networks use this vast system of illicit pathways to move tons of drugs, thousands of people, and countless weapons into and out of the United States, Europe, and Africa with an efficiency, payload, and gross profit any global transportation company would envy. In return, billions of dollars flood back into the hands of these criminal enterprises, enabling the purchase of military-grade weapons, ammunition, and state-of-the-art technology to counter law enforcement. This profit also allows these groups to buy the support—or silence—of local communities through which these arteries flourish, spreading corruption and fear and undermining support for legitimate governments.

- According to the 2011 National Drug Threat Assessment, Mexican-based transnational criminal organizations and their associates operate in upwards of 1,200 U.S. cities, working with domestic U.S. gangs to distribute and traffic illicit drugs throughout the United States.
- The FBI reports that MS–13 gang leaders in El Salvador have initiated assassination plans against U.S. law enforcement personnel and target American citizens.

The tactics, techniques, and procedures of these criminal networks have advanced far beyond the typical activities of "traditional" organized crime. These are superbly financed, well-organized, and ruthless adversaries for our partner nations, especially our Central American ones. These networks conduct assassinations, executions, and massacres, and with their enormous revenues and advanced weaponry, they can outspend and outgun many governments. Some groups have similar—and in some cases, superior—training to regional law enforcement units. Through intimidation and sheer force, these criminal organizations virtually control some areas. In my view, the proximity of the U.S. Homeland to criminally-governed spaces is a vulnerability with direct implications for U.S. national security. I am also troubled by the significant criminal capabilities that are available to anyone—for a price. Transnational criminal organizations have access to key facilitators who specialize

[5] Security, Peace, and Justice (Seguridad, Paz y Justicia). 50 Most Violent Cities in the World, 2012 Rankings. (available online at: http://www.seguridadjusticiaypaz.org.mx) Washington, DC figures are from the Metropolitan Police Department's 2011 Annual Report (most recent data available).

[6] National Drug Intelligence Center (2011). The Economic Impact of Illicit Drug Use on American Society. Department of Justice.

[7] Office of National Drug Control Policy. (2012). Arrestee Drug Abuse Monitoring Program: 2011 Annual Report. Executive Office of the President: Washington, D.C.

[8] 2011 National Survey on Drug Use and Health

[9] Kenneth D. Kochanek, M.A.; Jiaquan Xu, M.D.; Sherry L. Murphy, B.S.; Arialdi M. Minino, M.P.H.; and Hsiang-Ching Kung, Ph.D., "Deaths: Final Data for 2009." Division of Vital Statistics (Atlanta, GA: Centers for Disease Control), Vol. 60, Number 3, Dec. 29, 2011, p. 11.

in document forgery, trade-based money laundering, weapons procurement, and human smuggling, including the smuggling of special interest aliens. This criminal expertise and the ability to move people, products, and funds are skills that can be exploited by a variety of malign actors, including terrorists.

Crime/Terror Nexus

Mr. Chairman, members, the presence of all these so-called "bad actors" raises the question of possible nexus between international terrorist organizations and criminal networks in the region. The answer is complex. While regionally-based Shi'a who support Lebanese Hezbollah are involved in drug and other illicit trafficking, we have only a partial understanding of possible interconnections and overlap between terrorist financing and illicit revenue streams, both within the hemisphere and on a global scale. The 2011 Iranian plot to assassinate the Saudi Ambassador to the U.S. demonstrates Iran is willing to leverage criminal groups to carry out its objectives in the U.S. Homeland. This only underscores my concerns over the exploitation of criminal capabilities. In my judgment, any group seeking to harm the United States—including Iran—could view criminal middlemen, facilitators, and support networks as potential operational enablers, although not necessarily operational requirements. As distinguished members of this committee have noted, an attack in or through the region would have major consequences for the entire Western Hemisphere. We remain vigilant against this possibility and its potential criminal facilitation, but need the assets to remain so.

Iran in the Western Hemisphere

This brings me to the next issue I would like to discuss, which has serious implications for U.S. national security. I share Congress' concerns over Iran's attempts to increase its influence in the region. The reality on the ground is that Iran is struggling to maintain influence in the region, and that its efforts to cooperate with a small set of countries with interests that are inimical to the United States are waning. In an attempt to evade international sanctions and cultivate anti-U.S. sentiment, the Iranian regime has increased its diplomatic and economic outreach across the region with nations like Venezuela, Bolivia, Ecuador, and Argentina. This outreach has only been marginally successful, however, and the region as a whole has not been receptive to Iranian efforts.

Members and supporters of Iran's partner, Lebanese Hezbollah, have an established presence in several countries in the region. The Lebanese Shia diaspora in our area of responsibility may generate as much as tens of millions of dollars for Hezbollah through both licit and illicit means. There is also precedent for Iranian and Hezbollah collusion to conduct attacks in the region, as evidenced in the 1992 and 1994 bombings in Argentina.[10] In Venezuela, government officials have been sanctioned for providing financial support to Hezbollah, and for providing support to the FARC's narcotics and arms trafficking activities in Colombia.[11] We take Iranian activities very seriously and, along with U.S. Government agencies and international partners, we remain vigilant to the activities of Iran and affiliated extremist groups and remain prepared to work with our partners to counter any direct threat to U.S. national security. I would be remiss, however, if I did not share with Congress my assessment that U.S. Southern Command's limited intelligence capabilities may prevent our full awareness of all Iranian and Hezbollah activities in the region.

Terrorist Presence in the Region

Additionally, both Sunni and Shia extremists are present in our area of responsibility, and I am watchful for an evolution in operational presence, capacity, or radicalization, particularly among "homegrown" extremist groups. Proselytizers with ties to global Islamic extremism are attempting to radicalize and recruit among the Muslim communities throughout the region. Outreach by external extremist groups from the Middle East, Africa, and South Asia, such as Jama'at al Tabligh, has increased. As many Members of Congress have noted, the United States and our partners should be extremely concerned whenever external extremist groups or state-sponsors of terrorism see the Western Hemisphere as attractive—or even worse, vulnerable.

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[10] This refers to the 1992 and 1994 bombings of the Asociación Mutual Israelita Argentina (AMIA) and Israeli Embassy by Hezbollah operatives.

[11] U.S. Department of the Treasury's Office of Foreign Assets Control. "Press Release: Treasury Designates Four Venezuelan Officials for Providing Arms and Security to the FARC." September 8, 2011; U.S. Department of the Treasury's Office of Foreign Assets Control. "Press Release: Treasury Targets Hizballah in Venezuela." September 19, 2008.

- The U.S. Treasury Department has imposed sanctions against seven current or former senior Venezuelan Government and military officials, including the former Minister of Defense, for providing direct support to the FARC's narcotics trafficking activities.
- In 2008, the U.S. Treasury Department imposed sanctions on two Venezuelans—Ghazi Nasr al Din and Fawzi Kan'an—for providing financial and other support to Hezbollah. Nasr al Din served as Charge d' Affaires at the Venezuelan Embassy in Syria and the Director of Political Aspects at the Venezuelan Embassy in Lebanon.

Terrorist groups represent a persistent challenge that has plagued the region for decades. The FARC is the region's oldest, largest, most capable, and best-equipped insurgency. The Government of Colombia is currently in peace negotiations with the FARC, but the fight is far from over and a successful peace accord is not guaranteed. Although weakened, the FARC continues to confront the Colombian state by employing improvised explosive devices and attacking energy infrastructure and oil pipelines. In Peru, Sendero Luminoso (The Shining Path), while smaller than the FARC, remains committed to violence and overthrowing the government. Both the FARC and Sendero Luminoso rely on drug trafficking, kidnapping, and extortion to fund attacks on the Colombian and Peruvian Governments. The hundreds of millions of dollars in revenue the FARC receives from cocaine trafficking alone enable them to purchase surface-to-air missiles and fund the construction of multi-million dollar "narco subs." Utilized by a variety of illicit trafficking groups in the region, fully submersible vessels are capable of transporting up to 10 metric tons of a variety of cargo and have a range capacity of 6,800 nautical miles, a range that could reach Africa. In other words, these subs, which are extraordinarily difficult to detect, can travel from the Caribbean coast of Colombia to just about any major city in Florida, Texas, or California in 10–12 days.[12, 13]

The U.S. Southern Command area of responsibility has the highest improvised explosive devices (IED) activity in the world outside of Afghanistan and Iraq, with Colombia accounting for over 90 percent of IEDs in the region.

External Actors

Finally, I view the expanding influence of countries "external" to the Western Hemisphere as having uncertain implications. As I stated earlier, personal relationships are of enormous importance in this region, a fact other nations recognize. China is increasing its economic role in the region, and government-owned companies are funding or acquiring strategic infrastructure to facilitate commercial logistics. Chinese companies own and operate an interest in at least five ports in the region, while telecommunications firms such as Huawei Technologies and ZTE have a rapidly expanding presence in South America. With an unprecedented three naval deployments to Latin America since 2008, including a hospital ship visit in 2011, China is attempting to directly compete with U.S. military activities in the region. I believe it is important to note that sequestration will likely result in the cancellation of this year's deployment of the USNS *Comfort* to the region, an absence that would stand in stark contrast to China's recent efforts. In my judgment, Chinese interest in cultivating relationships with countries in the Western Hemisphere reaffirms the importance of strengthening our own partnerships with the region.

2012 Regional Investments by China:

- Two Chinese banks provided $8 billion in credit lines for 60 projects in 12 countries in the region.
- $2 billion loan to Argentina to finance railway modernization through soy-producing regions.
- $1.4 billion investment in copper mines in Ecuador.
- Joint agreement with Venezuela to develop Las Cristinas gold mine, one of the world's largest gold reserves.

STRATEGIC APPROACH

The transnational nature of many of these challenges I described cannot be addressed by any one nation or agency alone. In my view, this illustrates the efficiency

[12] Depending on the type and dimensions of the cargo, up to 10 metric tons of a variety of products could be transported. Range estimates based on Office of Naval Intelligence assessments of seized fully submersible vessels.

[13] Written Testimony of Read Admiral Charles Michel, Director, Joint Interagency Task Force South. Subcommittee on Border and Maritime Security, House Committee on Homeland Security. June 19, 2012.

of working with and through our partners in the region and the U.S. Government. U.S. Southern Command's strong, established relationships with regional militaries and security forces can serve as a catalyst for encouraging greater unity of effort on hemispheric security, from terrorism to illicit trafficking to the security of the Panama Canal. Many of the issues we face in the region transcend borders, requiring more than just a "whole-of-government" approach; they require a whole of community, a whole of society, a whole of hemisphere approach. Time and again—whether during Plan Colombia or Operation Unified Response in Haiti; whether in an interdiction operation that denies drug traffickers billions of dollars in revenue; or in multinational training exercises that improve the capability of regional armies, air forces, marines, navies, and special operations forces—our partnerships are the key enablers for ensuring regional security. It is my position that strengthening these partnerships is a cost-effective use of government resources. A layered defense can help the U.S. detect and deter threats before they reach the homeland, and help the hemisphere collectively respond to an uncertain and complex security environment. I would like to provide Congress with a brief overview of what, in my view, is the invaluable return on investment from partnering and engaging with Central America, South America, and the Caribbean. I am gravely concerned, however, that sequestration and its associated out-year cuts to the defense budget will imperil our ability to sustain these successful partnerships and regional progress.

OPERATION MARTILLO 2012 RESULTS

Cocaine disrupted	152,389 kgs
Marijuana disrupted	21,488 kgs
Bulk cash disrupted	$7.2 million
Assets seized (total)	101
Partner nation supported disruptions	67 percent
Revenue denied to TCOs	$3 billion

Operation Martillo

We are currently witnessing the security dividends from regional cooperation as a result of Operation Martillo. In support of Department of State's Central American Regional Security Initiative, U.S. Southern Command launched a joint, interagency, and combined operation to counter illicit trafficking along the Central American coastlines, coordinating with Western Hemisphere and European partner nations to maximize all possible means for support. In addition to the measurable results of the operation, we have also seen greater unity of effort, expanded information sharing, and enhanced interoperability among partner nations and Federal departments like the Department of Justice and the Department of Homeland Security. I am very proud to note that 67 percent of illicit trafficking disruptions in 2012 were supported by partner nations, who have played an enormous role in the success of the operation. This unprecedented level of cooperation could serve as a model for future operations in Central America, although our ability to continue Martillo, build on the nascent progress of our Central American partners, or provide complementary support to the Department of State's Regional Aviation Program will all be in serious jeopardy due to sequestration and its associated out-year cuts to the defense budget.

Cooperation on Counterterrorism

In the region, our engagement on counterterrorism issues centers on promoting interoperability with key partner nations and maintaining a persistent and episodic presence to counter the influence of Islamic extremism, recruitment, and radicalization efforts. We are also conducting contingency planning for a variety of scenarios, but the most valuable deterrent to direct threats to the United States is through presence and partnerships, by maintaining active awareness and nurturing our relationships within the region. Continued budget uncertainty is impacting our ability to ensure this presence, however, as reduced resources have forced us to scale back deployments of Civil Affairs and Special Operations Forces teams to the region.

Interagency and Private Sector Partnerships

Collaboration with our foreign and domestic partners also underscores everything we do at U.S. Southern Command headquarters. Thirty three interagency representatives and detailees, along with five foreign liaison officers, are integrated throughout the command, allowing our military personnel to capitalize on the unique capabilities, authorities, and expertise of other government agencies and partner nations. Likewise, our military planning capability and capacity often can enhance synchronization of interagency efforts, even when the Department of Defense is not

the lead agency. Cooperation with the private sector and non-governmental organizations also serves as significant force and resource multipliers to our activities and those of our interagency partners. In 2012, our collaboration with the private sector leveraged gifts-in-kind and the participation of medical personnel, emergency management practitioners, business leaders, and academics in our humanitarian assistance activities throughout the region. While we will seek to expand these no-cost partnerships with the private sector, budget cuts have compelled us to reduce the interagency presence in our headquarters, which undermines our coordination within the U.S. Government.

NEW HORIZONS 2012: PERU

Total U.S. troops trained	435
Medical Readiness Training Exercises	8
Patients treated	over 26,000
Animals treated	313
Construction and renovation projects	6
NGO Contribution	valued at over $200,000

Security Cooperation

Within the region, we build relationships with partner nation militaries through a range of engagements, such as training exercises, educational exchanges, and security cooperation activities. Every year, U.S. Southern Command conducts multinational training exercises with our partners, which focus primarily on maritime interdiction, the defense of the Panama Canal, and training for peace support and disaster response operations. These exercises are a unique opportunity to promote regional cooperation, enhance readiness and interoperability of our hemisphere's military forces, and encourage collective action to address shared security challenges. To help mitigate costly disaster relief operations and strengthen state presence in under-governed areas, we conduct low-cost humanitarian assistance programs and exercises that provide training to U.S. and partner nation personnel and demonstrate U.S. values to the region. The shadow of sequestration and its associated out-year budget cuts place the continuation of many of these activities in doubt, however. Our security cooperation mission has borne the brunt of our budget reductions this year, and reduced engagements may have an "eroding effect" on our partnerships far into the future.

In addition to training exercises, our Human Rights Initiative and International Military Education and Training are essential to developing professional armed forces throughout the Americas. The regional trend of deploying militaries in non-traditional roles like domestic security underscores the continued importance of our human rights training, including our ongoing support for Colombian military justice reform. Programs like the Inter-American Air Force Academy, the Western Hemisphere Institute for Security Cooperation, the Inter-American Defense College, and the Combating Terrorism Fellowship build relationships among future senior military leaders in the region. Additionally, the William J. Perry Center for Hemispheric Defense Studies helps strengthen regional defense institutions by promoting security sector reform. These entities are all vital in assisting our partner nations develop the accountable, professional, and transparent defense institutions that are key to long-term hemispheric security. Sequestration and its associated out-year budget cuts could impact these valuable programs. Mr. Chairman, members, we want to avoid losing an opportunity to build strong, enduring relationships with militaries in our own hemisphere.

STRENGTHENING REGIONAL DEFENSE INSTITUTIONS

International Military Education Training	Funded 2,034 students from the region in 2012
Inter-American Air Force Academy	In its 69-year history, ~44,000 graduates
Western Hemisphere Institute for Security Cooperation	In its 12 year history, trained 15,859 students from 34 nations, 2 of whom went on to prominent positions in their respective governments
Inter-American Defense College	More than 2,380 students from 24 countries have graduated from the IADC. 34 percent have gone on to become partner nation presidents, cabinet ministers, ambassadors, or general officers.

Through our engagement and training activities, U.S. Southern Command seeks to build the capabilities of regional militaries to confront internal challenges to stability, sovereignty, and security. In addition to the rotational forces provided by our component commands, we rely on the National Guard's State Partnership Program

to engage with 22 nations in the area of responsibility. The State Partnership Program provides long-term mentorship to our partner nations to advance democratic principles and values and to encourage subordination of the military to civilian authority. Due to budget reductions, however, we were forced to cancel more than 90 events aimed at improving partner nation capacity in areas such as disaster response, defense support to civil authorities, and countering transnational organized crime. If triggered, sequestration and its associated out-year cuts to the Department of Defense budget could further limit the Services' ability to provide forces for future security cooperation activities.

In 2012, U.S. National Guard units conducted 223 events, and Colombia-South Carolina became the newest partnership under the program.

In Central America, we are providing training and security assistance to improve maritime, aerial, and land domain awareness capabilities, focusing on the Northern Tier countries where the threat posed by transnational criminal organizations is greatest. In the Caribbean, we are supporting the development of a regional maritime interdiction strategy, as well as providing equipment and training to improve maritime and air domain awareness. Further south, Foreign Military Financing for the Joint Rotary Wing/Riverine Program has delivered critical mobility to Colombian counterinsurgency efforts, while an expanded Military Justice Program has resulted in invaluable training in the Law of Armed Conflict and Human Rights Law. In Peru, we are supporting planning related to counterterrorism efforts against Sendero Luminoso. Additionally, we have partnered with the Joint IED Defeat Organization to help the Colombian Armed Forces build their counter IED capabilities, and we are in discussions on offering similar training to Peru. Our engagement with Brazil centers on space, cyber defense, intelligence and information sharing, and counterterrorism training for the upcoming World Cup and Summer Olympics. We are also exploring possible collaboration with U.S. Health and Human Services on consequence management. We fully support the proposal presented at the October 2012 Conference of the Defense Ministers of the Americas to advance a coordination mechanism for regional disaster response, and have begun discussions with the Government of Peru, the next CDMA Secretariat, on implementation. Although critical to ensuring the forward defense of the United States, our training and engagement programs have been seriously impacted by this year's budget reductions. Sequestration and its associated out-year budget cuts will result in further debilitating effects to these valuable programs.

In 2012, U.S. Southern Command's DOD Rewards Program facilitated the capture of Florindo Eleuterio Flores-Hala (aka "Artemio"), the organizational head of the Upper Huallaga Valley (UHV) faction of Sendero Luminoso, landing a blow against the UHV organization.

Partners as Security Exporters

As I travel throughout U.S. Southern Command's area of responsibility, I am continuously impressed by the contributions of our partners to regional and international security. A global leader, Brazil heads the United Nations Stabilization Mission in Haiti, provides security assistance to several African nations, participates in maritime exercises with South Africa and India, and is conducting border security operations with its neighbors. Chile has integrated a Salvadoran infantry unit into a battalion in support of the U.N. Mission in Haiti, and is exploring opportunities for further building partner capacity initiatives in Central America. Colombia is perhaps the best example of the inherent value of security assistance to the region. Once on the brink of falling to a powerful insurgency, Colombia is now a leader in counterinsurgency tactics and provides training to West African and Central American counterparts. U.S. Southern Command shares the commitment of these valued partners to ensuring a strong, secure, integrated hemisphere and global system, but sequestration may limit our ability to deepen our defense relationships with these partners or enhance the collective security of the hemisphere.

Thirteen countries are providing forces to multinational security operations and United Nations peacekeeping missions throughout the world, and El Salvador recently deployed personnel in support of the NATO mission in Afghanistan.

WAY AHEAD

Future Budget Reductions

While we have taken painful steps to reduce spending in 2013, we recognize that sequestration and its associated out-year cuts to the defense budget will result in even more difficult decisions in the future. This year, we were able to decrease

spending by applying equitable cuts across a range of programs, but future cuts may involve wholesale program elimination. As I have told my workforce, spending cuts will force us to "do less, with less." There will be some missions we will simply no longer be able to conduct, and our regional relationships will likely suffer as a result.

Mitigating Asset Gaps in the Caribbean

Mr. Chairman, members, as I alluded to earlier: presence matters. It is a documented deterrent. Given our likely continued asset reductions, we will need to rely on our partners, wherever possible, to help bridge some capability gaps in terms of assets, authorities, or resources. I credit the support of our European and Canadian allies in the Caribbean whose presence helps mitigate asset gaps, although I remain concerned by the sub-region's vulnerability to a shift in trafficking tactics. Although an estimated 92–94 percent of cocaine destined for the U.S. still flows through Central America, known cocaine movement towards Hispaniola—mainly the Dominican Republic—appears to have increased by 3 percent to 32 metric tons in 2012.[14] We have experienced the so-called "balloon effect" before, and focusing limited assets on Central America creates a potential gap in other areas, which could be exploited by traffickers seeking to escape pressure from Operation Martillo. Last year, according to local media reports, 885 pounds of marijuana washed ashore on Florida's beaches, a vivid reminder of the heyday of drug smuggling in the Caribbean, an era I know none of us wants to see repeated.[15] This will be increasingly difficult to prevent, however, given the impact sequestration will have on future asset availability.

Detainee Operations

U.S. Southern Command continues to conduct safe, humane, and transparent detention operations at Joint Task Force Guantanamo (JTF–GTMO). The pending installation of the Guantanamo Bay Naval Station undersea fiber optic cable will save the United States millions of dollars in the long-term by reducing costs associated with using satellite communications. This cable will improve the reliability of communications with Guantanamo Bay facilities and also thereby enhance our ability to support military commissions, periodic review boards, and detention operations.

Two of the major challenges we face at JTF–GTMO are a lack of long-term resource planning, and complex issues related to future medical care of detainees. Mr. Chairman, members, to paraphrase a former JTF–GTMO commander, we haven't been at Guantanamo for 11 years; we've been there for 1 year, 11 times. A temporary detainee operation has now lasted over 11 years, and the expeditionary infrastructure at JTF–GTMO is rapidly deteriorating, placing assigned personnel and operations at increasing risk. Regardless of policy disputes, we must make pragmatic decisions to protect our troops from unsafe and unsanitary living conditions and to ensure the continued safe and humane care of the detainee population. We have been relying on a patchwork of temporary fixes, but there is an urgent need for immediate refurbishment of degraded expeditionary infrastructure at JTF–GTMO. Using fiscal year 2009 Overseas Contingency Funding for military construction, we have identified a series of projects aimed at increasing the security of the detainees, facilitating our ability to support legal processes for detainees, and most of all, meeting basic quality of life requirements for our troops. I look forward to working with Congress as we address this issue. Additionally, the medical issues of the aging detainee population are increasing in scope and complexity. As is the case with any older person, aging detainees could require specialized treatment for issues such as heart attack, stroke, kidney failure, or even cancer. The future emergency and critical medical care of detainees may require specialists and equipment to enhance the current capabilities at Naval Station Guantanamo Bay.

Quality of Life

As a nontraditional installation, U.S. Southern Command faces unique issues in supporting our assigned military personnel and their families, as well as retirees, and veterans living in South Florida who utilize the services available at our U.S. Army Garrison facility. In my first few months at U.S. Southern Command, I have come to realize that military families in South Florida are at a huge financial and benefits disadvantage. Access to a commissary is an integral part of the military benefits package for Active Duty personnel throughout their compensated period of duty or service.[16] Servicemembers stationed at U.S. Southern Command do not have

[14] Interagency Assessment of Cocaine Movement (IACM). Cocaine Movement Trends 3rd Quarter 2012.

[15] "Drugs found on South Florida beaches recalls smuggling heyday." October 1, 2012. Sun Sentinel.

[16] Department of Defense Instruction 1330.17. December 2008.

access to a nearby commissary, yet live in one of the most expensive cities in the United States. The continued lack of a commissary at our headquarters is not only a disservice to our personnel, but to the entire South Florida military community. In addition to the demonstrated economic returns and benefits, the commissary system ensures our service men and women and their families receive the full compensation they deserve by law.[17]

Whenever I visit one of our component commands or joint task forces, I make a concerted effort to address quality of life issues facing our troops, even seemingly minor ones like 24-hour gym access, a small request when you are working long shifts far from your loved ones. At our headquarters, I have spent a great deal of time talking to the servicemembers assigned to U.S. Southern Command, and every single junior enlisted person I meet has told me of the financial hardships they face trying to make ends meet under the current Cost of Living Allowance. For example, a typical E–3 assigned to U.S. Southern Command receives $1,787 in monthly pay, $1,437 per month for housing, and a mere $18 in Cost of Living Allowance,[18] in a city with some of the highest insurance rates and lack of affordable rental housing in the country.[19] I am actively engaging within the Department of Defense to make them aware of my concerns, and we are working to find a solution.

U.S. Southern Command's most important resource is its workforce, and I am committed to enhancing quality of life at our headquarters. In recognition of growing concerns for the health and wellbeing of U.S. servicemembers, we conducted two suicide prevention events, and we are developing a specialized council to address the emotional, mental, and physical health of all our personnel. Although an Army program, our Survivor Outreach Services office recently received approval to provide long-term support to family members of all our South Florida fallen heroes, regardless of service affiliation. As Congress is aware, reports of sexual assault and harassment in the military have been at an all-time high, and U.S. Southern Command is doing its part to address this unacceptable issue. All incidents are handled using the exact procedures outlined in Department of Defense directives and policy, which promote sensitive care, confidential reporting for victims of sexual assault, and 100 percent accountability for those who commit these crimes. We also have a strong Sexual Harassment/Assault Response and Prevention program in place that ensures victims receive all the legal, medical, and psychological support they need. To support the professional development of our workforce, we expanded training opportunities last year, including language and cultural awareness training to enhance our relations with partner nations. Possible furloughs, however, will likely disrupt training and professional development for our civilian employees, while sequestration will impact our language programs, undercutting the readiness of our assigned forces.

CONCLUSION

Finally, I would like to extend my personal gratitude to the outstanding men and women under my command. Day-in and day-out, 1,482 soldiers, sailors, airmen, marines, coast guardsmen, and civilians work to enhance the defense of the United States and build enduring partnerships across Central America, South America, and the Caribbean. Mr. Chairman, members, although I have spoken extensively about the impact of drastic spending cuts to our missions and operations, there is also a human impact. Our dedicated Department of Defense civilians and servicemembers—our people—will disproportionally suffer the long-term damages sequestration and its associated out-year cuts to the defense budget will inflict. U.S. Southern Command is committed to ensuring the security and stability of the Western Hemisphere, and I hope Congress will demonstrate its commitment to our great nation, its people, and its military by resolving budget uncertainty and preventing the devastating effects of sequestration. Mr. Chairman, distinguished committee members, I stand ready for your questions.

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[17] Resale and MWR Center for Research. Costs and Benefits of the DOD Resale System. December 2012.

[18] Based on calculations for duty location (33176) for an E3 with 2 years of service and no dependents. 2013 pay information from Defense Finance and Accounting Services; BAH calculator may be found at: www.defensetravel.dod.mil/site/bahCalc.cfm. The CONUS COLA calculator may be found at http://www.defensetravel.dod.mil/site/conusCalc.cfm

[19] According to apartment market research firm AXOIMetrics, the average effective rent (which includes concessions) in Miami is $1,269 per month, compared to the United States as a whole at $964. According to the Joint Center for Housing Studies at Harvard University, the Miami rental market has the greatest share of severely cost-burdened renters (i.e. renters who pay more than half their income to rent) in the country.

ANNEX: 2012 Component Accomplishments

U.S. Army South (ARSOUTH)
Headquarters: San Antonio, Texas

- **U.S. Army South** conducted 31 security cooperation events in 13 countries in U.S. Southern Command's area of responsibility. These events represent 31 instances of engagement and building partner nation capabilities with the other militaries in the U.S. Southern Command area of responsibility.
- **CONFERENCE OF THE AMERICAN ARMIES:** The Conference of the American Armies is a 22 country delegation developed for the contribution to peacekeeping operations and disaster relief operations through the creation and use of mechanisms and procedures designed to improve the collective capacities and interoperability of its members. This year ARSOUTH represented the United States at the Science & Technology Conference in Peru, the Emerging Threats Conference in Colombia, the Disaster Relief Exercise in Mexico and the Extraordinary Commander's Conference in Mexico.
- **PANAMAX 2012:** PANAMAX is a joint and combined operational exercise focused on the defense of the Panama Canal by a multi-national joint task force, as well as building disaster and pandemic outbreak response capabilities of 17 participating partner nations. ARSOUTH hosted and provided mentorship to the Colombian led Combined Forces Land Component Command which included 122 participants from 9 countries. This was a major step forward in regional/coalition operations and the first time a foreign military played this key role in a SOUTHCOM JTF.

  - **Due to budget uncertainty and possible sequestration cuts, USSOUTHCOM significantly de-scoped PANAMAX 2013.**

- **FUERZAS ALIADAS HUMANITARIAS:** Fuerzas Aliadas Humanitarias is a regionally oriented humanitarian assistance/foreign disaster relief (HA/FDR) exercise that brings together partner nation and U.S. military units, civilian disaster management

agencies, and local first responders. This year's exercise was held in Washington, D.C. with 70 participants from 20 nations.

- **Due to budget uncertainty and possible sequestration cuts, USSOUTHCOM cancelled FUERZAS ALIADAS HUMANITARIAS 2013.**

- **PEACEKEEPING OPERATIONS AMERICAS**: This annual exercise provides training in international stability and peace operation in support of the United Nations and the Conference of the American Armies doctrine and procedures. ARSOUTH was the Executive Planning Agent for Peace Keeping Operations-Americas 2012 which included three supporting multi-echelon unit level staff training events: two in Chile and one in Dominican Republic, with 170 participants from 16 countries and culminated with a Multinational Task Force staff Command Post Exercise (CPX) held in Chile, with over 261 participants from 22 nations. All participants received training and familiarization in working on a UN based peacekeeping operation.

  - **Due to budget uncertainty and possible sequestration cuts, USSOUTHCOM cancelled PEACEKEEPING OPERATIONS AMERICAS 2013.**

- **BEYOND THE HORIZON**: Beyond the Horizon is a Chairman of the Joint Chiefs of Staff-approved, U.S. Southern Command-sponsored, Joint, Interagency, and Combined Field Training Exercise. The exercise provides and incorporates Humanitarian and Civic Assistance construction projects, Medical Readiness Exercises (MEDRETES), and other infrastructure projects. ARSOUTH was the Executive Planning Agent for the 2012 Beyond the Horizon exercises conducted in Guatemala and Honduras, which involved the deployment of 1,800 U.S. service members into the two supported countries, resulting in the completion of 18 engineer projects, including schools and clinics in 12 communities, and 6 MEDRETEs that provided care to 33,330 patients and treated 27,800 animals for veterinary support. The exercises also obtained the support of 300 Guatemalan and Honduran military and interagency personnel working side by side with U.S. personnel.

- **OPERATION ENDURING FREEDOM CENTRAL AMERICA AND CARIBBEAN:** In 2012, this program conducted 28 Subject Matter Expert Exchanges in seven countries (Panama, El Salvador, Honduras, Belize, Dominica, Guatemala, and Jamaica) that included over 800 host nation soldiers.
- **HUMANITARIAN MINING ACTION:** Humanitarian Mine Action is a Joint Chiefs of Staff approved, U.S. Southern Command-sponsored demining training. Humanitarian Mine Action is designed to train existing host nation Demining Units using the International Mine Action Standards. This year ARSOUTH conducted training at the Ecuadorian Engineer School in Quito, Ecuador and the Colombian Army (COLAR) Demining Training Center in Tolemaida, Colombia. The goal of the training was to assist both countries in developing the capacity to remove anti-personnel mines and demine affected land for economic development.
- **STAFF TALKS:** ARSOUTH conducted four bilateral Staff Talks in Colombia, Brazil, Chile, and El Salvador and one Rotary Wing Aviation Seminar in Peru. The outcomes of these Staff Talks are more than 60 current Agreed to Actions (ATAs) that represent mutually negotiated bilateral and regional goals. A Working Group with Peru has yielded 12 similar Coordinated Action agreements and opportunities at a permanent staff talk status in the foreseeable future
- **LATIN AMERICA COOP:** During FY12, ARSOUTH Latin American Cooperation Funds supported 91 engagements/activities in 14 countries in the region. LATAM Coop is a critical resource to execute ARSOUTH Security Cooperation objectives and U.S. Southern Command's Theater Security Strategy. LATAM Coop supports Army to Army Staff Talks with key countries, Foreign Liaison Officers assigned to ARSOUTH, Conference of American Armies, professional development exchanges on multiple topics, army commander and distinguished visitor program, and Joint/Combined/Multinational Exercises and Operations.
- **CIVIL MILITARY RELATIONS:** ARSOUTH conducted Civil Military Relations Professional Development Exchanges in Belize, El Salvador, Guatemala, and Honduras, improving their ability to conduct inter-organizational coordination during humanitarian assistance and disaster relief operations.

12th Air Force (Air Forces Southern)
Headquarters: Tucson, Arizona

- **Air Forces Southern** conducted 21 security cooperation events in 13 countries in U.S. Southern Command's area of responsibility.
- **PANAMAX 2012**: During PANAMAX 2012, Air Forces Southern successfully trained and integrated partner nation air planners into division processes and pushed 9 ATOs/ACOs with a total of 1,193 missions (310 sorties). The Dynamic Targeting Cell prosecuted 12 time-sensitive targets and provided collateral damage estimate calls and weaponeering solutions. For the first time, a Brazilian Chief of Combat Operations was fully integrated into AOC operations, along with Colombian JAG officers.

  - **Due to budget uncertainty and possible sequestration cuts, USSOUTHCOM significantly de-scoped PANAMAX 2013.**

- **ISR Missions:** Provided C2 for ISR missions in support of U.S. Southern Command's priorities; over 28,000+ images, 1,893.8 hours of signals intelligence led to the seizure of 332,616 lbs (3.02 billion worth) of drugs and weapons; 32 high-value narco-terrorists killed in action.
- **Airlift Missions:** Executed 118 theater airlift missions moving 4,606 passengers and 314.8 tons of cargo throughout U.S. Southern Command's area of responsibility.
- **Medical Deployments:** Planned and executed 12 Medical Deployments for training exercises in 2012, resulting in the treatment of 60,000 patients. Each deployment provided increased readiness of U.S. forces and improved the capability of regional partners to conduct combined operations.
- **NEW HORIZONS**: Trained 435 U.S. active duty, guard, and reserve military, medical, and 60 host nation support forces. Provided medical humanitarian and civic assistance to rural areas in Peru and trained 17 engineers. Construction projects included two clinics, a library, auditorium, SEAHUT, and a large multi-use facility. During the exercise, the medical team treated over 26,000 patients.

- **Sovereign Skies Expansion Program**: Used successful lessons learned from Dominican Republic and Colombia programs to strengthen air force capabilities in Belize, El Salvador, Guatemala, and Honduras. Training included helicopter maintenance, night operations, intelligence, surveillance, and reconnaissance.
- **571 Mobility Support Advisory Squadron**: Successfully completed six deployments of 25 man teams for 6-8 weeks to Honduras, El Salvador, Guatemala, Colombia, and Peru. Provided unit self training as air advisors, supported airfield infrastructure improvements, and built air capabilities, including logistics, communications, fuels, contracting, air traffic control, survival/search/rescue, supply, vehicle maintenance, security forces, command and control, airfield management, maintenance, information operations, and aerial port functions.
- **Support to Counter Illicit Trafficking efforts**: Presented RC-135, C-130 SENIOR SCOUT, JSTARS, AWACS, B-1, B-52, RQ-4 Global Hawk B-30, and TPS-78 ground-based radar in addition to the daily ATO support to Colombia. Provided several thousand hours of coverage in support of detection and monitoring operations, generally under the tactical control of JIATF-South. Deployed TPS-78 ground-based radar (GBR) to Honduras for 90 days in support of Operation MARTILLO, including surveillance coverage of illicit air trafficking routes resulting in law enforcement seizures of approximately 1.4MT of cocaine, 7 aircraft seized/destroyed, and 8 pilots DOA, arrested or missing. Supported four month deployment of Peruvian Air Force TPS-70 GBR for Operation ALL INCLUSIVE and provided detailed trend analysis of current illicit air traffic in Peru.

Joint Interagency Task Force South (JIATF-S)
Headquarters: Key West, Florida

- **Joint Interagency Task Force South** contributed to the disruption of 152 metric tons of cocaine in FY 2012 worth more than $3 billion wholesale. This was a 30% increase in disruptions from the previous fiscal year. JIATF-S employs an integrated defense forward capability for the ongoing efforts at the US Southwest Border and for US

operations in the Western Hemisphere using TACON ship days, TACON flight hours and the operating cost of FSSC provided ROTHR support.

- **The vast majority of JIATF-S successes came as a result of JIATF-S leadership and coordination of Operation MARTILLO,** the multi-lateral effects based operation designed to deny the CENTAM littoral routes by illicit traffickers. Begun on 15 January 2012, Op MARTILLO resulted in the disruption of 152 metric tons of cocaine, the seizure of $7.2 Million in bulk cash, and the seizure of 101 vessels including 4 self-propelled semi submersibles (SPSS) and 8 aircraft. At its one year anniversary, Op MARTILLO is beginning to show its desired effects: trafficking in the Western Caribbean and Eastern Pacific littorals is seen to be decreasing while the activity in the Eastern Pacific non-littoral route is rising.
- **Operational Results and Impact.** In the air domain, over the past year, JIATF-S assesses a 21 % decrease in illicit air tracks destined for Central America (primarily Honduras); and a 57 % decrease in illicit air tracks destined for Hispaniola (primarily Haiti). In the maritime domain, during the same period JIATF-S assesses a decrease of maritime activity in the Western Caribbean littoral and non-littoral trafficking areas of 36% and 38% for each vector respectively. In the EPAC, the trafficking shows a steady decrease in the littorals (from an overall increase of 71% at the end of FY12 to a current 43% decrease in FY13) while the activity in the EPAC non-littorals appears to be increasing (from an increase of 12% in FY12 to an increase of 51% currently in FY13). These changes are assessed to be a direct result of Op MARTILLO assets working in the littoral areas and reflect the start of achieving the end result of the operation in driving the traffickers out of the littorals.
- **Role of Partner Nations.** Since 15 January 2012, 67% of the disruptions were supported by partner nations who have played an enormous role in the success of the operation. This represents an increase from 57% last year.
- **Innovation to meet the counter-drug mission.** JIATF-S continues to innovate in the face of asset reductions by their demonstrated ability to integrate any and all non-traditional counterdrug assets into their force lay down in order to achieve success. JIATF-S strived to fulfill its counter-drug missions with non-traditional counterdrug assets. In FY12, the USAF deployed JSTARS, B-1, and B-52 detachments to the JIATFS

Joint Operating Area (JOA). Under JIATF-S TACON, these detachments provided critical wide area surveillance and long range maritime patrol capabilities in support of JIATF-S' detection and monitoring mission while maximizing their pre-deployment training opportunities in a semi-benign but target rich JOA.

- **Information Dominance**. Understanding the importance and growing emphasis on information warfare and cyber defense, JIATF-S reorganized their Intelligence and Security, C4I, and Innovation and Technology Directorates under a Senior Director for Information Dominance to parallel the US Navy's reorganization of their N2 and N6. This reorganization resulted in efficiencies in systems development and integration, enhanced information fusion capabilities, and development of capacities to conduct counter network operations against transnational criminal organizations

Joint Task Force Bravo (JTF-B)

Headquarters: Soto Cano Air Base, Honduras

- **Support to Operation ANVIL:** Provided planning and logistical support for proof of concept for Operation ANVIL. Operation resulted in 2,300 kgs of narcotics seized and 16 indictments, and laid the groundwork for future Department of State-led operations in Central America.
- **Air Operations:** Conducted 228 air movements in support of CTOC operations, MEDRETEs, MEDEVACs, and official visitor movement within Honduras and to Nicaragua, El Salvador, Belize, and Guatemala.
- **Support to Government of Honduras:** Assisted with disaster relief at the Comayagua prison fire in February 2012, the worst in Honduran history. Coordinated with five national agencies to recover and transport 352 deceased prisoners and partnered with ATF on investigation matters. JTF-Bravo assistance was praised by President Lobo on national television.
- **Humanitarian/Civic Assistance:**
    - Conducted 14 MEDRETEs, performing 41,948 medical procedures on over 22,000 patients throughout Central America.

- JTF-Bravo assisted with the reception and distribution of 143,290 pounds of humanitarian aid cargo on military aircraft under the Denton Program, which was made available to NGOs for delivery to local families.
- Soto Cano Chapel hosted 6 chapel hikes for 521 people and distributed over 13,000 lbs of food to needy local families.
- JTF-B MSC's sponsored 4 orphanages with over 80 visits by JTF-B personnel, providing approximately $12k of aid including facility improvements, clothing, school supplies, and food.

- **Disaster Response Training:** As part of CENTAM SMOKE, JTF-B trained 87 firefighting personnel from Honduras and Nicaragua.

Joint Task Force Guantanamo
Headquarters: Guantanamo Bay, Cuba

- **Safe and Humane Care and Custody**: Detainees have been moved from expeditionary Camps I-IV to more modern Camps V and VI. Detainees in Camp VI and parts of Camp V are allowed communal living arrangements, which improves social interaction and overall well-being for detainees, while also significantly reducing detainee-guard interactions, which reduces assaults on the guard force. Outdoor recreation areas of Camps V and VI have been significantly expanded and library holdings for loan to detainees have increased to 25,000 items. In order to further increase social interaction and mental stimulation, educational course offerings have also been broadened in scope and frequency. Detainees maintain family contact with mail, telephone calls and, in areas which support this service, videophone conferences, coordinated by the International Committee of the Red Cross.
- **Legal and Transparent Operations**: Continued assessments by the International Committee of the Red Cross have been expanded to six visits per year. The ICRC verifies compliance with international standards of custody as specified in the Geneva Convention and other international standards and provides confidential advice for suggested improvements to the JTF Commander and U.S. Southern Command. Detainees are granted routine visits by legal representatives, having received more than

898 Commissions and 362 Habeas attorney visits in 2012. JTF Guantanamo is committed to transparency and has hosted 970 visitors and 164 media representatives from 60 domestic and international news organizations over the past year.

- **Military Commissions:** In March 2011, the Obama administration announced that military commissions would resume at Guantanamo Bay. Military commissions proceedings are open to observation by the media, victim family members and non-governmental organizations. The first military commissions proceeding was the arraignment of the alleged mastermind of the USS COLE bombing in November, 2011. In 2012, JTF-Guantanamo supported 8 hearings, including: the arraignment and motions hearings of the five individuals accused of coordinating the September 11, 2001 attacks on the U.S. (referred to in the press as "the 9/11 Five"), motions hearings for the alleged USS COLE bomber, and an arraignment and plea acceptance of Majid Khan, who plead guilty to conspiracy, murder, attempted murder, providing material support to terrorism, and spying, including in conjunction with the J.W. Marriott bombing in Indonesia.

U.S. Naval Forces Southern Command (COMUSNAVSO)
Headquarters: Mayport, Florida

- **Operation MARTILLO:** Seven frigates, one replenishment ship, and four fixed-wing aviation squadrons deployed to support Operation MARTILLO, conducting Countering Transnational Organized Crime (C-TOC) Operations under the direction of Joint Interagency Task Force South (JIATF-South). Navy Forces have played a key role in providing a persistent presence as part of a cooperative effort to shift maritime illicit trafficking away from the Central American littorals. MARTILLO has had a significant impact on illicit trafficking routes (air and maritime). Compared to calendar year 2011, disruptions were up more than 20%.

- **Southern Partnership Station 2012:** Southern Partnership Station (SPS) is a series of Navy/Marine Corps Engagements focused on Theater Security Cooperation, specifically Building Partner Capacity through subject matter expert exchanges with partner nation militaries and civilian security forces. SPS Engagements include Community Relations

(COMREL) Projects that focus on our partnerships, shared interests, and shared values. SPS Deployments included:

- **HSV SWIFT Southern Partnership Station 2012:** High Speed Vessel SWIFT (HSV 2) conducted engagements in six Partner Nations (Dominican Republic, El Salvador, Panama, Guatemala, Peru, and Haiti), which included medical, veterinary, Naval Criminal Investigative Service (NCIS), Maritime Civil Affairs (MCAST), and U.S. Marine subject matter expert exchanges with partner nation counterparts. SWIFT Seabees completed small-scale construction/refurbishment projects. The SWIFT Team also delivered Project Handclasp Gifts-in-Kind during COMREL Projects, and made a special delivery of relief materials to Port Au Prince, Haiti.

- **Navy Dive Southern Partnership Station 2012:** Salvage Ship USNS GRAPPLE (T-ARS 53) conducted engagements in five Partner Nations (Colombia, Trinidad and Tobago, Panama, Guatemala, and Jamaica), and featured Navy Divers conducting subject matter expert exchanges with partner nation counterparts, to include divers from Canada, Chile, and The Bahamas. These expert exchanges included numerous live diving operations. In a historic note, the GRAPPLE Team completed a refurbishment and rededication of the Oliver Hazard Perry Gate at a cemetery in Trinidad, on the Bicentennial of the War of 1812. The original dedication of the Perry Gate was in 1925.

- **Oceanographic Southern Partnership Station 2012:** Survey Ship USNS PATHFINDER (T-AGS 60) conducted hydrographic surveys in the Eastern Pacific to support U.S. Southern Command's priority Oceanographic, Hydrographic and Bathymetric Requirements. As part of this deployment, a Fleet Survey Team traveled to Colombia to conduct joint hydrographic surveys and subject matter expert exchanges with Colombian Oceanographers.

- **UNITAS 2012:** UNITAS (Latin for "Unity") enhances friendly, mutual cooperation and understanding between participating navies by developing interoperability in naval operations among the nations of the region. In 2012, the multinational maritime exercise

series, the longest-running in the world, celebrated its 53rd straight year with two major events, one in the Pacific in May and one in the Atlantic/Caribbean in September.

- **UNITAS PAC (Pacific) 2012:** Peru hosted UNITAS PAC 2012, which included Naval Forces from Chile, Colombia, Ecuador, Mexico, Peru, and the United States. Events included ashore and underway training in maritime interdiction operations, counter-piracy operations, air, surface, and anti-submarine warfare.
- **UNITAS LANT (Atlantic) 2012:** The United States hosted UNITAS LANT 2012 out of Key West, Florida, the largest number of multinational warships to conduct a simultaneous port call at Key West in more than 30 years. Naval Forces from Brazil, Canada, Colombia, Dominican Republic, Mexico, the United Kingdom, and the United States completed shore-based professional symposia and conducted multinational Community Relations (COMREL) Projects in Key West. Once at sea, participants trained in a variety of maritime scenarios to test command and control of forces at sea, while operating as part of a multinational force to provide the maximum opportunity to improve interoperability. In 2012, UNITAS LANT also included the U.S. Marine Corps Forces South field-training exercise known as Partnership of the Americas, which was conducted at Camp Blanding in Starke, Florida, in September.

- **Southern Seas 2012:** USS UNDERWOOD (FFG 36) conducted a variety of exercises and multinational exchanges to maintain access, enhance interoperability, and build enduring partnerships that foster regional security. UNDERWOOD participated in UNITAS PAC, the Silent Forces Exercise (SIFOREX) with Peru, UNITAS LANT, and Operation MARTILLO.
- **PANAMAX 2012:** Commander U.S. Forces Southern Command served as the Commander of Multi-National Forces South (MNFS), leading a coalition of 17 Partner Nations in the 10th annual exercise designed to execute stability operations under the support of United Nations Security Council Resolutions; provide interoperability training for participating multinational staffs; and build Partner Nation capacity to plan and execute complex multinational operations.

- **Due to budget uncertainty and possible sequestration cuts, USSOUTHCOM significantly de-scoped PANAMAX 2013.**

- **Navy Seabees:** 85 Seabees deployed to Naval Base Guantanamo Bay (GTMO) to support construction/refurbishment projects throughout the U.S. Southern Command AOR. From this detachment, Seabee details deployed aboard HSV SWIFT to complete projects in support of HSV SPS 2012. Seabees also deployed to complete projects in support of U.S. Army South's Beyond the Horizon Exercises in Guatemala and Honduras, U.S. Air Force Southern's New Horizons Exercise in Peru, U.S. Special Operations Command South's Fused Response Exercise in Guyana, and U.S. Marine Corps Forces South Operation MARTILLO support to Guatemala. Seabees in GTMO completed projects in support of the U.S. Navy Base and the Joint Task Force GTMO Commander.

Marine Corps Forces South (MARFORSOUTH)
Headquarters: Doral, Florida

- **Marine Corps Forces South** conducted 67 Security Cooperation events in 27 countries in United States Southern Command's area of responsibility.
- **Marine Detachment in support of Operation MARTILLO:** Responding to the new National Strategy to Combat Transnational Organized Crime (CTOC), MARFORSOUTH supported JIATF-South and Guatemalan Security Forces with operations to disrupt and deter trafficking along the Central American coast. The Marine Detachment conducted detection, monitoring activities to curtail illicit trafficking routes on the Pacific coast of the Central American isthmus.
- **TRADEWINDS 2012:** The Joint Chiefs of Staff-directed exercise was hosted in Barbados with over 1,000 participants from 19 countries. Participants were trained in counter illicit trafficking operations and Humanitarian Assistance/Disaster Relief responses, as well as receiving training to improve operations center management, basic infantry skills, law enforcement tactics, techniques and procedures, search and rescue, maritime interdiction operations and procedures.

- **UNITAS – Partnership of the Americas (POA):** This exercise enhances multinational operational readiness, interoperability, and security cooperation among U.S. and 9 partner nation naval infantries. In 2012, the exercise focus was amphibious operations, to include amphibious staff planning, training and equipping in support of future peace support operations and humanitarian assistance missions.

    - **Due to budget uncertainty and possible sequestration cuts, USSOUTHCOM cancelled PARTNERSHIP OF THE AMERICAS 2013.**

- **PANAMAX 2012:** As the Marine Service component, MARFORSOUTH sourced and employed a Marine Expeditionary Unit Command Element; placed liaison officers at the JTF and functional components; stood up and operated an Operations Center and Crisis Augmentation Cell; sourced a Marine General Officer, with staff, to serve as the JTF J3; and participated in the exercise as JTF staff.

    - **Due to budget uncertainty and possible sequestration cuts, USSOUTHCOM significantly de-scoped PANAMAX 2013.**

- **Counterdrug/Counternarcotics Mobile Training Team Deployments:** Provided training to build capacity throughout the region to partner nation counterdrug and counter narco-terrorism forces to increase interdiction capacities.

Special Operations Command South (SOCSOUTH)
Headquarters: Homestead, Florida

- **Building Partner Capacity.** Through persistent engagement with its partners in the region, SOCSOUTH builds partner nation security force capacities to confront shared security challenges. SOCSOUTH's focus in Northern Central America is to partner with key security forces that are best able by mission, position, and authorities to counter transnational organized crime.

- In 2012, SOCSOUTH maintained small elements in Guatemala, Honduras and El Salvador working with key units to improve ground and maritime interdiction, civil affairs, and intelligence capacities.
- In the Andean Ridge, SOCSOUTH partnered with Colombia and Peru to confront narco-terrorist insurgencies whose illicit trafficking operations extend throughout the hemisphere. SOCSOUTH elements provided assistance to the Colombian Special Operations Command, the new joint interagency task forces that are conducting operations against key FARC concentrations. SOCSOUTH also provided counternarcotics, small unit tactics, and riverine training to Colombian National Police and military forces. In Peru, SOCSOUTH elements conducted counternarcotics small unit tactics and riverine training with the Peruvian Joint Special Operations Command.

- **Civil Affairs.** In 2012, SOCSOUTH had eleven civil affairs teams helping nine partner nations reduce the vulnerability of key populations to influence by transnational organized crime or violent extremism. These civil affairs teams assisted with counter-recruitment programs and, in many cases, helped partner nations build their own civil affairs capacities.
- **Information Operations.** SOCSOUTH maintained military information support teams in seven key partner nations. These teams supported the DOD Rewards Program, the U.S. government's Anti-Trafficking in Persons Program, partner nation counter-recruitment programs, and active tip lines in support of the wider effort against transnational organized criminal and violent extremist organizations. The teams also helped three partner nations build their own information operations capacity.
- **Intelligence Analytical Support to U.S. Country Teams.** SOCSOUTH provides intelligence and counter-threat financing support to U.S. Country Teams in the region, focusing on terrorism, human smuggling networks, and transnational organized crime. In Colombia, SOCSOUTH supported Colombian War Plan "SWORD OF HONOR" by helping build intelligence collection, analysis, and dissemination capacity in newly established joint interagency task forces fighting the FARC.

- **Logistics Training and Advisory Team.** SOCSOUTH seeks to increase the logistics capacity of key partner nation units with the goal of continued sustainment. In 2012, SOCSOUTH provided subject matter expertise to enable key Colombia partner units to establish a sustainable weapons-repair capability and initiate the development of an aerial delivery capability. SOCSOUTH also assisted Peruvian units engaged in counter narco-terrorism operations to conduct a weapons inspection, which will serve as a starting point for future SOCSOUTH logistics engagement activities.
- **Building Intellectual Capital.** By partnering with academia, SOCSOUTH seeks to build critical thinking skills of key partner unit leadership, helping them to better confront complex irregular warfare challenges. In 2012, SOCSOUTH sponsored a "Counter FARC Ideological Activities" seminar in Colombia, and a "Counterterrorist Operations Planning" seminar in Peru in support of counter narco-terrorist operations. In Brazil, SOCSOUTH sponsored a "Joint Special Operations Task Force" seminar to assist in preparation for four major events, including the World Cup in 2014 and Summer Olympics in 2016.
- **FUERZAS COMMANDO 2012:** A CJCS-approved, multinational, special operations interaction exercise consisting of a team-level special operations skills competition and a minister or cabinet-level distinguished visitors program. This year's team competition was held in Tolemaida, Colombia. The distinguished visitor program focused on regional interagency coordination and joint/combined special operations in support of overseas contingency operations and was held in Bogota, Colombia. Twenty-one partner nations from the Western Hemisphere participated in the exercise, including Mexico, Canada, and Barbados.

  - **Due to budget uncertainty and possible sequestration cuts, USSOUTHCOM cancelled FUERZAS COMANDO 2013.**

- **FUSED RESPONSE 2012:** A CJCS-directed exercise designed to validate USSOUTHCOM crisis response capabilities. This year's exercise was a level III exercise in Guyana, involving the participation of where interagency partners, US and host nation special operations forces and staff.

Chairman LEVIN. Thank you very much, General Kelly.

Let's try an 8-minute first round.

General Jacoby, let me start with you. Last week, Secretary Hagel announced plans to deploy an additional 14 GBIs in Alaska to help stay ahead of an evolving missile threat from North Korea. He also indicated that we would not deploy these interceptors unless we have confidence from flight testing that they're going to work as intended.

Do you support the plan that Secretary Hagel announced last week?

General JACOBY. Senator, yes, I do.

Chairman LEVIN. Do you agree that before we deploy these interceptors that it is essential to demonstrate the correction of the CE–2 kill vehicle in an operationally realistic intercept flight test so that we can have some confidence that it will work as intended?

General JACOBY. Senator, yes, as a warfighter I do.

Chairman LEVIN. Now, General Jacoby, last Friday Secretary Hagel and the Vice Chair of the Joint Chiefs, Admiral Winnefeld, both said that the currently deployed GMD system, with its 30 interceptors in Alaska and California, currently defends all of the United States against long-range missile threats from either North Korea or Iran.

Do you agree that the current system protects all of the United States against those long-range missile threats from nations such as North Korea and Iran, including the east coast as of now?

General JACOBY. Yes, Senator, we have coverage against both Iran and North Korea with the current system.

Chairman LEVIN. For the entire United States?

General JACOBY. That's correct.

Chairman LEVIN. Including the east coast at the moment?

General JACOBY. That's correct.

Chairman LEVIN. Now, I asked you last year about the idea of an east coast missile defense site and you said at that time we did not have a requirement for such a site and no plans to deploy one. Since then we have in our defense authorization bill required that there be an assessment, an environmental assessment of various sites on the east coast. Of course, there's been a modification of the Phased Adaptive plan so that it's now Europe that is covered by that plan.

Is it possible in the future that we'll be able to defend all of the United States from an Iranian long-range missile threat without needing an east coast missile defense site?

General JACOBY. Senator, as I testified last year, the condition is still the same. We currently can defend the entire United States from an Iranian long-range missile threat. The question is how do we stay ahead of an evolving Iranian threat and how do we keep our options open for the continued evolution of either Iranian or North Korean threats. The threat of ballistic missiles is not going down.

Chairman LEVIN. So that we don't know yet whether it will be possible in the future to have that kind of defense against an Iranian threat without an east coast site? It may or may not be, is that your testimony?

General JACOBY. My testimony is that as the Iranian threat evolves, we need to be prepared to continue improving the resiliency, the redundancy, and the agility which I provide to defend the entire United States. That could include additional missile sites.

Chairman LEVIN. It could, but we don't yet know; is that correct? We just simply want to keep that option open, but as of right now we have protection for the entire United States and we may or may not be able to have that protection depending on the evolvement of an Iranian missile threat without an east coast site?

General JACOBY. That's correct, Senator.

Chairman LEVIN. Phases 1 through 3 of the Phased Adaptive Approach is going to protect all of NATO Europe against Iranian missile threats by 2018. Phase 1 was deployed at the end of 2011. Phase 2 is due to be deployed in 2015, including a so-called Aegis Ashore site in Romania. Phase 3 is planned to be deployed in 2018 with an Aegis Ashore site in Poland.

Will this plan and capability provide in fact better coverage of Europe than the previous plan, General?

General JACOBY. Senator, I believe that as rolled out, I think that we are making steady improvements in the plan.

Chairman LEVIN. Is this plan as far as you're concerned going to protect all of NATO Europe against Iranian missile threats you 2018?

General JACOBY. I would defer to the EUCOM commander.

Chairman LEVIN. I'm sorry. I really did intend this to go to Admiral Stavridis. Forgive me.

Admiral STAVRIDIS. That's fine. Yes is the answer.

Chairman LEVIN. These questions should have been addressed, these last two questions, to you, Admiral. I'm sorry.

Is this Phase 1 through 3 approach that is now the approach that has been adopted a solid approach and do you support it?

Admiral STAVRIDIS. Yes, sir.

Chairman LEVIN. Is it at least as good an approach as the previous one and perhaps better?

Admiral STAVRIDIS. I think it fulfills the capability and the requirements, sir.

Chairman LEVIN. All right. So would you say it's at least as good an approach?

Admiral STAVRIDIS. Yes.

Chairman LEVIN. Do the Europeans like this approach?

Admiral STAVRIDIS. So far, so good. I will know more when I get back to Europe and have a chance to talk to them later this week.

Chairman LEVIN. Now, Admiral, let me ask you about Afghanistan. Are the Africa security forces on track to assume the security lead throughout Afghanistan later this spring?

Admiral STAVRIDIS. Yes, sir, they are. They currently have 87 percent of the population under their remit and that will go up to 100 percent this year.

Chairman LEVIN. Do you support the President's decision to draw down 34,000 U.S. troops from Afghanistan by February 2014?

Admiral STAVRIDIS. From where we sit today, I think that looks like a good—looks militarily supportable.

Chairman LEVIN. Admiral, will NATO support—excuse me. Will NATO negotiate a status of forces agreement with Afghanistan applicable to any NATO forces participating in a post-2014 mission in the same way that we are negotiating a status of forces agreement to protect U.S. forces deployed to Afghanistan after 2014?

Admiral STAVRIDIS. Yes, sir, that is the intent.

Chairman LEVIN. Is this a parallel negotiation? Is it one negotiation?

Admiral STAVRIDIS. No, sir, it's going to be sequential. We're going to conclude the U.S. Bilateral Security Agreement, it's called, and then we will move forward with the NATO one after that, using the United States one as a basis.

Chairman LEVIN. Admiral, relative to Syria: In your prepared statement you outlined the impact of the civil war in Syria on certain parts of your AOR. Can you give us some of the NATO or European thinking as to whether or not the alliance should increase its involvement in Syria through direct lethal support to the opposition, possibly the creation of humanitarian buffer zones, and possibly the destruction of Syria's air defenses or part of Syria's air defenses?

Admiral STAVRIDIS. Sir, as we all know, the Syrian situation continues to become worse and worse and worse—70,000 killed, a million refugees pushed out of the country, probably 2.5 internally displaced, no end in sight to a vicious civil war. The alliance has taken a position that it will follow the same sequence that was used in Libya, which is to say prior to NATO involvement there would have to be a U.N. Security Council resolution, regional agreement, and agreement among the 28 nations.

So within NATO channels what we are focused on is defending that border with Syria and, as you alluded to, chairman, in your statement, we've moved Patriot missiles down to do that.

In terms of what else is happening, on an individual nation by nation basis there's a great deal of discussion of everything you mentioned—lethal support, no-fly zones, arms embargoes, et cetera. It is moving individually within the Nations, but it has not yet come into NATO as an overall NATO type approach. The NATO piece at the moment, again, is focused defensively, planning, being prepared, but the movement at the moment is in the individual national capitals.

Chairman LEVIN. Finally, does that movement include at least some countries that are thinking about the possibility of going after at least some of Syria's air defense?

Admiral STAVRIDIS. Yes.

Chairman LEVIN. Good. Thank you.

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

I sure want to get some clarification out of you guys on this thing, because I'm very disturbed over some of the answers that you just gave. I know that, General Jacoby, perhaps that would have been better asked of the Admiral. However, you're responsible for the Homeland. When we talk about the capability of Iran we're talking about both Western Europe and eastern United States. You both agree with that.

If you're saying that the GBI in Poland along with the radar that was in the Czech Republic was something that—I think we all agreed at the time that was primarily for that protection, the eastern United States. Yes, we have GBIs. We all agree that we're glad we went back to 44 instead of 30. But that's still primarily—and I'm comfortable with anything coming from that direction.

We're talking about Iran now. Now, when you say that you're comfortable—I ask probably you, Admiral—with what we have in the place of what was taken down to accomplish that, is that depending upon the SM–3 IIA in any way?

Admiral STAVRIDIS. As I see the landscape for the European defensive piece of this, Senator, from Phase 1, 2, and 3, I think it will pace the Iranian threat through that period, and it would include therefore the SM–3 IIA as the 2018 weapon that would provide the coverage for Europe.

Senator INHOFE. Europe and eastern United States?

Admiral STAVRIDIS. No, sir. I defer to Chuck on that, but Phase 1, 2, and 3 is strictly for European defense. Over to Chuck on how the Homeland——

Senator INHOFE. All right, General Jacoby. You and I have talked about this before. Tell me, how do you assess the threat to the eastern United States with our capability right now?

General JACOBY. We have a plan that's based on limited defense of the entire United States and, given the threat that is represented by Iran to the eastern United States today, we can cover that threat. The question is making sure that we outpace that threat as it evolves.

Senator INHOFE. Admiral, you say yes, you need the SM–3 IIA, and yet our intelligence, as you heard me say several times and we talked about it in my office, would give us the system by—Iran would have a weapon and a delivery system by 2015. That's been in our intelligence estimate since 2007. We had General Kehler in here and he said, when I asked him that question—this is a quote now. He said: "I'm confident that we can defend against a limited attack from Iran, although we are not in the most optimum position"—"posture to do that today."

Do you agree with him?

Admiral STAVRIDIS. I think today what we have is the Phase 1 system, which is the SM–3 IA, a radar in Turkey, Aegis ship at sea. I would agree with him that we are not optimally positioned, and the faster we can bring on the additional phases the better, absolutely.

Senator INHOFE. Wouldn't we be better off if we had stayed with a system that would give us that capability by 2015, which was what they were anticipating at that time? Not that it makes a lot of difference. That was done. It shouldn't have been done, but it was done 4 years ago. But nonetheless I don't want to put you in that position.

Admiral Stavridis, how will the budget cuts impact the EUCOM missile defense program called the European Phased Adaptive—now, I want to ask that question—you've partially answered it—I'd like to get that for the record, because I want all the detail in on this as I can get, because I've been deeply disturbed since the

President's first budget came out 4 years ago when we did away with that system.

[The information referred to follows:]

On March 15, 2013, Secretary Hagel announced U.S. policy changes with regard to Ballistic Missile Defense, including Phase 4 of the European Phased Adaptive Approach (EPAA). EPAA Phase 4 was cancelled and the prime component of Phase 4—the SM–3 Block IIB—was put on hold. EPAA Phases 1–3, including Polish and Romanian "Aegis Ashore" sites, will provide the ballistic missile defense resources to meet the requirements to defend U.S. interests and support American commitments to our allies. The loss of EPAA Phase 4 will have no effect on EUCOM's regional ballistic missile defense requirements, but EUCOM will not have the capability to engage in the active defense of the U.S. Homeland.

Senator INHOFE. Now, by the way, it wasn't just that we did away with the GBIs in Poland and the radar in the Czech Republic. It was that we had told them that we were going to do that. I always will remember when Vaclav Klaus—and I was with him. This would have been back when they first agreed to do this. He said: "You know, we're taking a lot of risk here. We're upsetting Russia. We want to make sure that you don't pull the rug out from under us if we agree to this." I said: "Absolutely, that won't happen." Of course that's what did happen.

The situation that we have right now in Africa is very much dependent upon the command that has all the assets there. In my office, in talking about the SOUTHCOM, you talked about the amount of drugs that are taking place right now and the proliferation of drugs. I remember when you had that command, Admiral, you said the same thing.

I'd like to have you share with us, with this panel, the seriousness of that drug problem that is down there and how the drug cartel—no one's paying that much attention to it now. But is that producing a lot of assets that are eventually going up into western, southern, and northern Africa? Right now they're getting the money from someplace, and I think you would probably share that that's one of the major areas of financing that activity in Mali and other areas.

General KELLY. Yes, sir. There's two aspects in—let's talk cocaine primarily here. There's cocaine that comes into the United States in large amounts and has a very adverse effect, obviously, and a very expensive effect on our country. Then there's a great deal of cocaine produced—and all of that cocaine that comes to the United States is primarily from Colombia. I have to give them a shout-out. They have done a tremendous job working shoulder-to-shoulder with us. They have tremendous appreciation for what the U.S. Government and its people have done for them over the years to defend against the traffickers and the insurgents that they've dealt with.

They have fallen, if you will, to the number three producers of cocaine in the world. Number one and number two are Peru and Bolivia. The vast majority, in fact I would say 100 percent, of that cocaine goes into Brazil. Brazil is now the number two consumer of cocaine and also is the traffic path, if you will, to Africa and then further to Europe.

As I mentioned, Brazil is the number two consumer. When the cocaine gets to the west coast of Africa by various means, Africa is not a particularly big consumer of cocaine, but it's a trafficking

route up to northern—to the north and to Western Europe, which is a very big consumer of cocaine. Everyone takes a little bit. All the cartels, all the bad guys along the way, take a little bit of a cut.

So an awful lot of what's going on in West Africa in particular and then up through the Maghreb, there is a fair amount of——

Senator INHOFE. So a lot of it is coming from there and is being channeled up there, because somewhere a lot of money is appearing on the scene in those areas around Mali and that portion of Africa.

General KELLY. Exactly. Exactly right, Senator.

Senator INHOFE. One last thing. This morning I was on a talk show with a rather liberal host, who was—we were arguing this thing, which we had a modest disagreement and hopefully it'll be cleared up by information on the record, about Iran. The response was: They're not going to do anything because they know they'd be blown off the map immediately.

He didn't use the term, but what he was talking about was the old relic that used to work, mutual assured destruction. Are the three of you as confident with the threat that would come from a party such as Iran, that mutual assured destruction has the deterrent value that it did back in the days of the Cold War, just real quickly?

Admiral STAVRIDIS. I think Iran is a very difficult nation to assess, so I think it would be less certain as a proposition.

Senator INHOFE. General Jacoby?

General JACOBY. I think they're very different, very different strategic contexts, and I think we have to be wide-eyed with how we approach Iran. As the commander responsible for the defense of the Homeland, we are going to focus on the defend piece of this. That's not part of mutually assured destruction, and I think it's appropriate.

Senator INHOFE. That's a tool in the quiver, though.

General?

General KELLY. No.

Senator INHOFE. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Inhofe.

Senator Reed.

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

Thank you, gentlemen, for your service. I particularly want to thank Admiral Stavridis for his extraordinary service in many different capacities. As you leave your command, thank you, sir, for your efforts.

Let me just begin with a question to Admiral Stavridis. Part of our long-term strategy with respect to Afghanistan, since it's a NATO operation as well as a United States operation, is continued support for the Africa security forces. Given the economic crises in Europe today, what's your perspective about their long-term commitment to supporting these international efforts?

Admiral STAVRIDIS. Sir, I think the Europeans will stay with us in Afghanistan. Historically, they've provided about one soldier for every two of ours, so about 33, 35 percent of the total force. That

holds true today. There's 68,000 U.S. and about 35,000, 40,000 Europeans there.

I think they will key on the United States' commitment in the post-2014 period. I think if the United States has 10,000 troops there, I think the Europeans would come in with 5,000 or even 6,000 troops. My sense is they want to be with us in this mission. They believe in it, and I think they, like us, are cautiously optimistic that, despite all the challenges, if we stay steady post-2014, we have a good follow-up mission there, that this can succeed.

Senator REED. Thank you very much.

Let me ask all you gentlemen the same question, but from your perspectives as commanders in different areas of the world. We had General Alexander here recently, who talked about cyber. It's a new dimension of warfare. It's evolving very quickly. From the perspective of EUCOM and from NORTHCOM and from SOUTHCOM, can you just give quick impressions of what you think the biggest challenges are, starting with Admiral Stavridis?

Admiral STAVRIDIS. Sir, I think cyber is the area where we have the biggest mismatch between our level of preparation, which is relatively low, and the level of threat, which is relatively high. In other words, we talk a lot and think about terrorism, weapons of mass destruction (WMD), specific enemies around the world. We spend a lot of time preparing for those. In cyber I don't think we've done that level of preparation as yet, and you know that better than most from your conversations here with General Alexander.

The good news is, from a European perspective, here is a pool of partners who are quite advanced in this area. The British, the French, the Germans are all quite capable. NATO as a whole is seized with this. We've created a center for cyber security in Tallinn, Estonia, a nation that suffered a cyber attack.

So I think as we move forward with this, the ideas of partnership and linkages in NATO and in Europe are going to be a positive aspect of it, and I'm working with General Alexander on that.

Senator REED. Thank you.

General Jacoby, your perspective?

General JACOBY. Senator, from NORTHCOM's perspective, my principal role will be to respond to a cyber event, just as I do to any support to civil authorities. It's a very difficult challenge for us because it's more like an earthquake than it is a hurricane. It'll be in network speed, so it'll be probably unannounced, and we'll have effects rapidly.

We're working closely with FEMA on modeling, along with Cyber Command. What could the effects be across various systems and critical infrastructure? Also, defending the Homeland, I think there were important steps made with the Executive order and the PPD that helps us start better defining roles and responsibilities of agencies and organizations within the Homeland.

There's a lot of work to be done on that, though. It's complicated and we're going to have to continue exercising and training against that threat.

Senator REED. Your preliminary estimate is that for a reasonable threat that exists today, the cost to the country could be staggering in terms of a——

General JACOBY. I think that we had a glimpse of the kinds of cascading effects that you can have from a cyber attack in Hurricane Sandy, when you saw the amount of power outages and the ripple effect that that had across not just the State; but a region, across not just people, but the economy. I think that was a glimpse of the kinds of effects that you could create with a cyber attack. So that's why it has our attention.

Senator REED. That's why in individual industries, given the potential catastrophic costs, preventive, preemptive action today would be more than cost justified in your——

General JACOBY. Senator, I think that the President's PPD sets some standards and goals, and identifies the correct relationships between commercial, private, and government. But I think there's a lot of work that still needs to be done on the gaps and seams that could exist between those.

Senator REED. Thank you.

General Kelly, from your perspective in SOUTHCOM?

General KELLY. Senator, I'm not sure I could add that Jim Stavridis and Chuck haven't already mentioned. I will say this, though, to give some perspective. Throughout my AOR, it's probably the one single threat that every nation down there, whether they're particularly friendly to us or not, it's the one single threat they talk to us a lot about and ask for our help. We're trying to give them that, but don't have much in the way of that capability at SOUTHCOM right now.

Senator REED. Thank you.

General Kelly, too, one of your major efforts is counternarcotics, interdiction, et cetera. I presume that you're seeing huge pressures as naval forces are withdrawn because of budget pressures. But also, can you comment on the role of Coast Guard, because even though it's not the jurisdiction of this committee, I presume that it plays a very large role, too. If they're not able to deploy ships into your AOR that could degrade your ability to respond to narcotics.

General KELLY. Yes, sir. Senator, first of all, the Coast Guard plays a very big role in my life and I think I play a big role in their life down in that part of the world. We are partners joined at the hip and shoulder to shoulder. But as you say, even without sequestration I occupy a seat that is very definitely the economy of force seat of all of the combatant commanders. So we didn't get much then and we get just about zero now if sequestration stands.

What that translates to is last year roughly we got 150 to 200 tons of cocaine on the high seas, Coast Guard and U.S. Navy shoulder to shoulder. Next year all of that will make its way ashore and into the United States. So sequestration in particular—didn't have much before and we'll have just about nothing if sequestration stands.

Senator REED. Let me tell you, not much has changed. In 1969 I was with the 4th of the Tenth Infantry at Fort Gulick, the economy of force was quite obvious even then. So at least that's consistent.

One area that's been mentioned before is the foreign policy, if not the military role, of Iran and China in areas like SOUTHCOM. Have you noticed a significant increase in activity, not military ac-

tivity, but diplomatic activity, economic activity, by both these countries?

General KELLY. The short answer is absolutely. One of the things I'm supposed to be doing down there is making sure the United States remains the partner of choice in Latin America. But a partnership is a two-way thing, I think you'd agree, and it's very one-way now. They very much want the United States in their lives, with the exception of the two or three of four of them, very much want the United States in their lives.

So we don't bring much any more. We have great trading relationships with them. We have great military-to-military contact. But when you have an organization like the Chinese come in there, just economically powerful, spending a lot of money, whether they're increasing infrastructure at ports, the Panama Canal, or just going in and buying everything that they want in large quantities—so that partnership with China is very strong.

They do the best they can to establish military-to-military partnerships and they do pretty well in that. So that's China.

On the Iranian side, we've seen a fairly significant increase in their desire to establish relationships. Obviously, Venezuela to date has been kind of the central core of that. But over the last several years they've done pretty well in other locations. They don't really need, now that Chavez is gone, regardless of what happens in Venezuela, they don't really need that support any more. They have some positive relationships.

Some of these things, who knows where they're going? It's not a huge threat now. But I think anywhere they go, particularly when they go to a region that is completely different than they are culturally, religiously, and all the rest, I think they bear watching.

Senator REED. Thank you very much.

Thank you, gentlemen.

Chairman LEVIN. Thank you, Senator Reed.

Senator McCain.

Senator MCCAIN. I want to thank the witnesses for being here and their outstanding and dedicated work, especially you, Admiral. This is probably your last appearance before this committee and we thank you for your years of outstanding and dedicated service to the country.

I'd like to ask each of you as succinctly as possible if you could tell us the specific impact that it's having and will have on the morale and readiness, and including retention, of sequestration within your AORs. Maybe begin with you, Admiral.

Admiral STAVRIDIS. Yes, sir. It is obviously significant and negative in all elements that you mentioned. I want to begin by saying the particular area that I'm concerned about in morale and retention is in our civilian workforce, where we have these marvelous civilians who do extraordinary work, stand with us every single day, and yet they are facing the possibility of furloughs, 20 percent pay cuts, and so forth.

My own headquarters is reduced by about 25 percent in terms of our efficiency and our ability to support our missions. Our actual operations in the Balkans, in the Levant, our ISR, intelligence, surveillance, reconnaissance, are all reduced at about that level. I'm cancelling about 140 security assistance programs that help us

build this base of support I was talking to Senator Reed about in Afghanistan.

Indeed, even on the family side, the impact on our children, who are going to be facing school day cuts and furloughs of their teachers is significant and is part of this whole challenge for us.

Then as we look forward and we look at the cuts in force structure and platforms that are coming, overall it's a very difficult and challenging picture, sir.

General JACOBY. Senator, many of the same comments as Jim had. I would say that we're the command with the most civilian personnel assigned to the command. They work across all of my mission sets to defend the Homeland to support civil authorities, and to work with our partners in the region. So this is having a significant impact on them and their families as they look forward to some real uncertainty in what's the take-home benefit here.

I would also say from a soldier's point of view on this, Senator, you know we have a generation and a force out there that knows what right looks like, and they know it's not right that they don't have the tools that they need to train and maintain readiness. Through 2013 the Services are very challenged to meet their readiness requirements and 2014 is really unknown at this point.

I do not have a lot of assigned forces to defend the Homeland. I count on trained, ready, and available forces from the Services. So degradation in Service capabilities that provide me the F–16s that I do Operation Noble Eagle with, to the mobile training teams that form the basis of our partnership with our Mexican partners—all of those things are under stress right now and are part of the sequestration bill on the force.

General KELLY. Senator, the immediate impact on SOUTHCOM is our counterdrug interdiction, detention, and monitoring operations will go to zero.

Senator MCCAIN. You just said that you would not be able to interdict the drugs next year that you were able to this year.

General KELLY. Exactly right.

On the engagement piece, I've had to cancel probably 50 percent of my engagements. These are small-term engagements. These are training exercises that might involve 12 or 15 soldiers, sailors, airmen, Marines or something like that. There's a sense, however, as we go down this road—and I certainly can talk to the Latin American countries. There's a sense that they have that we are withdrawing. Partnership is important, but it has to be a two-way street. They have to believe we'll stay engaged. I don't think, increasingly I don't think they believe that, which changes a large part of the strategic equations, I think, for our country.

Then on the morale issue, Jim Stavridis talked about his civilians. I would ditto that. Our civilians are great folks.

Senator MCCAIN. What about the desire of the uniformed military, the real good ones, to stay in?

General KELLY. I think the Senator knows——

Senator MCCAIN. I notice that all three are——

General KELLY. I have time in the ranks. I was a former enlisted marine. I admittedly look at a lot of these things through a sergeant's eyes and I'm proud of that. They're wondering what the heck's going on. Less than 6 or 8 months ago they were "Thank you

for your service" and "You guys are the greatest" and "You fought the wars." The families, the Gold Star families, they're confused now because it's now dollars and cents. I think there's a sense that we've begun to turn our backs on them, is how I see it.

Senator MCCAIN. So we are—I think from what the witnesses said we're doing them a grave disservice. For the record, would you speak——

Admiral STAVRIDIS. Yes, sir.

General JACOBY. I concur, Senator.

General KELLY. Yes, sir.

Senator MCCAIN. Thank you very much.

Admiral Stavridis, last year at this hearing I asked if the North Atlantic Council had directed NATO to do any contingency planning whatever for possible NATO involvement in Syria. Is NATO doing any military planning now for any potential Syria contingencies?

Admiral STAVRIDIS. Sir, we are. We are looking at a wide range of operations and we are prepared, if called upon, to be engaged, as we were in Libya.

Senator MCCAIN. NATO has deployed Patriot missile batteries to southern Turkey to defend Turkey against contingencies in Syria. Are those Patriot missiles capable of shooting down aircraft?

Admiral STAVRIDIS. Yes, sir, they are.

Senator MCCAIN. Are they capable of shooting down Scud missiles?

Admiral STAVRIDIS. Yes, sir, they are.

Senator MCCAIN. Are they effective in a 20-mile range?

Admiral STAVRIDIS. Yes, sir.

Senator MCCAIN. Can they be positioned in southern Turkey in such a way they could shoot down some of Assad's aircraft?

Admiral STAVRIDIS. Depending on range and altitude, yes, sir.

Senator MCCAIN. Would you agree that shooting down a few Syrian aircraft would serve as a powerful disincentive for pilots to fly in that area?

Admiral STAVRIDIS. I think that whenever aircraft are shot down that is a powerful disincentive.

Senator MCCAIN. Is it your opinion, Admiral, that it is time that we help the Syrian opposition in ways that would break what is a prolonged civil war?

Admiral STAVRIDIS. I think that that option should be and is being actively explored by all the Nations who are looking at this.

Senator MCCAIN. But could I ask your personal opinion?

Admiral STAVRIDIS. You can. My personal opinion is that would be helpful in breaking the deadlock and bringing down the Assad regime.

Senator MCCAIN. I thank you.

General Kelly and General Jacoby, we are engaged in comprehensive immigration reform. Obviously, coming from a southern, a southwestern State, the issue of border security is very important. The focus is on immigration of illegal people crossing our border illegally, but both of you have pointed out that a primary reason for border security is the flow of drugs.

Isn't it true—I think, General, you told me that the majority of drugs, cocaine, that comes into the United States comes across our

southern border? Maybe you could talk a little bit about the challenges that we face in securing this Nation from the flow of drugs, as well as that of people who come to this country illegally?

General JACOBY. I'll start with that, Senator. NORTHCOM supports civil authority on the southwest border, principally law enforcement agencies and DHS, through Customs and Border Patrol. We do that by fulfilling requests for support and providing some unique military capabilities to do that. It's to our mutual benefit to do that.

It's my opinion that borders should be the best part of the relationship between two countries. We have a tremendous trading relationship across that border, so there is a tension between the security and the economic piece of this.

I think that, as well as we do in security across the border, we will always be in a position of needing to improve it, because we are dealing with an adaptive, ruthless, relentless criminal organization. So in the end our experience has been—or I'll speak for myself. My experience has been that we're going to have to take on the network on both sides of the border and in all of the areas of responsibility to really have an effect on security.

Senator MCCAIN. You would agree that technology is really the answer? People are important, but the lessons and technology we've developed in Iraq and Afghanistan in the form of drones, in the form of sensors, they are really key elements, I think. Is it your view—do you agree?

General JACOBY. I absolutely agree that all of our partners should be leveraging every technical capability we can. We've seen that be effective across a number of borders that we've worked.

General KELLY. I'll comment on any you want, obviously, Senator, but on the technology issue——

Senator MCCAIN. Flow of drugs first. You mentioned to me——

General KELLY. Flow of drugs. In the so-called transit zone, the drugs come up from South America in very large—talking cocaine here—in very, very large, multiple ton packages. Once it gets ashore in Honduras and starts to flow through Guatemala—and by the way, the Hondurans, these are great partners. They are really with us in this fight, to the tune of tens—many thousands of deaths a year.

But once it gets ashore in Guatemala, in Honduras, and starts to flow through Guatemala, gets up into Mexico, which is again outside of my zone but a tremendous partner, it essentially enters a distribution system that is at least as effective as Federal Express. It is moved, broken down into packages, and makes its way across our southern border.

As I mentioned yesterday in an office call with you, virtually all of the heroin that comes into the United States is produced in Mexico, makes its way across the border, and that applies to methamphetamines as well. It's almost all produced outside the country and makes its way across the border.

On the technology issue, there's a time—and this wasn't Kelly's idea. My predecessor put this together. Rather than have U.S. Navy ships and Coast Guard cutters just meandering their way across the ocean looking for people, they have it down to such a science down there now, basically using ISR, electronic intercepts,

and a lot of other means, highly technical means, essentially they can tell a U.S. Navy ship, we can tell a U.S. Navy ship or cutter, to go to a certain location on the ocean, kind of look off the starboard bow, and you see that guy going 40 knots, stop him. He has 4½ tons, and by the way, they can almost always give the name of the driver.

So the technology piece is huge. In my AOR it resulted in 150, 200 tons that we know of of cocaine taken off the market.

Senator MCCAIN. Could I just say, but the flow of cocaine into the United States of America has not appreciably decreased. Is that correct?

General KELLY. There is plenty of cocaine on the streets of Boston, Chicago, and Los Angeles. So we get a lot. The shout-out again to Columbia; they get a lot on our behalf. Honduras, Guatemala, they get a lot, El Salvador. But we could do a lot more, but there's enough getting through, obviously, Senator, yes, sir.

Senator MCCAIN. Thank you, Mr. Chairman.

Chairman LEVIN. Senator Blumenthal.

Senator BLUMENTHAL. Thank you, Mr. Chairman.

Just the follow that question, General Kelly, what more can and should the United States do in your command and potentially others?

General KELLY. If you're speaking, Senator, about drugs, just more assets. As I say, we're very, very good at locating—we understand the network certainly south of Mexico, and I can only speak to that. We understand the network very, very, very well. We can vector airborne ISR assets, all sorts of airplanes, any airplane, to look for them. Once we identify them, we can then tell surface ships to pick up, whether they're go-fast boats or whatever.

A key point here, if I could. If we get the—if we get the drivers of the boats, we can very quickly turn that, because they enter our legal justice system. Honduras, Guatemala, places like that are extremely helpful to us, but if they get the drivers of the boats or the pilots of the airplanes, we don't get the same turnaround in intelligence just because of the nature of the network.

But they're with us. More assets equal more tonnage. Less assets equal less tonnage.

Senator BLUMENTHAL. Let me pursue the illegal drug trafficking question with a question about human trafficking, that is the flow of people, in effect, who are exploited either with bad working conditions, substandard working conditions there or in this country, sex exploitation and so forth. To what extent has that been a concern and what measures can be taken against it?

General KELLY. Let me——

Senator BLUMENTHAL. I'll ask all three of you that question, if I may?

General KELLY. We watch an awful lot of flow that come in from the Middle East, come into the traffic pattern, if you will, in Latin America, and then they disappear up into the United States. So it's a network. It's highly efficient. Anything that gets on that network, if you can pay for it, has a pretty good chance of getting through.

So I look at high-value, high-interest people. You don't pay a lot of money to come from, say, Pakistan, fly to Latin America, and then get up into the United States. We're not talking about the

kind of people who are economic refugees. They have other business, if you will.

I think Chuck Jacoby probably has an answer on the other part of this.

Senator BLUMENTHAL. General Jacoby.

General JACOBY. Senator, I think the thing that all of this illicit activity has in common, whether it's people, drugs, money, or weapons—is this complex criminal network that has grown in size, capacity, ruthlessness, and the ability to find the vulnerabilities across our broad frontier, within nations that are good partners with us: Central and South America, Europe, and Mexico.

So they are exploiting weak institutions or just vulnerabilities that exist. So in my view, after looking at this closely—and John and I talk about it a lot—more steps that we take to put pressure to disrupt and defeat this network is, I believe, the really high payoff activity in terms of all of the illicit activity. Whether it's people, whether it's drugs, whether it's money or weapons, it is a very powerful organization that really hasn't been taken on in the way it should.

Senator BLUMENTHAL. Admiral?

Admiral STAVRIDIS. Could I, two quick points on that. One is, in addition to everything Chuck just reeled off that moves on these networks, we need to remember the truly dark edge of the spectrum is WMD. These routes, the ability to move ten tons of cocaine in a mini-sub, well, if you can move 10 tons of cocaine you can put a crude nuclear device in that and move it into the homeland. So that's what I really worry about as the SOUTHCOM commander, and I think it is also very pertinent today when you look at proliferation.

The second point, to the drug question. We talked a lot about cocaine. There's also a heroin issue. Heroin of course comes from opium, from poppy, 80 percent of which is produced in Afghanistan. So there's another narcotic flow, if you will, that comes up through the Balkans, across Europe, and into the United States, that is worth considering as we discuss this trafficking point.

I completely agree with my fellow combatant commanders here that these trafficking routes are crucial elements of 21st century security that don't get enough attention.

Senator BLUMENTHAL. Are these——

General KELLY. Senator, if I could just comment.

Senator BLUMENTHAL. I'm sorry. Go ahead.

General KELLY. The fact that an awful lot gets onto this traffic pattern and into the United States, I think we have to acknowledge the fact that we have hundreds and even thousands of very, very, very dedicated law enforcement personnel. I have them. I think we probably all have them in our headquarters—Drug Enforcement Agency (DEA), Federal Bureau of Investigation (FBI), Department of Justice (DOJ), Treasury, Border Patrol agents.

These people are hugely dedicated people that are fighting this fight shoulder to shoulder with us. So we have to acknowledge, I think, the fact that we have—they're not in uniform, or at least they don't wear military uniforms. We need to give them the credit that they're due, a very, very tough job. But they're overwhelmed by the, as Chuck points out, the intricacy and the efficiency of this

networking, the ruthlessness of it. But we need to remember they're true heroes in every sense of the word.

Senator BLUMENTHAL. These networks really are not only ruthless, they're also relentless, because the amounts of money are so huge. I agree with you that our civilian law enforcement authorities, which at a prior point in our history would have been relied on completely to combat these networks, now has been outgunned and outmanned and outresourced by those criminal networks.

So we've relied increasingly on the great work that you and the men and women under your command have done. I wonder whether you feel that either more resources to them or more coordination with you is perhaps an answer to dealing with these networks?

General KELLY. If I understand the question, Senator, I'm a believer in the away game. I go back to the efficiency of what we do in SOUTHCOM with the U.S. Coast Guard and all the interagency, whole-of-government partners that we have across the U.S. Government, not to mention our partners. So when I talk in terms of what we do in the south, I talk in terms of multiple tons at a time, 10 to 20, in that range.

Once it gets ashore and gets into this landward trafficking network, the efficiency of it is just unbelievable. These large amounts are broken down into very small amounts and smuggled across the border in thousands of trunks, floorboards, containers. In my opinion the place to get it is before it ever gets ashore.

Senator BLUMENTHAL. Do you share that view, General Jacoby?

General JACOBY. Senator, yes, I do. The border itself is not the optimum place to stop this, where it's in small loads, it's in tunnels, it's in ultralights, it's in Panga boats that are going around the coast. So the industrial work that can be done, larger than that though, I believe are these global networks that we need to treat as threat networks, that threaten our security. We need to come up with the policies and the partnerships to put pressure on this network and this network of networks: the financiers, the leaders, the logistics, the operators, all the folks that we've learned how to go after in our threat network work that we've done in the past.

Admiral STAVRIDIS. Could I just add, one thing we've done, speaking of the away game, in EUCOM is put together a joint interagency counter-trafficking center, kind of modeled on Joint Interagency Task Force (JIATF)-South, the one down in Key West. Very low-cost, whole of government, bring in the partners and try and find and get at these routes, land, sea, and air. It's that whole-of-government interagency approach that will succeed.

Senator BLUMENTHAL. Thank you.

I want to thank you all for your very helpful testimony and for your extraordinary service to our Nation. I think, General Kelly, your testimony about morale and the need to make sure that we maintain what attracts the best and brightest and bravest to our military is very much on point at this time in our history.

Thank you all for your service and your testimony today. Thank you.

Chairman LEVIN. Thank you, Senator Blumenthal.

Senator Chambliss.

Senator CHAMBLISS. Thanks, Mr. Chairman.

Gentlemen, to each of you, thanks for your service, thanks for your leadership. To all the men and women that serve under you, please convey to them our heartfelt thanks for their great commitment to freedom.

Admiral, I'll echo what the chairman said to start with. We're going to miss you. You've been such a great asset to our country. You've also been a good friend. So we're sorry to see you go, but we're very thankful for your service.

There's a press report today that there may have been the use of chemical weapons in Syria. There are allegations being thrown from both sides, the rebel side and the government side. Any information you can tell us about that with respect to the use of chemical weapons, particularly in the Aleppo area where it's alleged?

Admiral STAVRIDIS. Sir, I think I'd best take that for the record and provide that at a classified level.

[The information referred to follows:]

At this time we cannot confirm anything with respect to alleged chemical weapons use in Aleppo. The international community had proposed investigating chemical weapons use in Syria—which would include Aleppo but I understand such an investigation is held up over questions of scope and jurisdiction.

Senator CHAMBLISS. Okay. With regard to Benghazi, Admiral, I know you were put on high alert during the course of the attack that took place at the mission and the annex. There were lots of failures, it looks like, from an intel standpoint as well as some issues of leadership regarding what should have been done. Can you give us your look-back now from the perspective that you had then with what you were being told and give us a lessons learned on Benghazi?

Admiral STAVRIDIS. Sir, I think my job from EUCOM was to serve, if you will, as the back office for Carter Ham. I know Carter has been up and testified and I understand he's going to provide a detailed classified for-the-record kind of timetable of how this unfolded.

What we did and what I saw was immediately after the attack we started chopping assets to General Ham, starting with ISR, so we could get Predator coverage up overhead. We began moving, at General Ham's request, the Commander's In Extremis Force, which was under his and my joint operational control. He took control of that, moved it from Croatia to Sigonella.

He requested and we moved two FAST teams, these Marine Corps quick response teams, from Rota to Souda Bay in Crete. We spun up all of our C–130s and C–17s. We tried to, from a EUCOM perspective, to just push forces south and forward to General Ham.

I think to the degree there are lessons learned here, you alluded to the intelligence piece, which I think is really the critical thing, because we have to defend hundreds of these critical locations all around the world. We need to ensure that as the intelligence breaks we are reacting as quickly as we can. Time and distance are a tyranny of their own.

I think the bottom line from this particular incident from a EUCOM perspective is the value of having these bases in Europe so that we can move these forces forward, and even within the European area we can move them from the north to the south and get

as close to the action as possible to support the combatant commander who's in charge, in this case Carter Ham.

So that's a quick overview, sir. I can provide a little bit more on the record from a classified perspective as well.

Senator CHAMBLISS. Okay. We'll ask that you do that on both of those questions, relative to Syria and any additional classified info on this.

General Kelly, during the SOUTHCOM budget hearings for fiscal year 2013 General Fraser commented on the capability of the Joint STARS platform in the region that was successfully being utilized to interdict drug trafficking and detection and monitoring of wide-area surveillance. Currently the 116th from Robins flies two Joint STARS missions per month in support of your operation at SOUTHCOM from a counternarcotics standpoint.

Can you enlighten us as to the use of Joint STARS and what future plans you have to leverage this asset, as well as other ISR platforms in your region?

General KELLY. Senator, JSTARS is very important in what we do in the counterdrug effort. We're probably going to lose our JSTARS support because of sequestration, so that's essentially off the table. But they're hugely effective in that wide-area look as we begin the process of identifying the drug traffickers as they come up out of the northern tier of—primarily Colombia and Venezuela.

If we lose that, it makes it harder. But that's the reality. All ISR—and we use anything—much of the ISR we use is—an example, are ISR that are just out on training missions. We have like bombers as an example, that are going to go up and train anyways. U.S. Air Force will vector them down to the Caribbean area. They get their training, they get their flight time, and they help us out.

So a lot of it was whatever fell off the table or whatever I or General Fraser, better than I am at it, what he could beg out of the services. That basically is going away, so it'll make it infinitely more difficult to identify the patterns in the not-too-distant future.

Senator CHAMBLISS. I hope with maybe some flexibility that we're giving to all of your commands in the CR that hopefully will get completed in the next couple of days, maybe we can figure out a way to continue to utilize some of those platforms.

General Kelly, again, with the demise of Hugo Chavez, what can you tell us about the future leadership in Venezuela, plus relationships with the United States? Is it going to improve, is it going to denigrate? Which way is it going to go?

General KELLY. Senator, I think it's safe to say essentially the rising stars now that Chavez is gone are from the same point of view, same old crowd, if you will. The expectation is that the vice president will win the election in April.

But I think the Senator knows this. The economy there, the oil production infrastructure, all of that is really on the edge. It's a very, very violent country. So the vice president when he wins that election or is likely to win that election is going to inherit all of the problems that already existed there, and they're pretty critical.

The one difference is he does not have the charisma that Chavez had with at least 51 percent of the country. So he has his hands full. But we don't anticipate—it's really a State Department question, I think. But from my perspective, we don't anticipate any real

change between our country and the Venezuelan Government, at least in the short term.

Senator CHAMBLISS. Admiral Stavridis, I was not a proponent of the START Treaty, primarily because it did not address tactical nuclear weapons. Now, the Russians we know have continued to, if not increase their arsenal, certainly modernize their inventory of tactical weapons. What information can you give us relative to the continued production of nuclear weapons or the modernization issue relative to tactical versus strategic by the Russians?

Admiral STAVRIDIS. Sir, at an unclassified level, you are correct that the Russians continue to have a significant inventory of tactical nuclear weapons. They are maintained, they are upgraded. It's part of their planning and their theory.

I would like to come back again with a classified answer that would give you a little bit more detail. But it is a concern and I watch it closely from a NATO perspective.

Senator CHAMBLISS. Again, if you will follow up with us on that in a classified setting.

Admiral STAVRIDIS. Aye-aye, sir.

Senator CHAMBLISS. Thanks, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Chambliss.

Senator Donnelly.

Senator DONNELLY. Thank you, Mr. Chairman.

I want to thank all of you for your service. Admiral, thank you so much. General, thank you. General Kelly, thank you so much. Especially if you would pass that on to all the men and women who are in harm's way every day, because they don't always hear it, but they sure are the ones who protect our freedom.

General Kelly, you had talked about the criminal networks, all of you have, that we're facing. It is our law enforcement combined with our military facing these criminal networks. Are there nations who are working with the criminal networks on the other side, who are partners with them in a number of these efforts? What can be done in regards to that? General Kelly or whoever wants to take the first crack at that?

General KELLY. With the exception of a couple possibilities in SOUTHCOM, I'm confident that there are no governments—in fact, I would say across SOUTHCOM there's no governments that are supportive. But there are high officials within governments that are supportive, many of them for just their own personal corruption purposes, but I think many of them—a few of them to make life a little bit more difficult for the United States. I'll let it go at that. I wouldn't want to get into the detail in an open hearing.

Senator DONNELLY. Sure.

Admiral STAVRIDIS. I think John is absolutely correct, and this points to another real concern about these networks. It's not just the impact on our populations, our youth that are using the narcotics. The profits are used to corrupt officials, exactly as John is saying, and that undermines these fragile democracies.

I do agree with John, I'd be hard-pressed to name a state that was an identified narco-state. But there are high officials throughout the region and in certainly Afghanistan that are involved in this. So it's extremely pernicious.

Senator DONNELLY. Do countries like Iran or North Korea ever work in coordination with them?

Admiral STAVRIDIS. Not as—I'll speak to Iran. Not as—not as a matter of state policy. In fact, Iran has a very strong and reasonably effective counternarcotics effort. I know that because it's on the border with Afghanistan and we have opportunity to understand what's happening over there. I think you'd find, if you asked the DEA, that Iran can be very effective in counternarcotics.

On the other hand, in all of these states in the region I think there are high officials that are not adverse to being part of that process for financial gain.

Senator DONNELLY. Admiral, in regards to Syria, is there a fear or is there planning as to if and when Assad falls, fears of ethnic cleansing, religious cleansing and the danger that shows us?

Admiral STAVRIDIS. Sir, there is a great deal of danger in the end game scenario in Syria. Of course, I'm not a Syria expert. That's really General Mattis and CENTCOM. But I watch it closely because of my NATO hat. The closest analogue I could give you, sir, is think back to the Balkans in the 1990s, when we had competing ethnic, demographic, religious groups that really turned the Balkans into a nightmare for the better part of 10 years.

We saw in the Balkans 100,000 killed, 1 million people, 2 million people pushed across borders, 2 significant wars, 1 in Bosnia-Hercegovina, 1 in Serbia-Kosovo. I think, unfortunately, that's probably the future in Syria. It's going to be—after the Assad regime falls, I think there is every potential for a great deal of revenge killing, inter-religious conflict between various segments of the population. It's very difficult to see the pieces of Syria going back together again very easily.

Senator DONNELLY. General Kelly, this is a little bit of an overall general question, which is: What do you see as, other than the cyber discussions that we had, what do you see as the greatest threat coming out of SOUTHCOM to our Nation?

General KELLY. Clearly, in my mind it's the network, the trafficking network that drugs ride on, certainly people ride on, and potentially WMD that could ride on. As I mentioned a little earlier, the concern on the part of many of our Latin American friends and partners is that we're withdrawing, that there's a lack of interest on our part to continue doing what we're doing. They want us in their lives for the most part. Even the countries that are not so friendly to us get great benefit just from what we're doing there, in not only the drug trade, but in trade in general. So those are the kind of two issues, I guess.

Senator DONNELLY. Admiral, as we look forward in EUCOM, one of the discussions on the budget end is, are all the facilities in EUCOM necessary as we look at where danger is coming from in years ahead? Do you believe our partnership-building efforts will result in a smaller U.S. footprint, or is that something where—would having the flexibility to make those decisions as to where changes are made, would that be of assistance to you?

Admiral STAVRIDIS. Yes and yes are the two quick answers. I think, just to put perspective on it, if you recall, 20 or 30 years ago, Cold War, we had 450,000 troops in Europe, 1,200 bases. We've come down 85 percent since then. So we have taken a great deal

of infrastructure out of Europe. As we've talked about at the hearing this morning, what remains are really forward operating bases that we need for access into Africa, the Levant, the near Middle East, and into Central Asia.

Having said all that, we should continue to look at the basing structure. We have a study that's in progress by the Department, which will report out at the end of this year. I think we conceivably could over time draw down a bit further. It'll depend, exactly as you said, Senator, on partnerships, on our confidence in access, and how we move within the NATO alliance.

So I think there is room for continuing analysis of it. I feel we're positioned about right for the moment in time in which we find ourselves. But I believe that that downward trajectory over time will probably continue.

Senator DONNELLY. General Jacoby, a little bit of the same version of what I had asked General Kelly. What do you see as the greatest threat in NORTHCOM as we look forward, other than again the cyber piece that we deal with every day?

General JACOBY. I think today, as I said in my opening statement, we have increased vulnerability in the Homeland, and it's because I think there's a closer relationship between the home game and the away game than there's ever been before. To that end, I worry about my AOR, but I have interests in all of the other COCOM's as well. For instance, WMD: a WMD getting into the Homeland is any NORTHCOM commander's nightmare. So where would that come from? What route would it ride? What organizations would sponsor it? What threat would seek to deliver a device like that?

That means I have to be closely connected with all the other COCOMs and intelligence agencies. We cannot take our eye off the ball on the terrorist threat and al Qaeda; I think they still remain determined to attack the United States.

So the terrorist threat has changed over time. It's manifested itself in different places and different ways. We've had success against it, but I still believe that they're intent on attacking the United States.

Finally, the no-notice catastrophic event in the Homeland and making sure that DOD is not late to need is something that increasingly occupies my attention. In just the year and a half I've been the commander, we've had three major hurricanes and two major wildfires, Hurricane Sandy being the worst of those. Those really are times where the expectations of our people are that DOD is going to provide assistance.

So that's kind of the panoply of things that keep me up at night.

Senator DONNELLY. Thank you all for your service and for what you've done for our country.

Thank you.

Chairman LEVIN. Thank you, Senator Donnelly.

Senator Wicker.

Senator WICKER. Thank you, Mr. Chairman.

Admiral Stavridis, let me do a little follow-up. Senator Donnelly just asked if and when Assad falls and you discussed his question about ethnic cleansing. If and when Assad falls, does EUCOM or

NATO have contingency plans to deal with the Syrian stockpile of chemical weapons?

Admiral STAVRIDIS. EUCOM does not. That would fall under General Mattis in CENTCOM.

Senator WICKER. Can you tell us anything about that?

Admiral STAVRIDIS. Not at an unclassified level. But I'm happy to take that for the record back to General Mattis.

Senator WICKER. Okay, thank you very much.

Now, then to follow up on Senator McCain. He had an interesting line of questioning with regard to the placement of Patriot batteries in Turkey. Who put those Patriot batteries there, Admiral?

Admiral STAVRIDIS. Those are on NATO mission. They were assigned by the NATO alliance. There are three nations that have contributed batteries. The United States is in a place called Gaziantep. Germany is in a place called Kahramanmaras and the Dutch are in a place called Adana. All of these are located in southwestern Turkey along the border, Senator.

Senator WICKER. Was this a decision that was reached by the NATO leadership or did we do that individually with those, with those two allies of ours?

Admiral STAVRIDIS. It was a NATO decision and this is a NATO mission. In fact, although those are the three nations that have contributed the actual batteries, the entire 28 member nations have people that are part of this mission. For example, the command and control is made up of people from all the different countries, connected back through the operational chain and the headquarters. So it's very much a NATO mission.

Senator WICKER. What did it take within NATO to make that decision?

Admiral STAVRIDIS. We had to bring it into the NATO Council, which is 28 nations. They're represented by ambassadors in Belgium. It was discussed there. Then those ambassadors went back to capitals, got approval for it, and then the operational task began.

I would say that sounds like quite a process, but——

Senator WICKER. It does.

Admiral STAVRIDIS. We did it in about a month. In other words, from the time the Turkish nation asked for the Patriots to be emplaced to the time the first Patriot batteries were in place was just about a month.

Senator WICKER. What level of unanimity was required within NATO to do that?

Admiral STAVRIDIS. All 28 nations had to agree.

Senator WICKER. So do I take it then from the tone of your answer that you're comfortable with our having to rely on that level of required consensus in our past dealings with the Libyan issue and currently with Syria? Or has that been cumbersome and has it stood in the way of us making efficient decisions?

Admiral STAVRIDIS. As I look back on 4 years as the NATO commander for operations, I look at all the things we've done—Afghanistan, counter-piracy, the current Syria mission with the Patriots, the Balkans. We've typically got 150,000 people out doing five or six operations around the world at any given moment. All of those decisions have been done by consensus.

There have been times when that has been frustrating and there have been times when it takes consensus-building, just like it does in any deliberative body. But as I look back on 4 years, I would say that it is reasonably effective at delivering operational capability. Having said all that, there are always going to be times when each nation must reserve to itself the right to act immediately. The United States has done that. I think we will continue to do that. We're not bound by NATO, but when we want to bring NATO along we go into this process. Again, looking back on 4 years, it's been reasonably successful in delivering capability for operations.

Senator WICKER. The United States has not done that, though, with regard to Syria policy.

Admiral STAVRIDIS. It has not done that with regard to Syria, that's correct. It did it with regard to Libya, for example.

Senator WICKER. In what respect?

Admiral STAVRIDIS. In the sense that the Libyan operation began as a series of unilateral coalition of the willing operations, initially the French and the British. The United States jumped in, the Italians came in. At that point, after about 10 days to 2 weeks of that coalition of the willing operation, NATO stepped up and took over that operation and then ran the Libyan operation for the next 9 months.

Senator WICKER. Now, with regard to Senator McCain's specific question about those Patriot batteries being used to knock down Syrian military aircraft, at this point our position is that that would require this type of NATO consensus decision?

Admiral STAVRIDIS. That's correct. That is correct.

Senator WICKER. We're far from that at this point?

How is the Syrian issue impacting our relationship with Ankara and what is your current assessment of our military relationship with Turkey?

Admiral STAVRIDIS. Our current U.S. to Turkey military-to-military relationship is extremely strong. We operate with them in a wide variety of missions and they are very capable partners. Within a NATO context, they are equally strong. Turkey, just for example, has a couple of thousand troops that are the bulwark of Kabul's train, equip and organize mission. Turkey's participated in every mission since I've been the Supreme Allied Commander. They continue to be very strong.

Senator WICKER. How has the Syria issue affected our relationship?

Admiral STAVRIDIS. It has made it stronger.

Senator WICKER. Really?

Admiral STAVRIDIS. It has, because Turkey correctly feels as though there's a great deal of danger and difficulty in the south and therefore they came to NATO and have come to the United States. I think they're very positive about the response both from NATO and the United States in both of those scenarios.

Senator WICKER. I think your answer is with regard to our military-to-military relationship.

Admiral STAVRIDIS. Right.

Senator WICKER. Is there any difference between that and our government-to-government relationship?

Admiral STAVRIDIS. Obviously, State Department would be the right people to ask. But I have a fair amount of contact with the Minister of Defense, the Minister of Foreign Affairs of Turkey. My impression is that we are in a strong position government-to-government. But my area is military-to-military and I can testify to that.

Senator WICKER. Let me quickly shift just a bit to the 2012 Secretary General's annual report with regard to NATO. Secretary General Rasmussen makes clear his concerns with the growing disparity not only between U.S. and European contributions to defense, but also the growing disparity among European nations to this contribution.

Let me quote the Secretary General's report: "The effects of the financial crisis and the declining share of resources devoted to defense in many allied countries have resulted in an overreliance on a few countries, especially the United States"——

Admiral STAVRIDIS. Correct.

Senator WICKER. We certainly know that.

"—and some significant deficiencies in key capabilities, such as intelligence and reconnaissance."

So what I'm concerned about is that there seems to be a lack of emphasis by some of our NATO allies on defense, to the point where they may actually be participants in name only.

Do you agree with Secretary General Rasmussen's assessment and, if so, what needs to be done to correct the problem?

Admiral STAVRIDIS. I do agree with his assessment, and the quick fix is for the Nations of NATO to meet their self-described 2 percent of GDP spending goal. Today only a handful of nations, including of course the United States, spend more than 2 percent. The majority do not and that's not right and all of us should be continuing to talk to those nations who are not meeting that goal so they can increase their spending.

Having said that, the good news is the Europeans collectively spend about $300 billion a year on defense. That number surprises people sometimes. It's a very significant amount of spending. But it still does not rise to the goal that they have set and therefore it's disproportionate for the United States and that's not right and it should be addressed.

Senator WICKER. Other than talk about it, there is very little else we can do; is that correct, Admiral?

Admiral STAVRIDIS. I think there are other pressure tools that can be brought to bear. But I think principally——

Senator WICKER. What suggestions would you have?

Admiral STAVRIDIS. I think that it would entail the United States withholding some of its assets or deciding to take positions in NATO that would effectively put pressure on nations in operational kinds of ways. We hope not to get to that point. We are continuing—and as we come out of this financial crisis, especially in Europe, I'm hopeful that our allies will step up and get us up into that 2 percent spending range.

Senator WICKER. Thank you very much.

Admiral STAVRIDIS. Yes, sir.

Chairman LEVIN. Thank you, Senator Wicker.

Senator Kaine.

Senator KAINE. Thank you all for your testimony today.

I'm going to hop-scotch around a little bit. I'd like to start with General Kelly to follow up on a conversation we started to have yesterday. You earlier talked a little about the interdiction efforts that have been successful to a degree, but there are likely challenges as a result of sequestration. I just want to make sure I have this right.

So last year the interdiction efforts under SOUTHCOM were responsible for taking, did you say, 150 to 200 tons of cocaine out of circulation?

General KELLY. Yes, sir. The interdiction effort, it's a whole-of-government interdiction. It's not just U.S. military. So we're talking DOJ, Department of Treasury, DEA, FBI. It's all of government, to include all of the police officers and agents in the United States.

But in the neighborhood of 200, 150 to 200 tons either taken, we actually have it in our hands, or it was thrown over the side. Those are the estimates, yes, sir.

Senator KAINE. Do you believe that that is about 20 percent of the cocaine that would get into the United States from South America?

General KELLY. By some numbers that's about 20 percent.

Senator KAINE. Right. We talked yesterday you thought to really be disruptive in terms of the drug markets and the dollars raised for it you'd have to take about—you'd really want to interdict about 70 or 80 percent of the cocaine coming in.

General KELLY. Our President's given us a goal, again the entire government goal, of 40 percent. The thinking there is that if you took that much cocaine out of the flow that the network just wouldn't have the profits that it has enjoyed for so many years and it would begin to come apart. The network itself would suffer because of the profits.

Senator KAINE. It would also drive up prices——

General KELLY. It would drive up prices.

Senator KAINE.—such that a lot of people couldn't afford it.

General KELLY. I believe we could do much—given the ISR assets and the surface assets, more takes more off the market. Less takes less off the market. But yes, sir, I think we could take much more than even the 40 percent that the President has tasked us to take off by 2015.

Senator KAINE. A key component of this interdiction is the use of ships, I guess primarily on the Caribbean side, maybe a little bit on the Pacific side. You have about six ships that you currently use that would be part of your normal interdiction force?

General KELLY. Surface vessels. The Coast Guard plays big into this, both in the Pacific and on the Caribbean side. The way we see it, about 14 ships a day would go a long way to crippling this effort in that initial part of the transit zone. On average we get five or six. We still get tremendous amounts of tonnage off the market. But again, SOUTHCOM being very much the economy of force area of operations, for many years now we've only gotten a relatively small number of Coast Guard cutters and U.S. Navy ships of all types.

Senator KAINE. The five or six now is significantly jeopardized by sequester. It would drop it down to zero or one potentially?

General KELLY. Yes, sir, zero or one.

Senator KAINE. While drugs are interdicted other than by the surface ships, the surface ships are really the key component to the interdiction effort?

General KELLY. Overwhelmingly. The example I would give you is the product that's flown out of primarily Venezuela by small aircraft carry—typically go into the ungoverned spaces, the wide-open spaces of Honduras. It might carry a ton, sometimes less than that, but roughly a ton. Again, the profits are so lucrative they land and then they take the drug off the airplane, they just burn the airplane. So it's not even worth making the return trip to them, the profits are so high.

The Hondurans and the Guatemalans tremendously, and the Belizeans and the El Salvadorans, tremendously helpful in this effort. But the vast majority of the tonnage is taken off the high seas.

I have to point out, with again partnerships—the French are involved in this, the Brits are involved in this, small numbers, but they are involved. I cannot say enough about the Colombians and what they do.

Senator KAINE. That has dramatically improved, obviously, with the current government, ongoing negotiations to potentially resolve the civil war with the FARC. Colombia is getting to be a stronger and stronger partner every day.

General KELLY. They are that, yes, Senator.

Senator KAINE. One of the things you mentioned, and I put quotes around it is, a concern by some in the hemisphere as they see an upscale of activity from China, maybe somewhat of an upscale from Russia, an upscale of activity from Iran, a sense that we are pulling back.

We talked yesterday about just a small example of it, the Inter-American Defense College here in Washington that for 50 years has trained military officers from the hemisphere, who have often gone back and assumed key positions militarily or even in civilian political leadership. That is a very small line item, but it's something that's definitely jeopardized by our current budget woes?

General KELLY. Yes, Senator. I think in the last 50 years the Inter-American Defense College, which is here in Washington, doesn't work for me, but they've graduated something on the neighborhood of 2,500 graduates. Many of them have become general officers, admirals, down south. Many of them have become presidents, ministers of defense. It's a very effective program.

It's all about civilian control of the military. It's all about the right relationship between the military and the people of their countries. It's all about human rights. Very effective.

They may go under if we don't find them $800,000, which I don't have, but that's not——

Senator KAINE. $800,000.

The Chinese are starting to bring the military leadership from the hemisphere to China for military training now, correct?

General KELLY. They do. They have kind of a wide-open program, much as we have, but for the Chinese it's much easier. If you want to go, you can go. As I mentioned yesterday, a lot of the offi-

cers from Latin America go. They don't get much out of it, but it's a year abroad and it's very easy, where we have similar programs in the United States and they're very popular down south.

The example I would give you, today the president of Peru is a former graduate as a military officer from the old School of the Americas. That's gone now and we now have the WHINSEC program down in Fort Benning. But he found it to be so useful to him, the old program, that he is buying up every seat he can get in the Western Hemisphere course of instruction down in Fort Benning. The dividends are immense, but there are a few hurdles, money being one of them, in order to get students up into our programs.

This includes attendance at schools that the Marines run at Quantico, the Army at Leavenworth, the Air Force at Maxwell Air Force Base. So it's just not those schools. It's all of the schools in the United States. The relationships are key.

Senator KAINE. I just don't believe we can afford to send the message that we're pulling back, and that's important testimony.

General Jacoby, just real quick, staying in the same part of the world. Talk a little bit about the military-to-military relationship with Mexico?

General JACOBY. Senator, I'm happy to report we have a strong military-to-military relationship with Mexico. It's a relatively recent phenomenon. I've been involved with Mexico over the last decade or so, and it's really in the last 3 to 4 years that our military-to-military engagement has become a rich exchange between equals. We're developing a great partnership.

We changed administrations in Mexico and I know the two gentlemen that became the head of Sedena and the head of Semar, tremendous professional officers, very eager to sustain and grow the military-to-military relationship. So it's very beneficial to both countries to do that and I'm proud of what we've accomplished.

Senator KAINE. Great.

Thank you very much.

Chairman LEVIN. Thank you, Senator Kaine.

Senator Fischer.

Senator FISCHER. Thank you, Mr. Chairman.

Thank you, gentlemen, for being here today. I thank you for your service and I hope you will extend my appreciation to the men and women that you represent as well.

General Jacoby, according to certain reports Iran could have a ballistic missile capable of striking the United States in 2015. Earlier this morning Senator Levin had a conversation with you about the threat to the east coast and you discussed that. You also said later on in some testimony that the closer relationship between home game and the away game—or we have a closer relationship between the home game and the away game than ever before.

How long would it take to construct a missile defense site on the east coast?

General JACOBY. It's a pretty complicated proposition, from the studies required, the environmental impact statements, and then, depending on the site, this could be an issue of years to get another missile site done, whether it's on the east coast or wherever it might be. So it's quite a proposition, and to that end we are happy to be conducting the study that was directed in the NDAA to pro-

vide decision points along the way to make sure that we're outpacing the threat.

Senator FISCHER. I know in my home State in highway construction an environmental impact statement can take 5 to 7 years sometimes. Would that apply to a missile site as well?

General JACOBY. I think these things—and I do have experience with them, can take years to get an environmental impact statement, and of course that could be affected by the urgency of an increased threat. I think it's safe to say that this is a question of years and getting the study started is a good and important step.

Senator FISCHER. But if the Iranians are able to have a system that can reach this country, reach the east coast, by 2015, are we already behind?

General JACOBY. Currently, as I testified, we're able to provide defense of the entire United States from an Iranian threat.We don't think that threat has resolved itself yet, but I would say that it's my belief that Iran is actively pursuing an ICBM capability and I think it's prudent to be taking steps to hedge against the evolution of that threat.

Senator FISCHER. Will the SM–3 Block IIA missile be deployed by 2015?

General JACOBY. I'll defer to—that won't be part of the Homeland defense, the Block IIA.

Admiral STAVRIDIS. Senator, it will be. That is the current plan, and it'll be deployed in Europe.

Senator FISCHER. Correct. Would that help with defense of the Homeland?

Admiral STAVRIDIS. No. No, Senator, it would not. It's strictly for defending our allies in Europe.

Senator FISCHER. Thank you.

Admiral, also on Friday we learned that DOD has made a decision to eliminate the deployment of those interceptors in Europe. Is that correct?

Admiral STAVRIDIS. Yes, Senator, that was announced on Friday.

Senator FISCHER. So how does that affect Europe and how would that affect the United States as well? Does it make the east coast more vulnerable? You said it doesn't apply to the United States, but would it make the east coast more vulnerable?

Admiral STAVRIDIS. The theory of the Phase 4, which is what we're talking about, was that it would defend, help defend, the United States. What has happened, as General Jacoby knows better than I, they have—the OSD, the Secretary of Defense, has moved this capability to the GBI site that you were just discussing with him. It will not affect Europe. Phases 1, 2, and 3 are the phases that are to defend Europe, Senator.

Senator FISCHER. Thank you.

General Kelly, in your opening statement you said that China is attempting to compete with U.S. military activities in the region. Senator Reed asked you about the Chinese influence and you mentioned the economic influence. Can you elaborate on that?

General KELLY. Yes, Senator. The Chinese first and foremost are very, very active in Latin America commercially. When they want to buy something, they buy it in very, very large numbers, whether it's soybeans in the far south of the Southern Cone, oil from Ven-

ezuela. They're in there in a big way buying up commodities primarily.

They also are very good at building things like ports and running things like ports, so they're very involved in the running of the Panama Canal, as an example, as a commercial interest. I don't personally see a threat there. So they're doing that commercially and economically.

They deployed—on the military-to-military context, they deployed a hospital ship to the region, much like our own hospital ship, and it saw tremendous goodwill, visited large numbers of ports, did thousands of medical procedures on people that have never seen a doctor, again much as we do in that part of the world every other year or so with our own hospital ship.

Obviously, they want to sell their military hardware to any nation that will buy it. It's much easier. You know the frustration that our friends and partners around the world have with our military sales. It's very complicated, takes a long time. I would offer that many of these countries certainly that I deal with just get tired of waiting. They'd rather buy American stuff because it's better. It's better maintained. It comes with better support packages. But they get tired of waiting for it, so they go elsewhere, either to the Russians or to—the other big players to the Russians are the Chinese.

So they're down there trying to sell their equipment. We already mentioned the training. They have training programs where they'll pay for officers particularly to go to China and do a year in their staff colleges.

So they're trying in a big way. What's the ultimate goal? I think the ultimate goal certainly commercially is just they're huge, powerful, and they're going to penetrate any market they can penetrate. That's not a bad thing necessarily. It's a good thing for most of the Nations that I'm talking about.

They're also looking to the U.N. and inflencing the U.N. They have certain agenda items that if they could get more votes in the U.N. they might be—they might get those agenda items. So that's where they are on this.

I don't see it as a huge threat, but as we back away or it's harder and harder for people to buy or military equipment, they go to other, easier to deal with countries, and China is certainly one of them.

Senator FISCHER. Specifically which countries are being most affected by the Chinese influence in this way?

General KELLY. Economically, any country down there. They're all now big trading partners. Again, it's primarily commodities, farm products, things like that. I don't think there's a soybean safe in Latin America that isn't going to be scooped up and sent to China. Oil, as I say, from Venezuela and some of those countries.

But they're all, I think, good trading partners with a country that is willing to trade and undercut things and make it happen. Again, not a threat in that regard, but certainly if we want to remain the partner of choice, we the United States of America, we're certainly doing that at the military-to-military level for the most part. We're doing that in the law enforcement level, as we help them, many countries, deal with their drug problems and their

money-laundering problems. But there are other aspects of military or national instruments of power that other countries have replaced us or certainly are enjoying success in replacing us.

Senator FISCHER. If I could just ask, are our private businesses, private industry, picking up the, I guess the slack there in maintaining the influence and being good trading partners with those countries? So would that diminish the threat of the Chinese then?

General KELLY. Our private business partners are very active. We have tremendous trade relationships. In fact, we are, the United States, the biggest trader. But there are still restrictions on what U.S. private businesses can do, hula-hoops they have to get through, hurdles they have to jump. It's much easier when you deal with a country that has absolutely no restriction and will do business with anyone for any reason.

Senator FISCHER. Thank you, sir.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Fischer.

Senator King.

Senator KING. Thanks, Mr. Chairman.

Gentlemen, welcome. Admiral, I'm sorry that you're leaving as I'm coming in and we don't get a chance to work together.

One thing, General Kelly, you just mentioned that sort of perked my ears up. What's the Chinese involvement in the management of the Panama Canal?

General KELLY. They have commercial managers, companies, that work either end, particularly either end, the port facilities on either end of the Panama Canal.

Senator KING. So they in effect, Chinese personnel are in effect managing it? Are there Chinese personnel there?

General KELLY. They have managers and personnel. There are many Panamanians that are involved in the process as well, but they do have contractual arrangements with the ports on either end of the canal.

Senator KING. Thank you.

The second question. Admiral, on the question of sequester, there has been a lot of discussion around here, as you can imagine, about it. One of the potential cures, if you will, or at least ameliorations, is greater flexibility to DOD in terms of how it's going to be achieved, not reducing the overall amount, but how it's going to be achieved.

To all three of you, would that help or are the amounts so significant that that would not be a great boon to your ability to respond to this issue?

Admiral STAVRIDIS. I think that would be very helpful. I'm not the right person to declame on that and neither are my fellows here. That really is a question for our budgeteers in the Department. But speaking as an operator, I can see where it would be very helpful and it would allow the movement of funds across various accounts so we could better prioritize, which I think is what you would want us to be able to do.

Senator KING. You gentlemen would agree?

A different question. Again Admiral Stavridis: Benghazi and forces in Europe in a time of fiscal austerity, reducing footprints. Is there a middle ground that would allow the positioning of small-

er strike forces, if you will, to respond to a situation like Benghazi, as opposed to maintaining a large footprint generally? Do you see what I'm getting at?

Admiral STAVRIDIS. Yes, sir, I do. Life is not an on-and-off switch. It's not we have to have a huge infrastructure or nothing. Certainly life is a rheostat and you kind of dial it in.

As I testified earlier, I'm generally satisfied with the current level of infrastructure that we have in Europe, which has come down 85 percent since the height of the Cold War. But there are studies in progress this year and I think by the end of this year you'll see reported to the committee and to Congress ideas for how we can get the best balance on that rheostat.

Senator KING. One of the issues that we discussed in Benghazi is response time. If you move everybody to Fort Benning, it's going to be hard to get them there.

Admiral STAVRIDIS. Exactly. I would certainly not recommend coming out at that level. We need these forward operating bases in this 21st century because of all the things we've talked about today.

Senator KING. Part of what I'm suggesting is not a full-blown base, but a much smaller, as I say, a kind of strike force in the neighborhood. Is that a feasible option?

Admiral STAVRIDIS. I think all of those ideas could be explored. It would of course depend on our partners. If we don't have the infrastructure that we do now, we would then rely even more on the Italians, on the Greeks, on the Spanish, and so forth. Personally, I'm comfortable at the moment with the arrangements we have. But it is certainly worth considering all options as we look forward to get the best balance, the best position on that rheostat for taxpayers as well as for security.

Senator KING. Again changing the subject, trying to hit a lot of areas, several of you—you all have mentioned the criminal network. I was interested. How organized and unified is it? Is it a criminal network? This is reminding me of the old James Bond movie, books in the 1970s, where there was this criminal network that was organized, that had a boss and a set of underlings and a structure. Is that what we're dealing with, or are we dealing with a whole bunch of random bad guys?

Admiral STAVRIDIS. It's somewhere in the middle. There are large cartels that operate in a variety of different ways around these criminal networks. This is, Senator, if you will, this is the dark side of globalization. If we're in a world in which there's much more connection and much more ability to move information and people quickly, that's generally a good thing, but there are going to be entities, both individuals, mid-sized groups, and big cartels, that take advantage of this.

Some of the estimates, if you think of the global economy as being about $70 trillion, some estimates are that about $6 trillion, about 10 percent of the global economy, is invested, if you will, in narcotics, human smuggling, cyber crime being the largest of all these areas, as well as the other things we've talked about, arms, cash, et cetera.

Senator KING. I know you've mentioned cyber crime and we don't have time to get into it in detail, but I view that as the next Pearl Harbor risk. You'd share that concern?

General JACOBY. Senator, yes, I would. Former Secretary Panetta spoke about it in just those terms—tremendous opportunities in the network, but there's also vulnerabilities that could have catastrophic consequences for us.

Senator KING. One further question about the criminal cartels. One of the things that scared me about your testimony is the idea of one of our state enemies, if you will—perhaps I shouldn't use that term—people who don't wish us well, working with the criminal cartel as a conveyor, for example, of a WMD. That to me means that the work you're doing, General Kelly, in the SOUTHCOM on the high seas is not only a drug issue or a criminal issue, but it's a very serious national security issue.

General KELLY. You won't get an argument from me, Senator. I think you're exactly spot on.

Senator KING. Thank you.

Thank you, gentlemen, and thanks again for your service.

Chairman LEVIN. Thank you very much, Senator King.

We're going to have a brief second round. I think one of our colleagues is on her way here also, so she can have her first round, of course, when she gets here.

Admiral, let me ask you some questions about Syria. I think the administration has shown some caution, real caution, about getting more deeply involved militarily in terms of supplying arms particularly to the opposition in Syria. I think the fear has been that we want to make sure who those arms are getting to, first of all, and second that when Assad falls—I won't say if and when because it's when as far as I'm concerned Assad falls—there needs to be in place or ready to be put in place by the Syrians some kind of an interim government, which would avoid chaos and anarchy in Syria so that it doesn't fall apart, it doesn't disintegrate, and that progress needs to be made in that direction prior to the provision of more lethal arms.

That seems to have been the feeling of the administration. I understand that caution and basically share it, with a couple caveats. One is that if Turkey were willing to provide a safe zone or to assure a safe zone, with NATO support, along the border with Syria, but inside Syria, if Turkey were willing to do that, that I think that we ought to support that.

Second, I favored at least consideration of going after some of Syria's air defenses and possibly some of their air capability itself.

We heard an interesting idea today, probably not from his mind for the first time. I think Senator McCain is probably further along in this line than perhaps most of our colleagues. I thought it was a very intriguing set of questions of his when he asked about the capability of the Patriot missiles, as to whether or not they essentially could defend a zone along that border perhaps 20 miles wide from Syrian aircraft, from Turkish territory with the Patriot missiles.

Your answers were very, it seems to me, illuminating, that yes, there could be that kind of protection of a, I think you indicated or he indicated, a 20-mile wide zone. I think that really is subject

to some very serious consideration myself, because I think we have to step up the military—our military effort against Assad in some ways, whether it's some kind of a safe zone that we help protect along the border inside of Syria, whether it's going after their air defenses, or whether it's going after some of their air force.

Would Turkey, do you believe, support the use of the Patriot missiles in that manner, to help protect a safe zone in Turkey—I'm sorry, in Syria, along that border?

Admiral STAVRIDIS. Again, I'm not the expert on Syria. From the perspective of our Turkish colleagues, whenever they have talked to us about the use of the Patriots they have been very emphatic that they would be defensive. That's the role they have continued to say is paramount in their view, because I think they are loathe to be dragged into the Syrian conflict by an inadvertent incident of some kind.

Having said that, as I told Senator McCain, the capability is there. It would have to be first and foremost a Turkish decision since it's their sovereign soil. If it were to be a NATO mission, it would then need to come into NATO for dialogue and so forth. As I was discussing with Senator Wicker, that will require 28-nation consensus. So it would be a complicated process.

But I think this range of options are certainly under discussion in a lot of the capitals.

Chairman LEVIN. Would you take back that option, if it isn't already under consideration, to our NATO allies, starting with Turkey? Turkey has suggested, I believe, that she would be willing to help create and then protect a zone, a narrow band inside of Syria along the Turkish border, where Syrians could go for safety, instead of all flowing across the border. So it would be I think an interesting, obviously important and essential, but interesting to find what Turkey's response would be to such a proposal.

If there is a positive response there or a willingness to even consider it, can you take that up with other NATO countries, the possible use of those Patriots?

Admiral STAVRIDIS. Yes, sir.

Chairman LEVIN. Because I think it's kind of a real possibility that we ought to explore.

Are you familar with the man who was chosen in the last few days to head up the exile opposition coalition, a man named Ghassan Hitto?

Admiral STAVRIDIS. No, sir, I'm not.

Chairman LEVIN. All right. He's apparently a Syrian-American who's lived in Texas that the Syrian opposition coalition has voted to lead that coalition politically, to help form an interim government. It's an interesting article in today's Times about him. It was a close vote and there's obviously some skepticism as to whether he's the right person. That's always the case in close votes. In fact, sometimes it's even the case in unanimous votes, sometimes unexpressed concern about who got the nod.

But nonetheless, anything that you learn about him, if you could provide for the record——

Admiral STAVRIDIS. Yes, sir.

Chairman LEVIN.—we'd appreciate it.

I will stop right there. Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

Since I was disappointed in your responses to my line of questioning, let me just get a couple of things in here just for clarification. When we put in the Poland site, GBI, when we were planning to do that, that was for protection of both eastern United States and also Western Europe; is that correct?

General JACOBY. Senator, I believe that was the idea.

Senator INHOFE. Yes, I think that was the idea. I believe you said that in terms of the eastern United States, the SM–3 IIA is not something that would work, not fast enough and so forth. However, that would have application in Europe. Is that correct?

Admiral STAVRIDIS. Exactly, exactly.

Senator INHOFE. All right, it would have application in Europe. I know that something less desirable, less effective, would be the SM–3 IB, which is ready now or pretty close to it, is that correct?

Admiral STAVRIDIS. Yes.

Senator INHOFE. But the IB does not have the protection that the IIA has, is that correct?

Admiral STAVRIDIS. Yes, sir.

Senator INHOFE. I guess what I was trying to get to is, the IIA—right now we're still looking, we're looking at 2018. Our intelligence still says that they're going to have, Iran would have that capability by 2015. Now, it's that time frame in there in terms of Europe that I am concerned about. So I ask the same question in terms of what is your concern over that 3-year period between 2015 and 2018 in Europe, not in the United States?

Admiral STAVRIDIS. We are concerned about it. We'll need to continue to analyze the Iranian movement, and if it continues to move we'll need to go back and see if we can accelerate our own capability. It is of concern and we'll track it very closely, Senator.

Senator INHOFE. Now, in terms of the United States, the east coast site, we've all talked about it. Everyone talks about how expensive it is. Are you—I read the comment that was made, the statement that was made by General Kehler, he said: "I am confident that we can defend against a limited attack from Iran, although we are not in the most optimum posture to do that today."

I think I asked you if you are in agreement with his statement.

General JACOBY. Senator, I am in agreement that we have the capability, a limited defense right now. I think that it's not optimum, that we've made some important steps forward in what was rolled out, and that we need to continue to assess the threat to make sure that we stay ahead of it and not fall behind it. So I think that that is a process that we are committed to. In terms of Iran, I remain concerned about Iran.

Senator INHOFE. I hope you remain concerned about Iran. I don't want to put you in a position of comparing what we would have had as opposed to what we could have right now in terms of the United States.

We're talking about the Homeland missile defense site, which would include both radars and interceptors on the east coast. I think we all agree that that would improve the posture that we're in, in response to the question I just now asked you from General Kehler; is that correct?

General JACOBY. Certainly exploring a third site is an important next step. What a third site gives me, whether it's on the east coast or an alternate location, would be increased battle space. That means increased opportunity for me to engage threats from either Iran or North Korea.

Senator INHOFE. So the people who were saying that from the West Coast site, a threat coming from Iran or a missile coming from Iran to the east coast, it would take away—now, several have testified to this—your capability of shoot, look, and shoot, and leave a capability of shoot. Do you agree with that?

General JACOBY. I think that right now we are making it a priority to see how we can improve our tactics, techniques, and procedures. Shoot-look-shoot is something that I'm very interested in continuing to evolve. So there are a number of things that would contribute to shoot-look-shoot: GBI reliability, EKV upgrades, battle space, and increased number of missiles.

So all of those things are at play for shoot-look-shoot and I think it's a very important tactic for us to continue to pursue.

Senator INHOFE. So I think then that all of you pretty much would agree with General Kehler, his responses?

General JACOBY. Specifically that we're not optimum, yes, that's correct.

Senator INHOFE. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Inhofe.

Senator Shaheen.

Senator SHAHEEN. Thank you, Mr. Chairman.

Thank you to all of our panelists for being here and for your service to the country. I'm sorry I missed your testimony earlier.

Admiral Stavridis, I want to start with you because I had the pleasure of chairing the European Affairs Subcommittee over the last 4 years in the Foreign Relations Committee and have very much appreciated your openness and willingness to work with us, and we will miss you.

I wonder if you could give me an update on how the new strategic concept for NATO is working. I had a chance to attend the summit last year and follow the adoption of the new strategic concept and am very interested, given the changing role of NATO, how you think that's going and any concerns or any areas where you feel good about what's happening?

Admiral STAVRIDIS. Thank you, Senator. Thank you also for your work on the NATO parliamentary committee in Europe as well. You're one of the experts in this field in this Congress and we appreciate all you do.

Let me start with a concern and it's one we discussed and we talked about it this morning with several of your colleagues. It's the failure of NATO, almost all of the nations, to meet the 2 percent spending. This creates a disproportionality between U.S. defense contribution and the rest of NATO.

That concerns me over the long-term in NATO because I think it will create a sense here in the United States that our European colleagues are not pulling their weight. So I think we need to continue to put a lot of pressure, particularly as Europe comes out of the current crisis, that they raise their defense spending to the 2 percent level. That's extremely important even as we are reducing

defense spending here in the United States, so we get the resources back in balance between both sides of the Atlantic.

Now, that's the challenge. On the positive side, in terms of the strategic concept, it's now been in place for almost 3 years. I think NATO is living up to the strategic concept, which is to say we are doing crisis management operations in places like Afghanistan, where we still have 100,000 troops, on piracy off the Horn of Africa, where we typically have 4 to 6 ships operating, and we've seen piracy go down by 70 percent, the Balkans, where we have 6,000 troops, 90 percent of them Europeans, our operations in Libya a year ago.

I think NATO has answered the call when requested to go forth and be part of creating security outside of the borders of Europe.

The second pillar of the strategic concept, of course, is collective defense. Here I think as well our capabilities, our integration, our Baltic air policing—Balkan air policing, our series of exercises, one of which, we'll conduct a big one in Poland this year, all of that is very contributory to collective defense.

As far as tackling the new challenges, I think we've made some progress in cyber. We've stood up a special operations center. We're working very hard on unmanned aircraft, the air surveillance ground system that you're familiar with.

So I think overall we're making a lot of progress in fulfilling that strategic concept. My one worry going forward is disproportionality in spending and there our European allies need to step up to the plate.

Senator SHAHEEN. I think we all appreciate the financial situation that Europe has been in over the last 4 years. How much of your concern is related to a commitment to the burden-sharing and how much of it is concern that once they come out of the financial situation that that commitment may not be there?

Admiral STAVRIDIS. Senator, my own sense—and this is simply a personal intuition—is that as they come out of the financial crisis they will in fact increase their defense spending. I base that on conversations I have with my interlocutors, ministers of defense, chiefs of defense, heads of state and government. There is a commitment to this alliance.

I think as we look at the long throw of the European economy, it's going to be strong. Let's face it, Europe is one-fourth of the world's GDP, $15 trillion, comparable to the United States in every sense. They spend $300 billion a year now on defense. That's a significant amount, but it doesn't quite rise to the level that it should.

My sense in my conversations, what I can read and see and feel after 4 years in Europe, is that the commitment to the alliance remains strong.

Senator SHAHEEN. Good.

You mentioned the Balkans. I think we've seen some real progress between Serbia and Kosovo on addressing some of their tensions. However, there are still issues that remain. So I wonder if you could give us an update on the situation there, and also what you see in the future for the KFOR force?

Admiral STAVRIDIS. I can. I'd actually start by looking back for a moment. If we look back, 10 to 15 years ago we saw a disaster in the Balkans comparable to what we see in Syria today. In that

period of time we saw 8,000 men and boys killed in Srebrenica in a matter of days. We saw genocide. We saw 100,000 people killed, millions pushed across borders, two major wars.

Flash forward to today. Instead of reaching for a gun to resolve a dispute in the Balkans today, the Nations are reaching for the telephone. They are, under the auspices of the European Union, as you allude to Senator, we see Kosovo and Serbia at the table, their prime ministers at the table, their presidents at the table, led by Baroness Catherine Ashton, the European Union's head of foreign affairs, if you will.

I think we're very close to a real settlement between Kosovo and Serbia. That will allow us to draw down our forces in KFOR, Kosovo. Today we have about 6,000 there. When I came into the job 4 years ago we had 15,000. That's in and of itself a sign of real progress. If the talks bear fruit, I think we'll be able to drive that force down as early as late this year. So stay tuned. I think there's more progress ahead in the Balkans.

Senator SHAHEEN. That's very encouraging. It's also encouraging to think that hopefully, if we're 15 years out from the current crisis in Syria, that we might see some similar progress.

Admiral STAVRIDIS. Hopefully faster, but yes, I agree.

Senator SHAHEEN. That would be great.

I'm not sure who would like to answer this next question, but I think, Admiral Stavridis, you talked about how critical our relationship with Poland is. I wonder if you could elaborate a little bit on that, given our military relationship?

Admiral STAVRIDIS. I'd be glad to, Senator. Poland is one of the absolute pillars in the alliance. They're the most capable military in Eastern Europe. They are full participants in all of the NATO missions. Their troops fight very bravely and take significant casualties in Ghazni Province, where they maintain a full brigade, the White Eagle Brigade that both of these two gentlemen know quite well. They are continuing to improve their military and they're one of the few nations that is actually increasing defense spending. They have a strong economy, and the soldiers and sailors and airmen that they send around the alliance are leading elements of the intellectual capital of the alliance as well.

They will be the host for the European missile defense system that we've talked about. I think in every context they're a very strong ally and someone that we the United States should maintain a very strong bilateral focus on.

Senator SHAHEEN. Good. Thank you very much.

My time is up, but I just want to close, General Jacoby, by talking about, very briefly, about the positive partnership that the New Hampshire National Guard has with El Salvador. It's been very positive both for our National Guard and for El Salvador, and I just wanted to commend that to you because I know it's one of the areas that you are looking at.

General JACOBY. On behalf of General Kelly, I'll say thanks.

Senator SHAHEEN. Oh, I'm sorry. General Kelly. That wasn't aimed for you. I just misread my comments.

General KELLY. I'll say thanks then.

Senator SHAHEEN. Thank you.

Admiral STAVRIDIS. Mr. Chairman, may I make a comment on the state partnership program?

Chairman LEVIN. Sure.

Admiral STAVRIDIS. Because I was both SOUTHCOM and EUCOM, I've had over the years 60 of these state partnership programs and they are all extraordinary bang for the buck for the Department of Defense. For very low dollars, they go into a wide variety of countries and help in very fundamental ways to build partnership. I think that exists today in SOUTHCOM and I assure you it does in EUCOM.

Senator SHAHEEN. Thank you.

Thank you, General Kelly.

Chairman LEVIN. Thank you, Senator Shaheen.

Senator Kaine for your second round.

Senator KAINE. Thank you.

Admiral Stavridis, I just have one topic that I wanted to raise with you and didn't get to you in the first round, and that is there's been a lot of testimony today in response to many questions about the importance of Turkey, whether it's with Patriots, whether it's their role in NATO, support for our NATO operations, support for the U.S. efforts to hopefully counter the Iranian nuclear threat.

This is a very important partnership and all the testimony I would have a strong accord with. But there is this concern that you raised in your written testimony, that I know concerns many of us, and that's the eroding relationship between Turkey and Israel. What is your command doing or what can the EUCOM do to begin to try to make that better, at least on the military to military level?

Admiral STAVRIDIS. You're absolutely right to be concerned about it. We are very concerned about it, both from an Israeli friend perspective and a Turkish friend perspective. This was a very strong relationship 3 years ago before this tragic incident that caused the two of them to split apart.

What we're doing to try and bring them together has both a NATO component—we're encouraging Israel to be part of the Mediterranean Dialogue, which is a program in NATO that could potentially allow some interactions military to military—and then in a bilateral context, whenever I, for example, go to Israel or go to Turkey, I work very hard to try and at least create some connectivity between the senior militaries, so that if, God forbid, there's another incident at sea, for example, people can be reaching for their cell phones and not spinning up their defensive nets.

So I think the relationship, Senator, is very slightly, marginally better than it was a year or so ago, but it's an area where we, both NATO and the United States, would like to see an improved set of relationships. We'll continue to work those. I'm traveling to both Turkey and Israel in the next 45 days and that will be on my agenda.

Senator KAINE. Great. Thank you very much.

Admiral STAVRIDIS. Yes, sir.

Chairman LEVIN. I just have—you haven't had a second round, so, Senator Shaheen, you could have a couple minutes before I ask a third-round question, if you like.

Senator SHAHEEN. Okay. I just have two follow-up questions. One is on Georgia. Admiral Stavridis, there's been a lot of discus-

sion with Georgia about potential future NATO membership, and I just wondered where you think they are in terms of the prospects. I know many of us have watched their election with some concern in the post-election period and we're looking to see that they continue the democratic reforms that have been started there.

But I wonder if you could give us an update?

Admiral STAVRIDIS. I can. Georgia is a terrific partner for NATO. Today Georgia is the highest per capita contributor in Afghanistan. They are pushing up toward 2,000 troops. They have more troops there than any other non-NATO nation. So they are absolutely with us in combat. I frequently go over here to Bethesda Hospital to visit with Georgians who are amputees, veterans. They stand with treasure and blood with the NATO alliance.

Their membership program, if you will, is moving along. We continue to interact with them in a wide variety of NATO contexts. Of course, the United States is very involved. Our Marine Corps has taken on working with the Georgian military, to wonderful effect, and has very much improved the Georgian capabilities from a technical and a tactical kind of standpoint.

You're correct to focus on the political element of this. That will be very important to NATO moving forward. I'm headed over to Georgia in about 2 weeks and I'll have a chance to meet the new leadership team over there, as well as the continued president.

So I think overall they are moving in the right direction and that they are certainly very strong NATO contributors and that is well regarded and well known within the Nations.

Senator SHAHEEN. Thank you. I'm glad to hear that assessment. Hopefully, you will convey to the new leadership there, as well as to President Sakashvili, our continued interest and scrutiny of what's happening there.

General Jacoby, you mentioned in your testimony the key role the National Guard has played in the success of NORTHCOM missions. I wonder if you could talk a little bit more about how important that relationship is and that the Guard is to our success in those missions?

General JACOBY. Thank you. The National Guard is a great partner across all of my mission sets. So from homeland defense, where principally Guard units fly the Operation Noble Eagle mission in defense of our skies 24/7, our missile defense, where the 100th Brigade mans the command and control facilities for our missile launch capabilities, and then of course in defense support of civil authorities, where every day the Guard not only meets the needs of the citizens in the States, but is also available to support regionally through their emergency management capabilities.

So we're a great consumer of Guard capability. I rely on the total force to meet the needs of the Nation, but on an everyday basis the National Guard steps up and meets a tremendous number of my mission requirements.

Senator SHAHEEN. Thank you. We're very proud of our National Guard, General Kelly, not just in terms of their partnership with El Salvador, but all of the other great work that they do. So thank you all very much.

General KELLY. Senator, if I could, since we're talking about the Guard, I do want to mention that we lost some guardsmen this

year fighting fires, brave men and women of the North Carolina Air National Guard, 145th Airlift Wing. It just reminds us that even supporting our citizens in the Homeland can be a dangerous activity——

Senator SHAHEEN. Absolutely.

General KELLY.—and we really appreciate the sacrifices that those airmen and their families made on that behalf.

Senator SHAHEEN. Thank you very much for pointing that out.

Chairman LEVIN. Thank you very much, Senator Shaheen.

I just have one additional question. Admiral, I asked General Jacoby about whether he supports the new missile defense approach which was recently announced and he said he did. Do you support it?

Admiral STAVRIDIS. I do.

Chairman LEVIN. Any additional questions, colleagues? [No response.]

If not, we thank you all for your service. We appreciate your testimony, very forthcoming, very helpful, and do thank everybody that you work with and their families for us if you would.

Thank you. This hearing is adjourned.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR CARL LEVIN

HEALTH ISSUES AT GUANTANAMO DETENTION FACILITY

1. Senator LEVIN. General Kelly, as the detainee population at the Guantanamo Bay (GTMO) detention facility ages, concerns have arisen over how well that facility is equipped to address age-related health issues. What medical issues or challenges do you anticipate in the coming years at Joint Task Force-Guantanamo (JTF–GTMO), in particular with respect to age-related health issues?

General KELLY. In the coming years, detainees are likely to require more health care due to a number of factors. First, as mentioned, the population is aging and like any other aging population we expect them to have more health problems and require health care that outpaces current capability on island. This would likely include heart and circulatory problems like hypertension, liver and kidney disease, diabetes, stroke, or cancer. This problem becomes more complex when the health care issues require specialized treatment for emergencies, chronic medical issues, or mental health issues. Second, many detainees came to GTMO with health issues that had been unrecognized or untreated in their countries of origin, resulting in accelerated progression of disease. Finally, many of the detainees do not consent to health care treatment and/or medication that is prescribed by the military health care professionals caring for them. This circumstance often prevents healing, or exacerbates an existing condition.

2. Senator LEVIN. General Kelly, what is the legal obligation of the United States to provide for the medical treatment of detainees, including in particular with regard to providing lifesaving or emergency procedures that are readily available in the contiguous United States (CONUS) but not at the GTMO detention facility?

General KELLY. The legal obligation of the United States for the medical treatment of detainees is rooted in international law, Common Article 3 of the Geneva Conventions, and the Detainee Treatment Act of 2005. These principles of law are reflected in Department of Defense Instruction, "Medical Program Support for Detainee Operations," which provides that "to the extent practicable, treatment of detainees should be guided by professional judgments and standards similar to those applied to personnel of the U.S. Armed Forces."

Detainee health care is provided by the JTF–GTMO Joint Medical Group (JMG), a group of more than 100 uniformed military health care professionals, and supported by the Guantanamo Bay U.S. Naval Hospital. These doctors, nurses, and support personnel provide detainees the same level of general health care given to U.S. Armed Forces, applying identical professional judgments and standards in caring for the detainee population. This health care includes providing lifesaving and emergency services to the extent they are available at Guantanamo through the

JMG detainee health clinic and the Naval Hospital. Sustained medical care for more complex and enduring illnesses may exceed the capabilities of Guantanamo Bay, and are case dependent.

QUESTIONS SUBMITTED BY SENATOR BILL NELSON

601ST AIR OPERATIONS CENTER AT TYNDALL AIR FORCE BASE

3. Senator NELSON. General Jacoby, the 601st at Tyndall Air Force Base (AFB) supports 1st Air Force (AFNORTH), the North American Aerospace Defense Command (NORAD), and U.S. Northern Command (NORTHCOM). The Air and Space Operations Center (AOC), which operates 24 hours a day, 7 days a week, 365 days a year, provides aerospace warning and control for NORAD defensive counter-air activities, and directs joint air, sea and land forces in support of NORTHCOM homeland security and civil support missions. Given the vital nature of its mission, will the 601st AOC receive adequate funding under the sequester to provide for the proper air defense of North America?

General JACOBY. The 601st AOC's NORAD mission to provide Aerospace Warning and Aerospace Control is an important part of the entire Homeland Defense mission. We continue to work with our force providers and interagency partners to ensure infrastructure and personnel are resourced appropriately in order to provide a robust and sustainable aerospace defense network. In fiscal year 2013, adequate funding for the 601st AOC was provided through the recently passed fiscal year 2013 DOD Appropriations Bill. At this time, it is too early to make a determination on fiscal year 2014 funding levels; however, I will continue to work with our force providers to ensure this mission is resourced at appropriate levels.

FLORIDA AIR NATIONAL GUARD

4. Senator NELSON. General Jacoby, Florida Air National Guard F–15s of the 125th Fighter Wing, located in Jacksonville and forward deployed to Homestead, provide air sovereignty for the Southeastern United States. The sequester has cut their flying hours by 57 percent. How will you ensure that the National Guard Pilots are ready to fly when they have to scramble to intercept an enemy aircraft?

General JACOBY. The Air National Guard (ANG) as a whole began cutting their flying hour budget by 57 percent in February 2013 in anticipation of sequestration and the Continuing Resolution not being passed. In the weeks since those initial cuts, the fiscal year 2013 DOD Appropriations Bill passed, which restored original Air National Guard flying hours. ANG Aerospace Control Alert (ACA) units will have adequate flying hours to maintain required Combat Mission Ready (CMR)/Basic Mission Capable (BMC) levels to conduct the ACA mission throughout fiscal year 2013. It is unknown if sequestration will impact ACA for fiscal year 2014.

NORAD maintains a regular dialogue with our force providers to ensure that, as a team, we get the missions right. Throughout the course of sequestration, our staff (and in the case of air defense missions, our air component, Continental NORAD Region) has expended a great deal of effort to monitor and coordinate with our force providers to ensure that DOD's primary mission for defense of the homeland remains capable and robust.

QUESTIONS SUBMITTED BY SENATOR JOE MANCHIN III

ISRAEL'S SECURITY

5. Senator MANCHIN. Admiral Stavridis, the United States does not have a greater ally in the Middle East than Israel. In your posture statement, you discussed several aspects of our military partnership with Israel. With the continued development of Iran's nuclear program and the transitions underway throughout the Arab world, Israel is entering a period of increasing uncertainty and needs our strong support more than ever. How will U.S. European Command (EUCOM) continue to prioritize its high level of support for the defense of Israel despite the fiscal challenges we currently face?

Admiral STAVRIDIS. Israel remains my first priority country as Commander of EUCOM. We enjoy the strongest military-to-military relationship I've ever seen, and I expect that will continue. Nonetheless, the recent fiscal restraints in DOD creates new challenges for EUCOM in sustaining our military-to-military relationship with Israel, and sequestration requires creative solutions. For example, Israel has the greatest number of key leader engagements compared with our other partners. We

will continue these engagements, but, where appropriate, reduce the size of the accompanying support staff. Additionally, we will use to a greater extent the video tele-conferencing capability developed over the last several years. I can assure the committee, however, that we will continue to maintain our established relationships at all levels with the Israel Defense Forces and to press forward with critical planning events. Sequestration will not immediately affect U.S. or Israeli Defense Forces readiness or capabilities to meet the challenges of the potential threats in the Middle East.

NATIONAL GUARD STATE PARTNERSHIP PROGRAM

6. Senator MANCHIN. General Kelly, I am proud that West Virginia was one of the first States to implement the National Guard's State Partnership Program (SPP) by forming a partnership with the Peruvian Government in 1996. This program was created to strengthen the relationship between the military and civilians, and I know we've had rural health experts accompany our National Guard to Peru. I read in your posture statement that you have been forced to cancel more than 90 events within this program. What specific impacts will sequestration have on the National Guard Partnership Program?

General KELLY. The fiscal year 2013 sequestration has forced me to make tough decisions about SPP activities in the SOUTHCOM area of responsibility. For example, in Peru, sequestration has a relatively minor impact on the program. Budget cuts to Traditional Commander Activities (TCA) funding resulted in the cancellation of three SPP engagement events in Peru. On the opposite side of the spectrum, sequestration has a major impact on the program in Nicaragua, where TCA funding cuts resulted in a loss of 11 military-to-military engagements in that country, 7 of which were under the SPP. fiscal year 2013 sequestration has disrupted the Security Cooperation Organization's ability to pursue short-term objectives identified within individual Country Cooperation Plans and the SPP's ability to leverage the additional funding from TCA, due to large cuts that also occurred in that program.

While no irreparable damage was done in the fiscal year 2013 cuts, in my assessment, a multi-year sequestration would critically damage long term enduring relationships between the United States and partner nations. Sequestration over a longer period will degrade partner nation security forces capability, decrease partner nation confidence in U.S. commitment to security in the region and further degrade our ability to access partner nation senior leadership for key leader engagement, crisis response planning, or other Defense Department issues.

NORTHCOM–SOUTHCOM COOPERATION ON COUNTERNARCOTICS

7. Senator MANCHIN. General Jacoby and General Kelly, your geographic areas of responsibility touch (AOR) each other, meeting at the southern border of Mexico with Central America. It is clear that you both share the mission of countering the drug trade and the insecurity that it brings with it. How are your two commands working together to stem the flow of narcotics into the United States from Latin America?

General JACOBY. NORTHCOM and SOUTHCOM are working with the Mexican and Central American authorities to enhance their capability and capacity to counter illicit narcotics trafficking activity throughout the region through staff talks, regional syndicates, and mutual attendance at Theater Security Cooperation engagements. This approach includes an emphasis on the Mexico, Guatemala, and Belize border region where the goals for reducing regional insecurity include improving border security, enhancing partner country interdiction capabilities, improving domain awareness, fostering regional cooperation (including interoperability), and building the security foundation for whole-of-government approaches to extending the effective authority of the state in vulnerable regions.

NORTHCOM co-hosted a Mexico/Guatemala/Belize Working Group Meeting with SOUTHCOM to discuss the Mexican Southern Border. This resulted in NORTHCOM, SOUTHCOM, and our regional partners agreeing to conduct a series of workshops emphasizing the improvement of communications, surveillance, and border security. We focus on enhancing the partnerships between U.S. law enforcement agencies and respective partner nation law enforcement agencies to build capacity along the Mexico, Guatemala, and Belize border. This parallels the efforts of NORTHCOM and SOUTHCOM with the Mexican, Guatemalan, and Belizean militaries.

General KELLY. SOUTHCOM works with NORTHCOM on several initiatives to disrupt the flow of narcotics into the United States. First, the two combatant com-

mands partner with the governments of Mexico, Belize, and Guatemala to host regular conferences and operational workshops addressing the shared security challenges that transnational organized crime exacerbates. Second, SOUTHCOM assists NORTHCOM by disrupting illegal products and criminal networks along the southern approaches to the United States. Toward this end, SOUTHCOM supports Department of State and partner nation eradication efforts in the source zones located in South America. We also fulfill our statutory responsibility for the detection and monitoring of aerial and maritime transit of illegal drugs into the United States, primarily through Joint Interagency Task Force-South.

Further, SOUTHCOM and NORTHCOM consistently share information and intelligence on people, products, networks, tactics, and operations that facilitate transnational criminal networks. Other information sharing mechanisms include joint discussions on partner nation engagement, strategic communication, and the evolution of our command arrangement agreement to harmonize counter-narcotic efforts. These interactions focus primarily on an integrated, hemispheric approach to combating transnational organized crime in the Western Hemisphere, especially along the border shared among Mexico, Guatemala, and Belize.

8. Senator MANCHIN. General Jacoby and General Kelly, how are you each encouraging your partner nations to work together and share intelligence to combat the drug trade?

General JACOBY. Our commands sponsor the Mexican/Guatemalan/Belizean Border Security Workshop series, which emphasizes communications, surveillance, and shared border security interests. The workshops focus on enhancing partnerships between U.S. law enforcement agencies and respective partner nation law enforcement agencies to build capacity along the Mexico, Guatemala, and Belize border. This parallels the efforts of NORTHCOM and SOUTHCOM with the Mexican, Guatemalan, and Belizean militaries.

(U) Operation Martillo is another salient example of regional partners working together and sharing information. Operation Martillo is a counter illicit trafficking operation, led and implemented by the Department of Defense under the auspices of Joint Interagency Task Force-South, SOUTHCOM, and NORTHCOM. The operation includes participation from Central American partner nations, Mexico, Colombia, Canada, and several European countries. Operation Martillo has proven to be a critical component of the U.S. Government's coordinated interagency regional security strategy in support of the Central America Regional Security Initiative and the President's Strategy to Combat Transnational Organized Crime.

General KELLY. The expanded awareness of illicit activities as a hemispheric problem has resulted in the expansion of traditional partnerships to include extra-regional countries like Mexico and Canada, bringing an added dimension to international collaboration. We have been able to leverage strategic partners, like Colombia and Brazil, to take on leadership roles and export knowledge and lessons learned throughout the region.

SOUTHCOM also provides the technology employed by most partner nations to share intelligence and information with their counterparts with intelligence networks that span the entire AOR.

SOUTHCOM promotes regional cooperation and intelligence sharing among partner nations by underscoring that transnational organized crime (TOC) as a hemispheric problem requiring regional collaboration to counter it successfully. Through conferences, workshops, bilateral and multilateral events, we have been able to expose partner nations to a new analytical tool that has changed the way intelligence and information is shared with and among our partner nations. The Whole-of-Society Information Sharing for Regional Display (WISRD), enables each country to share their respective intelligence in the form of layers (time, event, survey, gangs, cartels, etc), which result in a three dimensional regional common operating picture (COP) of the TOC environment. The COP provides a comprehensive common characterization that helps identify intelligence gaps so nations can work together to satisfy these intelligence gaps. Several Central/South American countries are currently using WISRD successfully.

Operation Martillo, a joint and combined operation against illicit trafficking, is a great example of how successful we have been in reaching our partners with our TOC message. Its success is attributed to the increased cooperation among all the participating nations as they fight against national, regional, and international security TOC challenges. All the Central American nations, the United States, European allies, Canadians, et cetera, are collaborating more than ever before as a direct result of Operation Martillo.

DUAL-STATUS COMMANDER

9. Senator MANCHIN. General Jacoby, I have long said that the National Guard presents the best value for the taxpayer's dollar. I would like your views on the dual-status commander concept that aligns both National Guard and Federal forces under a single leader. While first responders and local volunteers might suffice in routine emergencies, complex disaster responses like Hurricane Sandy often span multiple States and municipalities. The dual-status commander was designed to bring a unity of effort to the Department of Defense (DOD) disaster response. What lessons did you learn from Hurricane Sandy about the relatively new dual-status commander concept?

General JACOBY. DSCA is a core DOD task for which the total force is committed. A fundamental change in how we execute our civil support mission is the use of Dual Status Commanders (DSC)-perhaps one of the most important initiatives taken in the area of DSCA in a decade. The Secretary of Defense and State Governors certify senior military officers to simultaneously command Federal and State military forces employed in support of civil authorities, unifying DOD assistance to the affected community. DSCs provide effective organizational structure and leadership that are vital to the successful management and operations of Federal and large State military force packages supporting State and local authorities.

Hurricane Sandy offered us a glimpse of what a complex catastrophe spanning several States and regions could look like, when flooding and winds knocked out power, disrupted fuel and food distribution and pushed the limits of what local responders could handle themselves. But Sandy helped us to mature the new Dual Status Commander concept that allows a single officer to oversee both State National Guard and Federal military response, enabling us to be even better prepared and ready to act swiftly and with unity of effort if the unthinkable happens in our Homeland.

Three key lessons we learned from Hurricane Sandy include: (1) continue to mature the process for establishing DSCs during limited/no notice events like hurricanes—we are working with OSD to codify this process in a new Department of Defense Instruction to make sure we all understand and follow this process; (2) establish clear reporting chains for our DSCs so there is no confusion on what the T10 reporting chain will be—we are working internally as well as socializing with National Guard Bureau and States to ensure we have appropriate options for the proper command and control of our DSCs for future events; and (3) continue to analyze how multiple DSCs will be resourced for catastrophic events where we will have many demands for limited DOD resources—we are continuing to work with OSD on catastrophic event response to include the employment of DSCs in multiple adjacent states.

I am convinced that DSCs are the right answer to manage a total force response—to include DOD Active Duty, State National Guard, and Reserve Forces—to both facilitate unity of effort and leverage NORTHCOM's supporting role to primary agencies before, during, and after a natural or manmade disaster.

QUESTIONS SUBMITTED BY SENATOR KAY R. HAGAN

HEZBOLLAH'S ACTIVITIES IN EUROPE

10. Senator HAGAN. Admiral Stavridis, last month, the Bulgarian Government implicated Lebanese as a Hezbollah proxy of Iran in the fatal bomb attack on Israeli vacationers in Sofia last summer. What is your assessment of this announcement on other European Governments and militaries?

Admiral STAVRIDIS. [Deleted.]

11. Senator HAGAN. Admiral Stavridis, in your view, are military leaders in other European capitals fully aware of Hezbollah activities across Europe?

Admiral STAVRIDIS. [Deleted.]

12. Senator HAGAN. Admiral Stavridis, will Hezbollah's involvement in this bombing change the posture of governments in Europe on Hezbollah and its motives?

Admiral STAVRIDIS. [Deleted.]

QUESTIONS SUBMITTED BY SENATOR JAMES M. INHOFE

HOMELAND MISSILE DEFENSE

13. Senator INHOFE. General Jacoby, you stated during your testimony that you agreed with a recent statement by General Kehler, Commander of U.S. Strategic Command, in which he said "I'm confident that we can defend against a limited attack from Iran, although we are not in the most optimum posture to do that today." You went on to say that you "remain concerned about Iran" and "exploring a third site is an important next step. What a third site gives me, whether it's on the East Coast or an alternate location, would be increased battle space. That means, increased opportunity for me to engage threats from either Iran or North Korea." In what ways will the "increased battle space" provided by a third site on the East Coast help mitigate risk in defending the United States against an evolving ballistic missile threat from Iran?

General JACOBY. [Deleted.]

14. Senator INHOFE. General Jacoby, will you please provide unclassified and classified details as to the benefit for the Ground-Based Midcourse Defense System (GBMD) of deploying the GBR–P (X–Band) Radar to a location on the east coast of the United States?

General JACOBY. [Deleted.]

REGIONAL MISSILE DEFENSE

15. Senator INHOFE. Admiral Stavridis, after Exercise Austere Challenge last fall practiced our air and missile defense coordination with Israel, what areas do you assess that we need to work on to improve our capability to defend Israel?

Admiral STAVRIDIS. [Deleted.]

16. Senator INHOFE. Admiral Stavridis, what is your assessment of our current missile defense cooperation with Israel?

Admiral STAVRIDIS. [Deleted.]

17. Senator INHOFE. Admiral Stavridis, does cancellation of the SM–3 IIB system leave any part of North Atlantic Treaty Organization (NATO) territory in Europe unprotected from a missile attack from Iran?

Admiral STAVRIDIS. No. Analysis of the defensive capability of the European Phased Adaptive Approach (EPAA) Phases 1–3 is based on intelligence of threat capabilities, as well as initial, low fidelity modeling of planned capabilities—including the Polish and Romanian Aegis Ashore sites. This analysis confirms that EUCOM will have the ballistic missile defense resources to meet U.S. requirements to defend U.S. interests and support American commitments to our allies in the 2018 timeframe. The loss of EPAA Phase 4 will have no effect on EUCOM's regional ballistic missile defense requirements.

18. Senator INHOFE. Admiral Stavridis, how have our allies reacted to the cancellation of the SM–3 IIB?

Admiral STAVRIDIS. I think the overall reaction is neutral, but may be trending slightly negative. We received very subdued responses since the announcement. I would highlight the reaction of two allies, the Czech Republic and Poland. The Czechs were not surprised, which I attribute to their understanding of U.S.-European politics and being able to see the larger picture. Similarly, the Poles have indicated they were satisfied with how they were notified on the cancellation of Phase IV. I think the U.S. message is solid and reinforces progress through Phase III, but all maintain a watchful eye for further cuts and their potential impacts.

19. Senator INHOFE. Admiral Stavridis, assuming Iran acquires the ability to launch an intercontinental ballistic missile (ICBM) in 2015, 3 years before the integration of the SM–3 IIA, will you please provide one or more graphic depictions of the territory that can be protected by the SM–3 IB assuming you are limited to the Romanian land-based interceptor site and have access to only two Aegis Ballistic Missile Defense (BMD)-capable ships that are tethered to a specified limited operating area?

Admiral STAVRIDIS. As the SM–3 IB is still in development, and since EUCOM does not possess the modeling software for such an analysis, I respectfully request this question be referred to the Missile Defense Agency.

COUNTERNARCOTICS/ILLICIT TRAFFICKING

20. Senator INHOFE. General Kelly, U.S. Southern Command (SOUTHCOM) has historically been under-resourced. Now under sequestration, your efforts stand to be significantly impacted. The Navy has already cut short or cancelled the deployment of several ships to your AOR in 2013, including 3 frigates and the hospital ship USNS *Comfort*. You note in your opening statement that sequestration will "cripple your operational effectiveness". What priorities within your AOR will suffer the most under sequestration?

General KELLY. The primary Intermediate Military Objective (IMO #1) in SOUTHCOM's Area of Responsibility (AOR) is Countering Transnational Organized Crime. Under sequestration, the loss or curtailment of maritime, aviation, personnel, and funding assets across the services and organizations that provide this command with resources to accomplish this objective will have significant detrimental effects to our ability to effectively execute our assigned mission. Specifically, the loss or curtailment of scheduled deployments of ships and aircraft means that the persistent U.S. presence required to ensure the success of Operation Martillo will be substantially degraded. Operation Martillo is the multinational, effects-based operation originally designed to deny use of the littoral trafficking routes of Central America. It is the first truly whole of region response to transnational organized crime. The loss of a persistent U.S. presence in the Operation Martillo focus areas sends an ambiguous message to our regional partners about our willingness to counter a regional threat and to conduct sustained detection and monitoring (D&M) against the flow of cocaine towards the United States.

21. Senator INHOFE. General Kelly, where do you stand to accept the greatest risk?

General KELLY. The greatest risk and the one that presents us the greatest challenge is the impact of sequestration on our ability to effectively execute SOUTHCOM's statutory detection and monitoring (D&M) mission under 10 U.S.C. § 124. The loss of air and maritime assets and associated systems will result in a commensurate loss of capability to effectively execute this mission. The extensive size of the SOUTHCOM AOR imposes a significant challenge with respect to domain awareness, and although we will still be able to execute detection and monitoring operations in areas where an asset is available and assigned, the expected loss of air and maritime assets will mean vast areas of the AOR will simply go unmonitored.

Additionally, the loss of these mission-critical assets will significantly degrade our ability to contribute to the Office of National Drug Control Policy's (ONDCP) goal of 40 percent interdiction of cocaine by 2015.

22. Senator INHOFE. General Kelly, one of the most effective tools you have to support the interdiction of drugs and illicit materials before they enter the United States is through the Joint Interagency Task Force-South (JIATF–South). You note in your prepared remarks that in 2012 alone, JIATF–South was directly responsible for the interdiction of 152 tons of drugs worth an estimated $3 billion. How would you assess the importance of JIATF–South to your operations and priorities within the SOUTHCOM AOR?

General KELLY. JIATF–South operations are critical to SOUTHCOM's mission and to the operations of four other Combatant Commands (COCOM). JIATF–South Joint Operations Area extends across all COCOMs with the exception of United States Central Command, and their detection and monitoring mission supports the statutory efforts of all of these commands. JIATF–South serves as the primary executor of daily statutory 10 U.S.C. § 124 detection and monitoring operations and provides command and control for interdiction operations in the SOUTHCOM AOR. JIATF–South also acts as the primary conduit for intelligence flow throughout the AOR, and is the central hub for the interagency fusion, collaboration, and exploitation of available information. In 2012, working with an operating budget around $50 million, JIATF–South contributed to the removal of over 152 metric tons of cocaine worth over $3 billion by focusing their efforts near the Source Zone. This is 61 percent of all the cocaine removed from the Western Hemisphere Transit Zone. To provide the value in perspective, of the $25.2 billion ONDCP's U.S. Counterdrug Budget, $9.4 billion was spent by U.S. domestic law enforcement which interdicted or disrupted 26 metric tons of cocaine at all the land, air and sea ports of entry in the United States, and 35 metric tons taken internal to the country by domestic Law Enforcement. Each year, JIATF–South demonstrates its value as a center of excellence for intelligence fusion and interagency coordination. Despite the relative lack of operational assets in this AOR, these other activities have dramatically en-

hanced SOUTHCOM's operational effectiveness. Without the necessary aircraft and ships to support the mission, reliance upon intelligence and our work within the interagency and with Partner Nations take on a greater role. Fused-Intelligence Driven operations conducted in support of, and coordinated with, Interagency priorities will enhance the precision and effectiveness with which JIATF–South executes their D&M mission. The role has not changed from how we do business now, but even greater emphasis will need to be placed on fewer resources to perform the same mission.

23. Senator INHOFE. General Kelly, what do you assess the impact of sequestration will be to the effectiveness of JIATF–South operations?

General KELLY. My assessment is that JIATF–South's ability to perform their statutory 10 U.S.C. § 124 detection and monitoring (D&M) mission will be degraded. Their operational effectiveness will be reduced by an estimated 37 percent when compared to fiscal year 2012. Additionally, their ability to contribute to ONDCP's 40 percent cocaine interdiction goal by 2015 will be similarly affected. Simply put, more cocaine will reach American shores due to this degradation.

24. Senator INHOFE. General Kelly, what, if any, ongoing or planned programs within JIATF–South will be cancelled as a result of the cuts associated with sequestration?

General KELLY. No specific programs will be cancelled as JIATF–South operates under three funding programs that remain intact; however JIATF–South planned operations have been severely impacted. For example, Operation Atlantic Watch, a combined operation with the United Kingdom, France, Brazil, and the U.S. Coast Guard (USCG) has been cancelled as a direct result of sequestration impacts on available U.S. resources. Without U.S. air and maritime assets to support this operation, the British, French, and Brazilian Governments were unwilling to commit their valuable resources towards this operation. Atlantic Watch focused on the Atlantic area of operations and typically provided enhanced awareness of the illicit trafficking departing South America for Europe and Africa, a critical concern for our allies.

Additionally, Operation Martillo has also been negatively impacted by sequestration-related cuts. Specifically, a 30 percent reduction in maritime assets to conduct this joint, interagency, international counter illicit trafficking operation has adversely affected mission execution. While JIATF–South continues to execute their statutory detection and monitoring mission with limited aviation assets, the handoff to law enforcement for interdiction and apprehension of illicit traffickers is dramatically constrained as a direct result of this reduction in maritime assets. These mission critical assets provide the platform for law enforcement based interdictions in the form of USCG Law Enforcement Detachments and boarding teams. The interdiction and apprehension of illicit traffickers is critical to acquiring the witnesses and evidence necessary to continue effective operations against Transnational Criminal Organizations, and to demonstrate the United States commitment to our allies and partners in the region.

STRATEGY-RESOURCE DISCONNECT

25. Senator INHOFE. Admiral Stavridis, Deputy Secretary Carter said, "One of the ways our strategy would need to change is we couldn't do . . . what we want to do in the rebalance in the Asia-Pacific theater." If we cut $500 billion above the $487 billion already cut from defense, can we execute the President's military strategy that requires rebalancing as laid out in the January 2012 Strategic Defense Guidance?

Admiral STAVRIDIS. The Secretary has directed a Strategic Choices and Management Review to address this question. The review, led by the Deputy Secretary of Defense and the Chairman of the Joint Chiefs of Staff, will be complete by 31 May 2013. EUCOM, along with the other Combatant Commands, is participating in the review. The review will examine ends, ways, and means in light of potential further budget reductions and consider significant choices necessary to better align the Department to execute the President's strategy.

26. Senator INHOFE. Admiral Stavridis, what are the strategic risks over the next 5 years in your AOR if the current sequestration and continuing resolution (CR) budget cuts remain in place?

Admiral STAVRIDIS. Additional budget cuts could pose strategic risks in several areas, depending upon the measures the Department must take to fund these reduc-

tions. For example, steps to reduce personnel and infrastructure costs could increase the risk to our most important resource: our civilian and military personnel. Additional cuts in force structure, the delay and/or cancellation of modernization programs, and reduced readiness will all negatively impact our ability to respond to crises and execute contingency plans. There will be greater risk to our leadership of NATO, the credibility of our commitment to the alliance, and interoperability with allies and partners if forces and funding for combined exercises, security cooperation programs, and other steady state activities are significantly reduced.

27. Senator INHOFE. Admiral Stavridis, you have said the drawdown of 11,500 troops, most coming from the loss of two Army brigades, will be mitigated by rotating a brigade through EUCOM from the United States. What size of an Army force will be rotated through the EUCOM AOR on an annual basis and how long will they stay in theater for exercises and training?

Admiral STAVRIDIS. Under the current plan, the U.S. Army will source elements from a Brigade Combat Team to rotate to EUCOM twice a year for up to 60 days each. These elements include the Brigade Headquarters and one Battalion Headquarters in October-November 2013, and also a Brigade Headquarters and maneuver Battalion (HQ and maneuver companies) in May to June 2014.

These forces have a two-fold purpose. First, as the U.S. ground contribution to the NATO Response Force (NRF), they will participate in NRF exercises in order to enhance interoperability with our allies. Second, they will participate in bilateral training with partners, and will also gain familiarity with EUCOM plans and operations.

28. Senator INHOFE. Admiral Stavridis, how important is the rotation of a force of this size to your theater cooperation plan?

Admiral STAVRIDIS. The rotation of a force of this size is critical to my Theater Campaign Plan. The regular deployment of forces based in the United States to Europe provides a powerful, tangible demonstration of the continued U.S. commitment to NATO. The rotation of elements of a Brigade Combat Team to Europe creates opportunities to maintain interoperability across the alliance, especially at higher echelons of command. Finally, the participation of the rotational force in NRF exercises and in other training events with the NRF forces of allies and partners enhance NRF training and readiness in support of NATO's Connected Forces Initiative.

29. Senator INHOFE. Admiral Stavridis, will Army budget cuts prevent them from rotating a brigade to Europe for annual exercises?

Admiral STAVRIDIS. As far as we understand, the Army intends to rotate a Brigade Headquarters and a Battalion Headquarters to Europe for participation in Exercise Steadfast Jazz 13 in October-November 2013. In May to June 2014, the Army will rotate a Brigade Headquarters and a maneuver battalion, including a Headquarters and maneuver companies for training in Exercise Rochambeau 14.

30. Senator INHOFE. Admiral Stavridis, what will be the impact to U.S. capability, NATO capability, and interoperability if the rotational concept is not executed and how do you think our allies and partners will react?

Admiral STAVRIDIS. In terms of U.S. capability, Army forces based in the United States will lose a significant opportunity to exercise deployment procedures and to train with European allies and partners. Such opportunities will be especially important for U.S. forces to maintain readiness and interoperability once regular rotations to Afghanistan come to an end after 2014. A critical opportunity to enhance NATO capability—specifically the training and readiness of the NRF—will also be lost if the rotational concept is not executed. Finally, the United States has publicly committed, most recently at the February 2013 NATO Defense Ministerial, to reinvigorating its participation in the NRF and to rotating battalion task forces to Europe to train with allies and partners. Failure to fulfill this pledge will likely raise questions among allies and partners about our commitment to NATO and our strategic partnership with Europe.

EUCOM SUPPORT OF U.S. AFRICA COMMAND

31. Senator INHOFE. Admiral Stavridis, EUCOM provides forces for U.S. Africa Command (AFRICOM) and strategic access to Africa and the Middle East while sharing Air Force and Navy component commanders. Will you be able to adequately

support AFRICOM operations given the cuts in EUCOM personnel coupled with additional cuts in the defense budget?

Admiral STAVRIDIS. [Deleted.]

32. Senator INHOFE. Admiral Stavridis, what are the additional risks in supporting AFRICOM as your resources are reduced?

Admiral STAVRIDIS. As resources are reduced, EUCOM will experience a corresponding reduction in strategic flexibility. Please refer to further classified discussion relating to AFRICOM in my response to question 31.

33. Senator INHOFE. Admiral Stavridis, can EUCOM respond quickly to a rapidly emerging crisis in central or southern Africa?

Admiral STAVRIDIS. EUCOM maintains scalable, rapidly deployable forces to protect and preserve U.S. lives and facilities in the event of regional unrest in the EUCOM and AFRICOM areas of responsibility (AOR). These response forces provide a variety of pre- and post-crisis response options. However, based on the significant distances involved, it would be challenging for EUCOM response forces to reach central or southern Africa rapidly without positioning forces in advance of a crisis in the AFRICOM AOR.

EUCOM and AFRICOM staffs collaborate weekly to review threats, intelligence products, and other indications/warnings that would potentially require crisis response forces. EUCOM is prepared to provide assigned forces to AFRICOM with sufficient depth and flexibility to respond to crisis. Upon providing forces, AFRICOM would then be responsible to position them appropriately across their expansive AOR to support an emerging crisis.

34. Senator INHOFE. Admiral Stavridis, the budget is decreasing while threats are increasing in Africa and the Middle East. How will the President's strategy shift to Asia impact EUCOM's support to AFRICOM operations?

Admiral STAVRIDIS. Currently the convergence of the Asia pivot with the budget impact has a limited impact on EUCOM's ability to support AFRICOM. Over time, the reduction in the number of forward-deployed forces, and the readiness of those forces, will reduce EUCOM's ability to provide forces to AFRICOM.

AFGHANISTAN AND NATO TRANSFORMATION

35. Senator INHOFE. Admiral Stavridis, the International Security Assistance Force (ISAF) has been in Afghanistan now for a decade. Can you describe some of the successes of the NATO partnership with the United States in Afghanistan?

Admiral STAVRIDIS. Since Afghanistan is in the area of responsibility of the U.S. Central Command, I respectfully request this question be referred to that command.

36. Senator INHOFE. Admiral Stavridis, General Mattis has recommended 13,600 U.S. troops and about half as many international troops in post-2014 Afghanistan. In your professional opinion, what are the missions and force size we need in post-2014 Afghanistan to preserve our investment in blood and treasure over the past decade?

Admiral STAVRIDIS. Ultimately, Afghans must be able to secure and stabilise their country themselves. Our objective is to develop the capability for Afghans to assume these tasks.

Achieving this objective requires a comprehensive program which trains, mentors, and advises the Afghan National Security Forces through army and police advisory teams and within the NATO Training Mission-Afghanistan (NTM–A). NTM–A brings together both NATO and national training efforts to develop professional, capable and self-sustaining Afghan National Security Forces.

In parallel with the training and mentoring efforts, ISAF troops are implementing a phased process to facilitate the transfer of full security responsibility to Afghan security forces as their capabilities improve, in keeping with the end of 2014 transition timeline.

The training, advising and assisting of the Afghan National Security Forces will continue after transition is complete at the end of 2014, when the ISAF mission will end.

NATO has agreed to lead a post-2014 mission focused on continued support the development of ANSF capacity. Allies and my NATO military staffs are currently going through an in-depth review to determine what assets and capabilities will be required post-2014 to maintain the momentum of ANSF development and sustain the progress we have already made. We have not yet reached the point of defining

a formal recommendation as to what the number of forces and required capabilities will be.

37. Senator INHOFE. Admiral Stavridis, NATO has been transformed by the expeditionary requirements of operations in Afghanistan. After 2014, what do you perceive to be the primary means to maintain those hard-earned skills and further evolve NATO to be able to meet 21st century threats?

Admiral STAVRIDIS. The primary means will be a reinvigorated NRF and a robust NATO exercise program, which will maintain the links and interoperability between allies and, importantly, non-NATO partners across the globe.

38. Senator INHOFE. Admiral Stavridis, as the percentage of Gross Domestic Product (GDP) that NATO nations are spending on defense drops from the goal of 2 percent towards an inadequate 1 percent, how do we ensure that Europe will continue to shoulder its share of the global security burden?

Admiral STAVRIDIS. We need to continue to encourage allies to meet the agreed commitment of a minimum of 2 percent of GDP spending on defense. Defense budgets in most countries have declined at a time when the alliance has undertaken its most demanding and significant mission ever in Afghanistan, and when the need for investment in future capabilities is essential. However European NATO nations do recognize the global security challenges—we have seen this recently with the French led intervention into Mali as one example. NATO allies have taken steps to address the issues related to falling defense budgets, with the announcement at the Chicago Summit in 2012 of a Defence Package and key initiatives such as Smart Defence and the Connected Forces Initiative. Alongside the 2 percent guideline, allies have agreed that at least 20 percent of defense expenditures should be devoted to major equipment spending. While only four other allies have met this goal, investment in major equipment by the non-U.S. allies has held steady at about $50 billion per year for the last decade.

39. Senator INHOFE. Admiral Stavridis, what areas of defense cooperation with our NATO allies do you think have the most potential to yield productive relationships?

Admiral STAVRIDIS. There are four areas that are extremely productive:

Operations. NATO allies have provided the core of global missions from Kosovo to Libya to Afghanistan, to European Air Policing and maritime operations (counter-piracy) in the Mediterranean and in the Indian Ocean.

Increased interoperability, which is enabled and maintained by exercising together, will increase as our forces drawdown in Afghanistan.

The successful SPP strengthens links between the United States and a number of allies, at a small cost. This in turns enables increased participation in operations and exercises.

Foreign Military Sales equip a number of allies with common equipment.

COUNTER PIRACY

40. Senator INHOFE. Admiral Stavridis, NATO has had success in anti-piracy operations off the Horn of Africa. With expanding oil discoveries in the Atlantic Ocean off of the coast of western Africa, and drug trafficking that runs from South America through that same area to Europe, do you see the need for an anti-piracy mission off of the west coast of Africa?

Admiral STAVRIDIS. Each region is faced with its own unique root causes of crime and piracy; each will require unique solutions.

The strategic environment and imperatives which led to NATO's involvement in the current counter-piracy mission are quite different from that off the coast of West Africa. NATO's mission to counter maritime piracy began in 2008 with the request from the United Nations to provide escorts to U.N. World Food Program vessels transiting through dangerous waters to deliver humanitarian aid to Somalia.

In addition to the threat piracy posed to humanitarian efforts in Africa, there was a broad international recognition of a threat to the safety of vital sea lines of communication and economic interests off the Horn of Africa and in the Gulf of Aden. This included risks to the safety of one of the busiest and most important maritime routes in the world—the gateway to and from the Suez Canal.

What we have found during NATO's Operation Ocean Shield, is that countering piracy requires a mix of maritime security capabilities, use of best practices by the commercial shipping industry, with stability and rule of law ashore. NATO's contribution to international counter-piracy efforts mission continues to this day, in full

accordance with the relevant U.N. Security Council Resolutions relating to Somali-based piracy, and with the consent of Somali authorities.

An increase in piracy and maritime crime in the Gulf of Guinea is indeed of growing concern to the maritime community, but represents a different challenge. Whereas the counter-piracy mission off the coast of Somalia, a failed state, has taken place in international waters of a vital sea line of communication and required an international response, the Gulf of Guinea is lined with sovereign, functioning nations and much of the criminal activity takes place within territorial waters. The United Nations and other relevant actors have called for nations of West Africa to develop a comprehensive and integrated regional anti-piracy strategy for the Gulf of Guinea.

The Gulf of Guinea is neither in EUCOM nor NATO's area of responsibility. I understand that AFRICOM is successfully working with West African nations to assist in the development of their maritime capabilities in order to improve safety and security in the Gulf of Guinea.

41. Senator INHOFE. Admiral Stavridis, what support is Brazil providing to support the anti-piracy mission? Should the United States, through increased security assistance resources, support Brazil's anti-piracy efforts?

Admiral STAVRIDIS. Since Brazil is in the area of responsibility of the SOUTHCOM, I respectfully request this question be referred to that command.

42. Senator INHOFE. Admiral Stavridis, do you envision this as a U.S. force, a NATO force, or some combination?

Admiral STAVRIDIS. Since Brazil is in the area of responsibility of SOUTHCOM, I respectfully request this question be referred to that command.

ISRAEL-TURKEY RELATIONSHIP AND REGIONAL STABILITY

43. Senator INHOFE. Admiral Stavridis, given the standoff over the Mavi Marmara incident between Israel and Turkey, are Israel and Turkey reconcilable?

Admiral STAVRIDIS. Yes, Israel and Turkey are reconcilable; however, the relationship is first and foremost between those two countries. EUCOM supports a closer relationship between these two key allies of the United States. We have seen recent moves to better the relationship by the governments of both countries. Of note, Prime Minister Netanyahu's recent apology for the Mavi Marmara incident of May 30, 2010 is a positive first step in this incremental process. Although many variables and challenges remain that the governments of both countries must address together, they both have demonstrated they are capable of a dialogue to proactively attempt to resolve disputes.

44. Senator INHOFE. Admiral Stavridis, what is your assessment of Prime Minister Erdogan's regional ambitions?

Admiral STAVRIDIS. Prime Minister (PM) Erdogan is committed to establishing optimum security within his own borders in a conflict with the Kurdistan Workers' Party (PKK), a conflict which has spanned three decades and cost over 40,000 lives. PM Erdogan is sensitive to regional perceptions of Turkey acting unilaterally within the region and generally takes the position that Turkey should act as a part of a coalition in any action. PM Erdogan appreciates that, comparatively, Turkish power within the region is on the rise. However, we have no indications that he generally advocates greater unilateral Turkish regional activity.

45. Senator INHOFE. Admiral Stavridis, do you think Turkey's cooperation with EUCOM and with NATO on Syria is adequate?

Admiral STAVRIDIS. Turkey's cooperation with EUCOM and NATO on Syria has definitely been adequate. As Syria's northern neighbor, Turkey understands the threat, takes it seriously, and is engaged with the international community for support. Turkey is a strong and reliable partner for EUCOM and NATO in an unstable region. In response to the Syrian threat, Turkey has requested and welcomed cooperation in a number of areas. In January, EUCOM rapidly deployed two Patriot batteries to Turkey's southern border in support of NATO. Over the past year EUCOM has worked with Turkey to support and enhance its capabilities to respond to various Syrian threats. Several of these efforts have been in support of broader Department of Defense and Department of State initiatives, such as counter- and non-proliferation. It is important to note that Turkey is currently home to over 250,000 Syrian refugees; has lost two Air Force pilots to Syrian air defenses; and has sustained multiple cross-border indirect fire incidents due to the Syrian crisis.

46. Senator INHOFE. Admiral Stavridis, does EUCOM and/or NATO have a plan to support efforts to secure chemical weapons in Syria if the Assad regime falls given the threat to Israel and Turkey of proliferation of weapons of mass destruction (WMD) from Syria?

Admiral STAVRIDIS. Since Syria is in the area of responsibility of the U.S. Central Command, I respectfully request this question be referred to that command.

47. Senator INHOFE. Admiral Stavridis, what are the major challenges you see as a military commander to addressing this situation and what are potential roles do you see for international partners?

Admiral STAVRIDIS. Since Syria is in the area of responsibility of the U.S. Central Command, I respectfully request this question be referred to that command.

QUESTIONS SUBMITTED BY SENATOR ROGER F. WICKER

U.S. AND RUSSIA RELATIONS

48. Senator WICKER. Admiral Stavridis and General Jacoby, last month, it was reported that two Russian bombers, both of which were capable of carrying nuclear weapons, circled Guam and caused the U.S. Air Force to scramble jets to intercept. It appears that the incident occurred at about the same time that President Obama was giving his State of the Union Address. General Jacoby, you note in your testimony that NORAD's increased ability to detect and respond to Russian Military Aviation flights entering U.S. and Canadian Air Defense Identification Zones. You also state that Russia is in the process of modernizing and enhancing the capability of its long range aviation. The fact that you mention these two issues in your testimony indicates to me, at the very least, a passing concern with Russia's intentions towards the United States and our allies. At a period in time when Russia appears to be modernizing its military and flying long range bomber missions near U.S. territory, how would each of you characterize the nature of U.S.-Russia relations?

Admiral STAVRIDIS. As Russia continues to modernize its strategic forces, it has increased its long-range aviation (LRA) training flights to previous levels and areas of activity to test its own capabilities and readiness. Additionally, Defense Minister Shoygu and other senior military leaders recently conducted "no notice" evaluations of ground, naval and air forces in Southern, Central and Eastern military districts to gauge current and emerging capabilities in these regions. We do not assess that the capability to conduct these activities presents an imminent threat to U.S. territory or U.S. forces. These activities have strained, but not significantly altered, our bilateral working relationship. Along with our allies, we should continue to track Russian activities near NATO territory in order to maintain a persistent deterrent to assure allies and partners of our commitments to supporting their security. We must do this while attempting to build mutual transparency and trust with Russia to avoid misunderstandings and miscalculations over its training activities.

General JACOBY. Senator, while we have seen a definite increase in past years in the number of long range training flights in proximity to U.S. air space, I would defer to EUCOM—which is the designated combatant command for coordinating U.S.-Russia Military cooperation efforts—for a broad brush, big picture, overview of the wider military-to-military relationship.

From a NORAD perspective, we have not seen any significant change in our military-to-military relationship with the Russian Federation. We continue to use the U.S./Russian Military Work Plan to schedule items of mutual interest and benefit. These cooperative efforts culminate in the annual Exercise Vigilant Eagle, a very successful counter-air terrorism event conducted in the Bering Sea area between NORAD and Russian Eastern Military District. I am encouraged that we have seen no indications that the Russians intend to curtail or eliminate this yearly event. However, while NORAD would like to expand the scope and complexity of Vigilant Eagle, the Russian military is clearly more comfortable with the existing state of cooperative efforts at this time.

49. Senator WICKER. Admiral Stavridis and General Jacoby, have you seen anything to indicate that the administration's Russia reset has or has not had the intended effect?

Admiral STAVRIDIS. The answer is somewhere in the middle between success and failure. I think that the level of military cooperation with Russia has increased in areas of mutual interest and benefit, especially if one looks at where the relationship was in the fall of 2008. We still have many differences with Russia such as missile defense, its support for the Assad regime in Syria, and its desire for a

"sphere of influence" in its periphery. Also, while Russia wants us involved in Central and South Asia to stabilize Afghanistan, it works at every turn to have us ejected from the Manas Transit Center in Manas, Kyrgyzstan. We must however continue to work to develop a constructive partnership despite our significant political disagreements. No one wants to stumble backwards toward the Cold War, so the best course for the future is open discussion, frank airing of disagreements, and, hopefully, seeking to build a wider strategic partnership.

General JACOBY. NORAD pursues all appropriate avenues for cooperation with the Russian military. We continue to work through issues of mutual concern through NORAD specific items in the U.S.-Russia Military Work Plan. This coordination is highlighted through the annual anti-terrorism Exercise Vigilant Eagle. It's clear to me that in spite of the ebb and flow of the ongoing political discourse between the Nations, we can continue to build cooperation on areas of mutual interest with the Russian military.

That said, whatever the status of reset, the Command's mission calls for demonstrating the capability and intentions to defend North American from threats, to include those that might be presented by Russia.

50. Senator WICKER. Admiral Stavridis, RT reported on March 18, 2013 that Russia is going to establish a permanent naval task force, composed of five or six combatant ships, in the Mediterranean Sea. The article further reports that "Russia is prepared to send combat ships to the Pacific and Indian Ocean." How would you characterize the nature of this announcement?

Admiral STAVRIDIS. In strategic terms, Russia's establishment of a rotational naval task force in the Mediterranean with plans to follow up in the Indian and Pacific oceans is an attempt to regain some measure of its former maritime presence, and a continuation of evaluations and exercises across the Armed Forces under new Defense Minister Shoygu. Given the current instability in the Levant, especially in Syria, Russia is making moves to protect its interests in the region while appealing to an internal audience nostalgic for its former global reach. Syria contains Tartus, Russia's only base outside of the territory of the former Soviet Union, and can provide logistical and materiel support for some of its smaller warships, alleviating the need to navigate the Turkish-controlled Dardanelle and Bosphorus Straits into the Black Sea.

The composition and size of the 5-ship fleet (three combatants and two support ships) indicate that it is not capable and likely not intended to challenge NATO for dominance in the Mediterranean, where the U.S. Sixth Fleet is permanently stationed.

51. Senator WICKER. Admiral Stavridis, do you believe that the Russian task force will be a help or a hindrance to U.S. and NATO efforts to promote maritime security in the Mediterranean?

Admiral STAVRIDIS. I think we can look at the example of the Russian counter piracy operations in the Gulf of Aden/Horn of Africa. The Russian Navy has been extremely useful to the overall counter piracy efforts in the region even though it has not integrated into Combined Task Force efforts. Nevertheless, they have been able to relieve some of the burden on the Combined Task Force by providing extra escort and protection services for ships/convoys. We will likely see the Russian Navy also be of assistance in promoting security in the Mediterranean Sea, with the possible exception of Syria. The Russian Navy has actively participated in Operation Active Endeavor and frequently joins Partnership for Peace exercises in the Mediterranean. The goals of Operation Active Endeavour and the Partnership for Peace exercises are promotion of interoperability, search and rescue, counter smuggling, and maritime interdiction operations. The addition of a Russian Task Force will possibly enhance these two programs.

52. Senator WICKER. Admiral Stavridis, in your prepared testimony, you acknowledge that U.S. force posture in Europe has been declining for decades, and you state, quite rightly I believe, that "Power, like nature, abhors a vacuum." I also believe you are correct in asserting that the diminishing U.S. presence in Europe provides an opportunity for our adversaries. It seems to me that the timing of this announcement is not a coincidence. It is no secret that the Chief of Naval Operations (CNO) recently announced that significant impacts that sequestration will have on our naval readiness and ability to meet planned deployment schedules. Do you believe the establishment of the Russian task force is, at least in part, in response to the diminished U.S. military presence in the AOR?

Admiral STAVRIDIS. I do not think there is a direct correlation with the diminishing U.S. military presence in the AOR, though the Russians will definitely take

advantage of the situation. Since 2007, the Russian Navy has been declaring a desire to return to the world's oceans and the new Mediterranean Task Group will be a natural follow on to these plans. This commitment to a worldwide presence has been reflected by KUZNETSOV Task Group deployments to the Mediterranean in 2007, 2008, and 2011; near continuous counter-piracy operations in the Gulf of Aden/Horn of Africa since 2009; and multiple deployments by Kirov-class battle cruisers to the Mediterranean and Caribbean Seas, and the Indian and Pacific Oceans since 2008. Accordingly, the establishment of a Task Group would seem to be a continuation of plans likely put into place several years ago.

QUESTIONS SUBMITTED BY SENATOR SAXBY CHAMBLISS

SYRIA AND USE OF CHEMICAL WEAPONS

53. Senator WICKER. Admiral Stavridis, from open source news outlets, Syria's Government and rebels accused each other of launching a deadly chemical attack near the northern city of Aleppo on March 19, 2013 in what would, if confirmed, be the first use of such weapons in the 2-year-old conflict. What can you confirm about the possible use of chemical weapons in Aleppo and what contingency plans does EUCOM have in place in the event of continued use of chemical weapons?

Admiral STAVRIDIS. At this time we cannot confirm anything with respect to alleged chemical weapons use in Aleppo. The international community had proposed investigating chemical weapons use in Syria-which would include Aleppo—but I understand such an investigation is held up over questions of scope and jurisdiction.

EUCOM does not currently have in place any contingency plans related to the continued use of chemical weapons in Syria which, as you know, is within the area of responsibility of the U.S. Central Command. My team is working with counterparts in CENTCOM to ensure we support their contingency plans relative to Syria.

EUCOM RESPONSE TO BENGHAZI

54. Senator WICKER. Admiral Stavridis, you gave a brief overview of EUCOM's actions during the response to the Benghazi attacks of September 11, 2012 during the posture hearing. Please discuss in detail the actions that EUCOM conducted during the attack to include but not limited to: the requests that were submitted for support from AFRICOM; contingency plans to include units that were slated to respond to a Benghazi like attack to AFRICOM; and their actions during the attack?

Admiral STAVRIDIS. Immediately upon notification of the attacks in Benghazi, EUCOM went into action, initiating coordination and support for AFRICOM and U.S. Special Operations Command (SOCOM). AFRICOM requested, and EUCOM provided, the following operations, intelligence, logistical, and communications support:

Operations Support:

- Postured EUCOM Commander's In-Extremis Force (CIF) to Naval Air Station Sigonella, Italy, to respond to AFRICOM requirements.
- Deployed one Fleet Anti-Terrorism Security Team (FAST) Platoon to U.S. Embassy Tripoli, Libya.
- Postured one FAST Platoon at Naval Station Souda Bay, Greece to respond to AFRICOM requirements.
- Provided multiple U.S. Navy surface combatants and aviation platforms for intelligence collection and forward presence, to include the IWO JIMA/24 Marine Expeditionary Unit Strike Group and E/F–18G electronic warfare support.
- Provided Intelligence, Surveillance, and Reconnaissance (ISR) support to AFRICOM throughout the operation.
- Working closely with U.S. Embassy Country Teams, coordinated basing, access, throughput, and overflight permissions with Spain, Italy, Greece, Germany, and other European nations for responding U.S. forces.

Intelligence Support:

- Provided intelligence support to AFRICOM from the EUCOM Intelligence Directorate and EUCOM's National Intelligence Agency Representatives.
- Supported personnel recovery efforts by coordinating strategic debriefing of U.S. State Department members evacuated to Landstuhl Regional Medical Center and Ramstein Air Base.

• Coordinated with AFRICOM Intelligence Watch, Theater Cryptologic Operations Center, and National Military Operations Center to gain and maintain situational awareness.
• Supported AFRICOM with geospatial information and services support.

Logistical Support:

• The EUCOM Logistics Directorate established and executed a daily Basing Support Working Group that deconflicted movements, intra-theater lift, basing activities, and logistical support requirements between EUCOM, AFRICOM, SOCOM, and various subordinate commands.
• Due to a staffing shortage at AFRICOM, EUCOM Mortuary Affairs supported AFRICOM by providing the safe and expeditious repatriation of the four Americans killed in the attack.
• Supporting response airlift operations, EUCOM synchronized the execution of 55 airlift missions at 12 different bases delivering over 1,000 personnel and 700 short tons of cargo.

Communications Support:

• U.S. Air Forces Europe deployed communications personnel and equipment to Trapani Air Base, Italy, in order to provide secure and non-secure voice and data communications support to U.S. personnel recovery assets stationed there.
• The EUCOM Communications Directorate processed and managed 10 high-priority, ad-hoc satellite communications (SATCOM) requests, meeting AFRICOM's planning and operational requirements.

TACTICAL NUCLEAR WEAPONS IN RUSSIA

55. Senator WICKER. Admiral Stavridis, we suspect that the Russian Government continues to increase or modernize their tactical nuclear weapons inventory. What information can you provide relative to the continued production and/or modernization of Russian tactical weapons versus Russian strategic nuclear weapons especially from a NATO perspective?

Admiral STAVRIDIS. [Deleted.]

QUESTIONS SUBMITTED BY SENATOR KELLY AYOTTE

STATE PARTNERSHIP PROGRAM

56. Senator AYOTTE. General Kelly, what is your assessment of the SPP?

General KELLY. The SPP is an important instrument for advancing international cooperation to effect key defense and security issues in the SOUTHCOM area of operation. SOUTHCOM leverages the close ties that exist between National Guard units, their communities and States to develop holistic government and society solutions.

The SPP improves my ability to provide a persistent United States presence and enhances the Command's ability to counteract the increasingly negative influences in the region while promoting United States National Security Goals.

Since 1996, the SPP in the SOUTHCOM theater has grown from 4 to 22 partnerships, with the latest, Colombia, being partnered with South Carolina in 2012. Through the efforts of Congress and the Office of the Secretary of Defense, the program's oversight and executions have been formalized. Now, SPP activities and events are planned, coordinated, and executed to achieve my theater security cooperation program objectives, the objectives of the Chief of Mission, as well as the national security objectives of the partner nation.

57. Senator AYOTTE. General Kelly, what role does the SPP play in helping SOUTHCOM accomplish its mission?

General KELLY. The SPP provides approximately 10 percent of the total annual theater engagement in the SOUTHCOM area of responsibility. It builds enduring civil-military relationships that improve long-term international security while building partner nation capacity across all levels of society with partner nations of strategic importance to the United States.

All National Guard SPP activities and events are planned, coordinated, and executed to achieve objectives of the Combatant Commander and the Chief of Mission in each partner nation.

58. Senator AYOTTE. General Kelly, what is your assessment of the New Hampshire National Guard's SPP in El Salvador?

General KELLY. I am proud of the work all the National Guard does in support of SOUTHCOM through the SPP. New Hampshire's State Partnership is a model program, and its mature partnership with El Salvador has a solid mix of military-to-military, military-to-civilian and Civil Security Cooperation events. New Hampshire's National Guard has executed nearly 85 events over the past 12 years under the SPP, and all of their efforts have been well harmonized with the Intermediate Military Objectives within SOUTHCOM's Theater Campaign Plan.

In particular, New Hampshire has done an excellent job in focusing their engagement efforts on Defense Support to Civilian Authorities. El Salvador's defense capabilities are evidenced by its ability to export its security capability during 11 deployments to Operation Iraqi Freedom and two deployments to Operation Enduring Freedom.

SEQUESTRATION IMPACTS

59. Senator AYOTTE. Admiral Stavridis, General Jacoby, and General Kelly, how will sequestration impact each of your combatant commands?

Admiral STAVRIDIS. Sequestration will have several near-term effects over the remainder of fiscal year 2013. The lack of sufficient funds for training hours, steaming hours, flying hours, and sustainment will reduce the readiness, maintenance, and availability of assigned and rotational forces required to execute ongoing operations, steady state activities, and crisis response. Sequestration will also entail cuts to Defense and State Department programs that support EUCOM steady state activities to preserve our strategic partnerships in Europe, ensure strategic access, and promote regional stability. In addition, the ability of EUCOM and our Service component headquarters to plan, direct, and execute military operations and steady state activities will be degraded due to reductions in headquarters funding, the furlough of civilian personnel, and cuts to facilities maintenance. Finally, sequestration will adversely affect the services that support our military and civilian personnel and their families, such as schools and health services.

General JACOBY. NORTHCOM has very few assigned forces. I rely on trained, available, and equipped forces from the Services. Thus, if sequestration causes the Services to mortgage their readiness, it will put at risk my ability to defend in depth and potentially erode my ability to conduct critical homeland defense missions. Service readiness will also directly impact the exercises and training NORTHCOM conducts and executes alongside our mission partners, through reduced Service or partner participation and fewer engagements or touch points. Building partnerships is essential to responding to events in the homeland; a reduced capacity to build those partnerships adds to the existing challenge of protecting the homeland. Each of my mission sets will be further impacted by furloughs, as my civilian workforce is associated with all aspects of homeland defense and support of civil authorities. In summary, NORTHCOM and NORAD are postured to defend the Nation against a full spectrum of threats, but we will have to work hard with the Services to sustain that posture as we deal with sequestration, and the program and budget uncertainty that comes with it.

General KELLY. Sequestration cuts have forced the military services to cut personnel, ships, and aircraft deployments to the region, affecting several missions including support to drug interdiction and other law enforcement operations. Out-year cuts associated with sequestration will degrade SOUTHCOM's ability to fulfill its title 10 statutory obligations to conduct detection and monitoring (D&M) and limits its ability to provide operational support to U.S. interagency and partner nation interdiction operations. Execution of SOUTHCOM's Partnership of the Americas strategy that includes deployment of the medical ship USNS *Comfort*, whose regional stops included Costa Rica, El Salvador, and Honduras, has also been canceled for fiscal year 2013. The deployment of the USNS *Comfort* has historically been an enormously successful and positive event in the region.

Security Cooperation Activities have been reduced by approximately 25 percent ($15 million) in fiscal year 2013, forcing the cancellation of three major exercises (Peace Keeping Operations Americas, Fuerzas Comando, and Fuerzas Aliadas Humanitarias); the descoping of the exercise Panamax and exercise Unitas; and the elimination of approximately 200 engagement activities. These activities range from medical readiness training exercises to small group training activities and infrastructure development projects. Decreased out-year funding associated with sequestration, in addition to potential furloughs to my civilian workforce, will further impact SOUTHCOM's ability to improve the security and defense capabilities of part-

ner nation forces in the region. Nonetheless, we remain committed to supporting regional security and to strengthening our valued defense partnerships in South and Central America, and the Caribbean.

IRANIAN BALLISTIC MISSILE THREAT AND U.S. MISSILE DEFENSE

60. Senator AYOTTE. General Jacoby, in your prepared statement, you conclude that Iran "is developing advanced missile capabilities faster than previously assessed and is apparently positioning itself to produce a nuclear warhead quickly should its leaders choose to do so." Does the United States currently have a shoot-look-shoot capability against an ICBM launched from Iran that is heading toward Boston, New York, or Washington, DC? In other words, would the United States currently have one chance or two chances to shoot down an Iranian ICBM headed toward the east coast?

General JACOBY. [Deleted.]

61. Senator AYOTTE. General Jacoby, would an east coast missile defense site provide additional missile defense protection against a prospective Iranian ballistic missile threat against the east coast of the United States?

General JACOBY. [Deleted.]

62. Senator AYOTTE. General Jacoby, from start to finish, what is your understanding as to how long it would take to build an east coast missile defense site?

General JACOBY. [Deleted.]

GUANTANAMO BAY

63. Senator AYOTTE. General Kelly, how would you characterize detention operations at GTMO?

General KELLY. Detention operations in Guantanamo are executed in accordance with humanitarian principles, applicable domestic and international law, and Department of Defense policies, regulations, and directives.

JTF–GTMO normally houses detainees under two different detention models. The majority of detainees are held in single-cell detention, which means that a detainee has his own cell, usually in close proximity to other detainees in adjacent cells, whereby he is able to participate in no less than 2 hours of open-air recreation per day and to worship in accordance with his religious beliefs. A smaller number of detainees are held in a communal setting, where detainees are not locked in their cells during the day, but they are permitted to leave their cells and move freely within shared common spaces within their detention camp, including outside areas for open-air recreation. Whether a detainee is held in single-cell detention or communal detention depends upon his behavior and compliance with camp rules: only "compliant" detainees are afforded the increased freedom of socialization and movement granted by communal detention. Whether housed in single cell, or communally, all detainees are treated humanely as required by international law and U.S. policy.

Regardless of the detention model, all detainees with pending legal processes, including military commissions, habeas corpus litigation, or periodic review boards, are permitted access to their attorneys through personal visits, mail, and in many cases, telephone calls. Additionally, in coordination with the International Committee of the Red Cross, JTF–GTMO facilitates quarterly hour-long telephone or video teleconference calls between detainees and their families, regardless of whether the detainee is held in single-cell or communal detention.

64. Senator AYOTTE. General Kelly, what are the challenges you face with respect to the infrastructure at GTMO?

General KELLY. Most of the current facilities are aging, dilapidated temporary structures well beyond their expected life expectancy and present risk to JTF–GTMO and their mission. The environment at Guantanamo Bay is not suitable for the long term use of temporary facilities. Year-to-year funding hampers any real master planning efforts and execution. Legal and policy issues are intertwined in the infrastructure decisions relative to their repair and replacement.

65. Senator AYOTTE. General Kelly, you say that you "have identified a series of projects aimed at increasing the security of the detainees, facilitating our ability to support legal processes for detainees, and most of all, meeting basic quality of life

requirements for our troops". Did you recommend that these projects be included in the President's fiscal year 2014 budget request?

General KELLY. No; the projects identified by JTF–GTMO that I endorsed were submitted to the Assistant Secretary of the Army (Installations, Energy, and Environment (ASA/IE&E) by our Army component (U.S. Army South) for Army Overseas Contingency Operations (OCO) Military Construction (MILCON) funding consideration. The ASA/IE&E identified uncommitted MILCON for possible use to satisfy JTF–GTMO requirements; final resolution of funding availability is pending approval of the Secretary of Defense.

66. Senator AYOTTE. General Kelly, would our servicemembers stationed at GTMO be well-served by ensuring that facility sustainment, restoration, and modernization (FSRM) funding for GTMO is incorporated into the Future Years Defense Program (FYDP)?

General KELLY. SOUTHCOM submitted a Program Budget Review (PBR) Issue Nomination in fiscal year 2012 to include all JTF–GTMO funding into the base budget (FYDP) for the specific purpose of increasing fiscal discipline and to enable planning for facility sustainment and restoration.

67. Senator AYOTTE. General Kelly, how often do representatives of the International Red Cross visit GTMO?

General KELLY. In 2012, the International Committee of the Red Cross (ICRC) began visiting JTF–GTMO six times per year on a bimonthly schedule. Representatives of the ICRC now annually carry out four 1-week visits and two 2-week visits, for a total of 8 weeks per year, inspecting facilities, delivering Red Cross Messages, and conducting private interviews with detainees from all of JTF–GTMO's detention camps.

68. Senator AYOTTE. General Kelly, how often do the media and Congressional delegations visit GTMO?

General KELLY. There is a steady flow of media into JTF–GTMO, both to visit the detention facility itself and to report on commissions. Since opening the facility in 2002, more than 2,300 media members have visited. In 2012, JTF–GTMO hosted 164 media representatives from 60 U.S. and international news organizations.

Since 2003 there have been 75 congressional delegation trips to JTF–GTMO, with anywhere from 1 to 7 people on each visit.

69. Senator AYOTTE. General Kelly, is it fair to say that GTMO is one of the most well-supervised and professional detention facilities in the world?

General KELLY. Yes. JTF–GTMO is unique. JTF–GTMO is staffed by a well-trained, professional guard force consisting predominantly of Army military policemen. Through the dedicated efforts of dozens of committed commissioned officers, noncommissioned officers, soldiers, and sailors, the JTF–GTMO Commander, Rear Admiral John Smith, enforces the highest standards despite a very challenging detention environment.

COORDINATION BETWEEN NORTHCOM AND SOUTHCOM

70. Senator AYOTTE. General Jacoby and General Kelly, what are your assessments of the illegal activities in this border area between the United States and Mexico?

General JACOBY. As well as we do on securing the border, we will always be in a position of needing to improve. The security environment constantly changes as criminal enterprises become more sophisticated and aim to exploit vulnerabilities in terrain and institutions. NORTHCOM supports U.S. law enforcement partners (principally CBP, CBP–Office of Air and Marine, ICE-Homeland Security Investigations, and U.S. Border Patrol) with unique military capabilities to directly pressure criminal networks on both sides of the border. With persistent, agile application of capability to support our partners, the command gains strategic depth in our homeland defense mission.

(U) NORTHCOM is taking a broader approach to looking at the U.S./Mexico border area. We view criminal networks operating across the border as a part of a sophisticated, integrated, global network that poses a national security threat to the United States. To address this elaborate network of networks that traverses through physical and cyber space, we advocate working across governments and using interagency approaches to understand and attack the network. Through a coalition of

partners, we can put pressure on the financiers, leaders, logisticians, and operators that enable illicit activity.

General KELLY. NORTHCOM, based on its assigned responsibilities in the Unified Command Plan, is best suited to characterize the illicit activities along the U.S./Mexico border. SOUTHCOM assists NORTHCOM by disrupting illegal products and criminal networks along the southern approaches to the United States. Specifically, SOUTHCOM supports Department of State and partner nation eradication efforts in the source zones located in South America. Additionally, SOUTHCOM fulfills its statutory responsibility for the detection and monitoring of aerial and maritime transit of illegal drugs into the United States primarily through Joint Interagency Task Force-South. Further, SOUTHCOM and NORTHCOM consistently share information and intelligence on people, products, networks, tactics, and operations that facilitate transnational criminal networks.

71. Senator AYOTTE. General Jacoby and General Kelly, what are each of you doing to ensure optimal coordination between your two commands?

General JACOBY. NORTHCOM, in collaboration with SOUTHCOM, is focused on enhancing the partnerships between U.S. Law Enforcement Agencies with our respective counterparts and Mexican, Guatemalan, and Belizean militaries to build capability and capacity. Currently, the commands are working together to update our Command Arrangement Agreement, which establishes coordination procedures and delineates responsibilities between our two geographic combatant commands.

General KELLY. SOUTHCOM coordinates with NORTHCOM at all levels, including participation in mutually-relevant conferences, exercises, and planning events. My staff coordinates with NORTHCOM on strategy, engagement, and strategic communication efforts in the Western Hemisphere, focusing primarily on an integrated, hemispheric approach to combating transnational organized crime in the Western Hemisphere, especially along the border shared among Mexico, Guatemala, and Belize. A NORTHCOM–SOUTHCOM Command Arrangement Agreement describes and directs formal inter-combatant command relationships essential for operational planning and execution in the vicinity of our shared area of responsibility boundary and on topics of common interest.

[Whereupon, at 12:15 p.m., the committee adjourned.]

DEPARTMENT OF DEFENSE AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 2014 AND THE FUTURE YEARS DEFENSE PROGRAM

TUESDAY, APRIL 9, 2013

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

U.S. PACIFIC COMMAND

The committee met, pursuant to notice, at 9:36 a.m. in room SD–G50, Dirksen Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Reed, Nelson, Manchin, Shaheen, Blumenthal, Donnelly, Hirono, Kaine, King, Inhofe, McCain, Wicker, Ayotte, and Graham.

Committee staff members present: Peter K. Levine, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Joseph M. Bryan, professional staff member; Jonathan S. Epstein, counsel; Ozge Guzelsu, counsel; Richard W. Fieldhouse, professional staff member; Jason W. Maroney, counsel; Michael J. Noblet, professional staff member; and Russell L. Shaffer, counsel.

Minority staff members present: John A. Bonsell, Minority Staff Director; Thomas W. Goffus, professional staff member; and Lucian L. Niemeyer, professional staff member.

Staff assistants present: Mariah K. McNamara, John L. Principato, and Bradley S. Watson.

Committee members' assistants present: Carolyn Chuhta, assistant to Senator Reed; Jeff Fatora, assistant to Senator Nelson; David LaPorte, assistant to Senator Manchin; Marta McLellan Ross, assistant to Senator Donnelly; Nick Ikeda, assistant to Senator Hirono; Karen Courington, assistant to Senator Kaine; Steve Smith, assistant to Senator King; Christian Brose and Brian Rogers, assistants to Senator McCain; Lenwood Landrum, assistant to Senator Sessions; Joseph Lai, assistant to Senator Wicker; Brad Bowman, assistant to Senator Ayotte; and Craig Abele, assistant to Senator Graham.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Good morning, everybody. We hope our speakers work here. This microphone I don't think is working. We're going to start without the mic. Okay, I have to get closer.

We're receiving testimony today on the posture of U.S. forces in the Asia-Pacific region, and on behalf of the committee first let me welcome Admiral Samuel Locklear, the Commander of the U.S. Pacific Command (PACOM). Admiral, the committee appreciates your long years of faithful service and the many sacrifices that you and your family have made for our Nation, and we would also greatly appreciate it if you would pass along to the men and women with whom you work our admiration for their service as well. We know this is a particularly busy time for you, Admiral, and for your staff. We appreciate your joining us today.

General Thurman, the Commander of U.S. Forces Korea, was originally scheduled to testify today as well, but the decision was made to keep him on the Korean Peninsula at this time and we understand and appreciate the reasons for that decision. We wish General Thurman well in his ongoing activities.

Today's hearing is a particularly timely one because of the events on the Korean Peninsula, which have intensified as the North Korean regime, which is a longstanding international pariah, has elevated its reckless rhetoric and its provocative behavior. Any guarded optimism about North Korea that may have accompanied the December 2011 death of long-time dictator Kim Jong Il has faded as the new regime has adopted many of the same destructive policies as its predecessors, stubbornly pursuing its nuclear weapons and its ballistic missile programs with callous disregard for the well-being of its own people and the region.

Earlier this month, the North Korean regime announced its intention to restart plutonium production at Yongbyon. In February, it tested a nuclear device that appears to have a yield greater than that shown in previous North Korean tests. In December of last year, the regime put a satellite in orbit using technologies associated with long-range ballistic missiles. Last April, it displayed a road-mobile missile launcher which may or may not be operational.

The North Korean regime's rhetorical threats appear to exceed its capabilities and its use of what capabilities it has against the United States or our allies seems highly unlikely and would be completely contrary to the regime's primary goal of survival. Nonetheless, its words and actions are not without consequences. Even China, despite its longstanding relationship with North Korea, has joined in United Nations condemnation of the North Korean regime's dangerous behavior and has supported new sanctions, including tighter financial restrictions and bans on luxury goods.

A few weeks ago, Secretary Hagel announced a plan to enhance our ground-based interceptor (GBI) capability in Alaska, and just last week the Department of Defense (DOD) announced the deployment of a Terminal High Altitude Area Defense (THAAD) ballistic missile defense system to Guam as a further precautionary measure.

The administration has responded to North Korea's bluster, not with hot rhetoric of our own, but with firm and confident resolve with our partners and countries in the region who want stability and calm, always looking forward to the time when the oppressive North Korean regime will come to an end.

I am puzzled by the delay of the long-scheduled intercontinental ballistic missile (ICBM) operational test following the North Ko-

rean rhetorical threats. Why was this delayed? Why was our test delayed? I would appreciate knowing, Admiral, if you agree with the decision which was made to delay that test.

The Republic of Korea remains one of the United States' most steadfast and reliable allies and we are working in close coordination to address the North Korean challenge. We look forward to hearing Admiral Locklear's views on recent developments on the Korean Peninsula and additional steps that can be taken.

We face many other challenges and opportunities in the Asia-Pacific region as well. China's continued rise in regional and global influence, coupled with its military modernization and growth, has drawn justifiable attention from DOD. China's pursuit of capabilities that extend the reach of its military raises concerns about Chinese intentions, particularly in the context of that country's increasing willingness to assert its controversial claims of sovereignty in areas of the South China Sea and the East China Sea.

In addition, China's lack of regard for the intellectual property rights of the United States and other nations remains a huge problem for the global community. China remains the leading source of counterfeit parts both in military systems and in the commercial sector. In addition, China appears to have engaged in a massive campaign to steal technology and other vital business information from American industry and our government. China's apparent willingness to exploit cyberspace to conduct corporate espionage and to steal trade and proprietary information from U.S. companies should drive our government and our businesses to come together to advance our own cyber security.

There are a number of other PACOM missions that warrant our attention as well, such as ensuring freedom of navigation and protecting the free flow of commerce through critical sea lanes of communication, strengthening alliances, and building on partnerships, providing expertise and support to countries committed to fighting transnational violent extremism, working to prevent the proliferation of weapons of mass destruction (WMD), and preparing for and assisting with humanitarian and disaster relief efforts.

To better meet these challenges, the administration continues to rebalance toward the Asia-Pacific. DOD has been working through substantial realignments of U.S. military forces in countries like South Korea and Japan and is also engaged in initiatives to position forces further to the south in countries such as Australia, Singapore, and, possibly, the Philippines. As we rebalance and realign our presence in the Asia-Pacific area, it is important that we get it right in terms of strategy, but also in terms of resourcing and sustainability.

This committee will continue to exercise its oversight responsibilities, to ensure that our forward presence in the Asia-Pacific and elsewhere in the world is affordable, sustainable, and operationally supportable. In this regard, the committee has recently approved the report of its inquiry into U.S. costs and allied contributions associated with U.S. military presence overseas and we anticipate releasing this report in the next few days.

With respect to the planned realignment of U.S. marines currently on Okinawa, Senator McCain, former Senator Webb, and I advocated changes for the 2006 U.S.-Japan realignment road map

plan to better support U.S. strategic goals in the region while also accounting for the fiscal, political, and diplomatic realities associated with long-term sustainability. The April 2012 joint U.S.-Japan announcement of changes to the 2006 plan reflected an appreciation by both governments of the need to make adjustments in order to support the goal of achieving a more viable and sustainable U.S. Marine Corps presence in Japan, on Guam, and elsewhere in the region.

DOD is currently working to develop the details of this new plan and the final construction schedule and total costs are not yet known. After we receive that plan, we will be in a position to judge it. But until that plan is forthcoming, the committee has deferred action on associated requirements until previously-adopted conditions are met. So while I support the concept of restationing marines from Okinawa to Guam, it must be done in a fiscally and operationally sound manner.

Of course, we must consider all these challenges and initiatives in the Asia-Pacific against the backdrop of the budget constraints of sequestration, and, Admiral, we'd be interested in your assessment as to the effects of sequestration on your ability to meet mission requirements in your area of responsibility (AOR).

Again, we very much appreciate all the work that you do for this Nation. We appreciate your joining us this morning. We look forward to your testimony.

Senator Inhofe.

STATEMENT OF SENATOR JAMES M. INHOFE

Senator INHOFE. Thank you, Mr. Chairman.

Admiral Locklear, you're on your own today, but I think that General Thurman made the right decision staying where he is. So I'm sure you can handle all of this today.

North Korea's recent actions highlight the historic disparity between the Obama administration's triumphant declaration that the tide of the war is receding and the reality. Old threats are being replaced by new, more dangerous ones, just like Kim Jong Il was replaced by Kim Jong Un. North Korea's new leader, Kim Jong Un, brutally represses his people and is engaged in provocative statements, military exercises, and nuclear tests that have pushed the region onto the brink of conflict. I just got back from there and I got the clear impression that he was doing that intentionally just to intimidate and to provoke people.

Both General Thurman and Admiral Locklear are implementing prudent steps that include continuing to train our South Korean partners in exercises like Foal Eagle, practicing strike missions with the F–22, the B–2, and the B–52 aircraft, moving Aegis cruisers closer to the Korean Peninsula, and installing the THAAD capability in Guam. Our increased military capabilities in the region are designed to deter North Korean aggression. Should deterrence fail, they also stand ready to punish aggression, to protect vital United States interests.

Though I'm encouraged by the President's reversal of his previous decision by acquiring the 14 additional GBIs, which is right after he got rid of the 14 GBIs, I think the decision to reverse that first decision was the right one. I think that doesn't address the

problem, though, that we would have, which is not really in your area, but the third site that we've been talking about, the regretful thing that we did in getting rid of the GBI capability in Poland 4 years ago.

China's growing defensive capabilities and aggression demand that we understand our capability to defend Taiwan and how PACOM intends to tailor—I took all of the stuff I had on China out of my opening statement because I agree with the statement that the chairman made and I think he covered it very well. We have to have a clear long-term strategy that details adjustments to our force posture, including a plan for Marine Corps presence in Okinawa, Guam, Hawaii, and Australia. It's been over a year since the administration announced the rebalance to Asia and I look to Admiral Locklear as the commander on the ground to provide the committee with a detailed description of what the rebalance means in military terms.

I also look forward to his frank assessment as to how the ongoing budget crisis will impact his plans and operations in the Pacific. I have some questions about that and I'm sure that you'll give us very straightforward answers.

I'm deeply concerned about the growing divide between what we expect our military to accomplish and the resources that we're providing them. I've often said, Admiral, that you do a great job with the hand you're being dealt; we need to deal you a better hand.

I can't recall a time in my life when the world has been more dangerous and, while the President naïvely sees the tide of war receding, I see the continued need for a strong, able, and well-resourced force that remains engaged in the Asia-Pacific and beyond. This insistence by this President to drastically slash the defense budget puts the future of such a force at risk. The Obama administration's plan to have DOD, which makes up only 18 percent of the budget, be accountable for 50 percent of the reduction is not responsible. Shortsighted cuts to defense capabilities will result in a weakened U.S. military and would embolden adversaries like North Korea.

The reckless course of action pursued by the regime in Pyongyang underscores the importance of our forward military posture in the Asia-Pacific. Our presence helps to shape events and underpin stability, in this case very concretely, through deterrence. But should deterrence fail, make no mistake, our military forces stand by, ready to defend the Nation.

Thank you very much, Admiral, and I look forward to your testimony.

Chairman LEVIN. Thank you very much, Senator Inhofe.

Admiral.

STATEMENT OF ADM SAMUEL J. LOCKLEAR III, USN, COMMANDER, U.S. PACIFIC COMMAND

Admiral LOCKLEAR. Good morning, Chairman Levin, Senator Inhofe, and distinguished members of the committee. Thank you for the opportunity to testify today and provide you with my perspectives on the posture of PACOM. I request that my written testimony be included in the record.

Chairman LEVIN. It will be.

Admiral LOCKLEAR. For the past 13 months or so, I've had the great honor to lead the 328,000 servicemembers and about 38,000 civilian employees and their families in the PACOM area. Our AOR is diverse and complex. It encompasses about 52 percent of the world's surface and over half the world's population. It's culturally, socially, economically, and geo-politically diverse. The nations are what I refer to as the Indo-Asia-Pacific, because that's the framework I see it in, includes 5 of our Nation's 7 treaty allies, 3 of the largest and 7 of the 10 smallest economies, the most populated nations in the world, including the largest Muslim-majority nation, the largest democracy in the world, and of course the world's smallest republic as well.

The Indo-Asia-Pacific is the engine that drives the global economy. The open and accessible sea lanes throughout the Indo-Asia-Pacific annually enjoy about $8 trillion in bilateral trade, with one-third of the world's bulk cargo and two-thirds of the world's oil shipments sailing to and from the 9 of the world's 10 largest economic ports which are in the Asia-Pacific.

So by any meaningful measure, the Indo-Asia-Pacific is also the world's most militarized region, with 7 of the 10 largest standing militaries, the world's largest and most sophisticated navies, 5 of the world's declared nuclear-armed nations. So when taken altogether, these aspects, they present a region with a unique strategic complexity and a wide, diverse group of challenges that can significantly stress the security environment.

Now, effectively engaging in the Indo-Asia-Pacific requires a committed and sustained effort, and PACOM as a military component of this commitment, is clearly focused in our efforts to deter aggression, to assure our allies and our partners, and to prevent conflict should our national interests be threatened.

While the Indo-Asia-Pacific is relatively peaceful over time, I'm concerned by a number of security challenges similar to those that you've outlined, Mr. Chairman, that have the possibility to impact the stability of today's security environment. I'm sure we'll talk later about the Korean Peninsula, but it appears it will persist and an impetuous young leader continues to focus on provocation rather than on his own people.

The rise of China and India as global economic powers and their emergence as regional military powers will continue, and, with China specifically, we will focus our efforts on building relationships with them and doing all we can to assist them as they emerge into a security environment as hopefully productive contributors to global peace and prosperity.

We expect that the growing populations of the world will continue to be challenged by inevitable earthquakes and tsunamis and typhoons and flooding, as well as continued transnational threats like pandemics, pirates, terrorists, criminal organizations, human trafficking, and proliferation of WMD.

We will also, no doubt, see historic and emerging border and territorial disputes continue as the competition for water, food, and energy grow, and we expect that access and freedom of action in the shared domains of sea, air, space, and cyber will become increasingly challenged.

Finally, there's no single organization, mechanism, in the Indo-Asia-Pacific to manage the relationships when it's needed or to provide a framework for conflict resolution. So we have to rely on our allies and our growing partner relationships, including those that we're growing with multilateral organizations like the Association of Southeast Asian Nations (ASEAN), to ensure that we can maintain the peace.

The U.S. joint force has been heavily tasked in other AORs over the past decade and as a consequence in my AOR, in PACOM, in many key areas we have been resource-challenged and have assumed additional risk. Our rebalance to the Pacific strategy has given us a new opportunity to begin to solve these challenges and to reemphasize to our allies and our partners that we are committed to the Pacific, that we are a committed Pacific nation. It also reflects the recognition that the future prosperity will be defined largely by events and developments in the Indo-Asia-Pacific.

Over the past year, the rebalance has helped focus our planning and our resourcing decisions as we work closer with our allies and partners to ensure a security environment favorable to U.S. interests. However, the impacts of sequestration have created budget uncertainties, limited our flexibility to manage risk, and have the potential to undermine our long-term strategic rebalance momentum.

Nonetheless, PACOM will work with the Services to preserve, to the extent possible, our essential Homeland defense and crisis response capabilities, capabilities resident in our forward-deployed forces.

The Pacific Ocean does not separate the United States from Asia; it connects us. We are connected by our economies, our cultures, our shared interests, and our security challenges. We've been resource-challenged and we've been accepting risk in the Indo-Asia-Pacific region for some time. But our rebalance strategy is in place and we're making good progress.

Let me assure you that PACOM will continue to demonstrate to our allies, our partners, and others the U.S. resolve and commitment to peace and security in this important part of the world.

On behalf of our superb military and civilian members and their families, all of whom sacrifice every day to ensure that our country is well defended, I'd like to thank each member of this committee for your support. I look forward to your questions.

[The prepared statement of Admiral Locklear follows:]

PREPARED STATEMENT BY ADM SAMUEL J. LOCKLEAR, USN

INTRODUCTION: WHY IS THE INDO-ASIA-PACIFIC IMPORTANT?

Chairman Levin, Senator Inhofe, and distinguished members of the committee, thank you for this opportunity to present an update on U.S. Pacific Command (PACOM). For the past 12 months I have had the honor to lead over 328,000 servicemembers and 38,000 civilian employees as the PACOM Commander, and I look forward to sharing my thoughts with you on the strategic environment of this diverse and complex theater.

In 2011 the President directed his national security team to make America's "presence and mission in the Asia-Pacific a top priority." This testimony discusses the foundations of our strategy and how we plan to accomplish the President's directive by providing a candid assessment of the opportunities and challenges PACOM faces in this critical half of the world.

The Indo-Asia-Pacific stretches from California to India. It encompasses over half of the Earth's surface and well over half of its population. The Pacific Ocean is the largest physical feature on the planet. If all the world's landmasses were placed in the Pacific, there would still be room left over for additional North American and African continents. To give you an even better idea of its size, a Carrier Strike Group takes 3 weeks to transit from the U.S. west coast to the Philippines; 15 hours to get there in a C–17; and from Fort Lewis, WA, to the Maldives is 9,000 miles.

This region is culturally, socially, economically, and geo-politically diverse. The nations of the Indo-Asia-Pacific include five of our Nation's seven treaty allies,[1] three of the largest economies in the world,[2] and seven of the 10 smallest;[3] the most populous nations in the world,[4] the largest democracy;[5] the largest Muslim-majority nation;[6] and the world's smallest republic.[7]

The Indian Ocean is surpassing the Atlantic and Pacific as the world's busiest and most strategically significant trade corridor. One-third of the world's bulk cargo and two-thirds of its oil shipments now pass through the Indian Ocean. Nine of the world's 10 largest ports are here,[8] and the Indo-Asia-Pacific is the engine that drives the global economy. China, Japan, and India are three of the world's largest economies. Last year alone, there was over $8 trillion of two-way trade. Regional cooperation to ensure the safety and security of these vital trade routes will become increasingly important over coming decades.

By any meaningful measure, the Indo-Asia-Pacific is also the world's most militarized region, with 7 of the 10 largest standing militaries,[9] the world's largest and most sophisticated navies,[10] and 5 of the world's declared nuclear armed nations.[11] All these aspects, when you take them together, result in a unique strategic complexity. This complexity is magnified by a wide, diverse group of challenges that can significantly stress the security environment. To be successful, we must draw on the strengths of the entire U.S. Government, the U.S. economy, and the American people.

At a time when the region is experiencing such significant change, we must clearly communicate to our allies and partners our commitment by maintaining a credible, forward deployed, sustainable force.

SECURITY ENVIRONMENT

The Indo-Asia-Pacific has a myriad of security challenges, including rapidly growing military capabilities, nuclear developments, unresolved territorial and resource disputes, violent extremism, natural disasters, proliferation, illicit trafficking and more. This complex security environment continues to evolve with both positive and negative trends.

Overall, the region enjoys considerable political stability. In the past year, we have seen a series of peaceful leadership transitions, most notably in China, the ROK and Japan, which have reinforced existing succession processes. With the obvious exception of China, these changes have also advanced democracy and democratic principles. We've noted the positive changes occurring in Burma's Government and look forward to its continued progress. The Association of Southeast Asian Nations (ASEAN) continues efforts to provide leadership on regional security issues and to effectively address transnational challenges such as natural disaster, terrorism, transnational crime, climate change, while simultaneously working towards its goal of becoming a single economic community by 2015. We expect ASEAN to continue to grow in this role under Brunei's chairmanship in 2013. We have also seen encouraging examples of states using international bodies to address disputes peacefully, such as Bangladesh and Burma using the International Tribunal for the Law of the Sea to resolve their disputed maritime boundary in the Bay of Bengal and Thailand and Cambodia are awaiting a ruling later this year from the International Court of Justice on their long-disputed border region. We encourage all claimant states to seek peaceful means to resolve their disputes.

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[1] Australia, Japan, Korea, Philippines, and Thailand
[2] United States, China, and Japan
[3] Tokelau, Niue, Tuvalu, Futuna, Nauru, Marshall Islands, Palau
[4] China, India, Indonesia
[5] India
[6] Indonesia
[7] Nauru
[8] Shanghai, Ningbo-Zhoushan, Singapore, Tianjin, Guangzhou, Qingdao, Quinghuangdao, Hong Kong, Busan
[9] China, India, Democratic People's Republic of Korea, Russia, Republic of Korea, Vietnam, United States
[10] China, India, Russia, United States
[11] Russia, China, India, Democratic People's Republic of Korea, United States

However, not all developments have been positive or stabilizing. North Korea's repeated violations of U.N. Security Council resolutions that forbid building and testing of nuclear weapons and long-range ballistic missile technologies, represent a clear and direct threat to U.S. national security and regional peace and stability. China's rapid development of advanced military capabilities, combined with its unclear intentions, certainly raises strategic and security concerns for the United States and the region. Continuing plans by violent extremist organizations (VEOs) to attack host nation and U.S. targets is another example of the issues in this vast region that are of concern not just to PACOM, but too many Indo-Asia-Pacific nations.

North Korea:

Kim Jong Un used 2012 to consolidate his power. Kim is the youngest head of state in the world and holds the leadership position in all significant North Korean institutions of national power—military, state, and party. We were cautiously encouraged in February 2012 when North Korea agreed to implement a moratorium on long-range missile launches, nuclear tests, and nuclear activities at Yongbyon. However, Pyongyang almost immediately broke its promise by attempting to place a satellite into orbit using proscribed ballistic missile technology and parading an alleged road mobile intercontinental range ballistic missile system. Pyongyang responded to the unanimous U.N. condemnation of its December launch with renewed rhetoric, threats and bluster. Just a few weeks ago, again in clear violation of U.N. resolutions, North Korea announced it had conducted its third nuclear test, which it claimed—without any evidence—was a "smaller, more powerful weapon." North Korea's nuclear weapons and ballistic missile programs, its illicit sales of conventional arms, and its ongoing proliferation activities remain a threat to regional stability and underscore the requirement for effective missile defense.

North Korea maintains a significant percentage of its combat forces forward deployed along the demilitarized zone with the ROK. From these locations, they could threaten U.S. and ROK civilian and military personnel, as they showed in 2010 with the surprise attack on the ROK ship *Cheonan* and the artillery attack on Yeonpyeong-Do Island. The continued advancement of the north's nuclear and missile programs, its conventional force posture, and its willingness to resort to asymmetric actions as a tool of coercive diplomacy creates an environment marked by the potential for miscalculation that and controlled escalation could result from another North Korean provocative action.

Kim Jong Un's stated emphasis on economic development and promises of economic growth have so far yielded little, and are undermined by North Korean missile launches and nuclear tests that lead to further sanctions and international isolation. We remain concerned about the potential for peninsular and regional instability while North Korea continues to prioritize military objectives above economic recovery and reform, and thus remains unable to sufficiently provide for its own population, a concern shared by our allies and partners.

Proliferation:

We remain concerned by North Korea's illicit proliferation activities and attempts to evade U.N. sanctions. North Korea's acts defy the will of the international community and represent a clear danger to the peace, prosperity and stability of the Indo-Asia-Pacific.

PACOM's Counter Weapons of Mass Destruction (CWMD) program is a complementary multinational activity intended to support counter-proliferation interdiction operations. PACOM welcomes Thailand as a recent endorsee of the Proliferation Security Initiative (PSI) and looks forward to the new opportunities their active participation will bring. CWMD provides a voluntary framework through which PSI partner nations can improve operational capabilities and domestic legal authorities in order to interdict WMD, their delivery systems, and related materials. Participation in PSI is vital, as part of an interagency approach, to the reduction of WMD trafficking. The Defense Threat Reduction Agency, the Office of the Secretary of Defense and PACOM continue to synchronize a wide range of CWMD-related activities such as international counter proliferation with our allies and partners, and foreign and homeland consequence management. Additionally, PACOM is coordinating with the U.S. Department of Energy (DOE) to establish Centers of Excellence with both China and India to promote effective nuclear security and safeguards.

China:

China's military has benefited from many years of double-digit economic growth, which has helped fund a comprehensive military modernization effort. China's military is an increasingly trained and capable fighting force focused, in part, on denying U.S. access to the Western Pacific during a time of crisis or conflict. There are

a number of notable examples of China's improving military capabilities, including five new stealth and conventional aircraft programs and the initial deployment of a new anti-ship ballistic missile that we believe is designed to target U.S. aircraft carriers. China is producing great quantities of advanced aircraft, missiles, electronic warfare systems and other specialized military equipment, while its shipyards are currently building six classes of modern diesel-electric submarines, destroyers and frigates. These new systems augment or replace older platforms and are rapidly transforming the People's Liberation Army (PLA). China commissioned its first aircraft carrier a few months ago and is continuing efforts to integrate aircraft with the ship to achieve a nascent regional power projection capability within the next few years.

Chinese military operations are also expanding in size, complexity and geographic location. Last summer, the PLA-Navy conducted its largest ever exercise outside the first island chain and into the Western Pacific, demonstrating increasing proficiency and sending a clear message to the region. Chinese maritime intelligence collection operations increased in 2012 as well; with historic first such missions into the Indian Ocean and within the U.S. exclusive economic zones off of Guam and Hawaii.

Overall, China's intensive efforts to build, test, and field new aircraft, ships, weapons and supporting systems are of increasing concern to the region. Many Asian nations worry about Chinese current and future intentions, with many of them asking, "As China's military capabilities improve, will China's intentions change?"

Chinese naval and maritime law enforcement vessels have been active in recent years in trying to advance China's territorial and maritime claims in the South China and East China Seas. China's strong rhetoric about the indisputable nature of its claims, combined with active patrolling by civil and military ships and aircraft in the air and waters surrounding Scarborough Reef and the Senkakus Islands, has raised tensions with the Republic of the Philippines and Japan respectively. China has also used other economic and diplomatic tools to pressure those countries to accede to Chinese claims. These actions have resulted in U.S. partners and allies in East Asia seeking additional support and reassurance. I am particularly concerned that the activities around the Senkakus islands could lead to an accident and miscalculation and escalation between China and Japan. The close proximity of ships and aircraft from all sides of these disputes raises the risks of escalation. Elsewhere, in the South China Sea, periodic confrontations between Chinese and Vietnamese ships and Chinese efforts to pressure international companies to not explore for oil and gas raise tensions. China has consistently opposed using collaborative diplomatic processes—such as negotiations of a Code of Conduct or international arbitration—to address disputes in the South China Sea, instead insisting on bilateral negotiations.

China's relationship with Taiwan remains stable following the reelection of President Ma Ying-jeou in Taiwan. Cross-Strait tensions are at historic lows because Taiwan and mainland China have consistently pursued increased economic integration and people-to-people exchanges. However, the PLA continues to maintain a robust military buildup opposite Taiwan that contradicts Beijing's stated pursuit of a "peaceful development" of cross-Strait relations. Many of China's military developments appear specifically intended for use in a possible future conflict with Taiwan. Included in this growing arsenal are hundreds of short-range ballistic missiles and land-attack cruise missiles, high-speed patrol boats equipped with advanced anti-ship cruise missiles, naval mines suitable for blockading Taiwan's ports, and various types of electronic warfare and cyber attack systems. Cyber activity presents a significant and growing threat to PACOM.

China is rapidly improving its space and counterspace capabilities to advance its own interests, and presumably to challenge the United States' or other actor's use of space-based systems. China is expanding its satellite navigation, reconnaissance and communications capabilities through routine space launches. At the same time, we are concerned over extensive writings about—and apparent continued testing of—anti-satellite systems, including a purpose-built missile system, lasers and jammers.

One military development worth specifically highlighting is the advances being made across the Indo-Asia-Pacific to enhance or expand submarine forces, including in several smaller navies as a potential counter to stronger neighbors. From the northernmost part of our area of responsibility where Russia maintains attack and strategic capabilities in its Pacific Fleet, to the westernmost boundary where India is growing its submarine force, we see an emphasis on submarines throughout the region. The largest and most capable non-U.S. submarine force in the region is clearly China's, which continues to expand and modernize to complement China's increasingly capable surface fleet. Australia, Singapore, Indonesia, Malaysia, Viet-

nam and the ROK are nations that have recently launched—or soon will launch—new, modern submarines. Both Russia and China are expected to soon field new ballistic missile submarines capable of ranging the U.S. Homeland.

Violent Extremism:

Violence perpetrated by extremists, separatists, nationalists, and others of varied motivations remains a concern for PACOM and our partners. Improvised explosive devices (IED) are the asymmetric weapon of choice for many of these groups. We average over 100 IED incidents per month in South and Southeast Asia, the highest rate outside Central Command's area of responsibility. The overwhelming majority of these incidents are not linked to global transnational violent extremism, but some are. We continue to see periodic eruptions of sectarian/religious violence in a variety of places, to include Burma, India, Indonesia, the Philippines, and Thailand. There is also a strong correlation between criminal activities and violent extremism, which often manifests through extortion, kidnapping and other violent crime. Several countries, including Bangladesh, Indonesia, and Malaysia, are traditional focal points for extremist recruiting, fundraising, movement and other facilitation efforts. Extremists affiliated with Iran are active in PACOM's area of responsibility as well. Iranians with links to Hezbollah conducted both successful and disrupted attacks in India and Thailand in February 2012.

PACOM has made significant progress in countering terror through building partner capabilities and through counter radicalization programs implemented by Civil Military Support Elements and Military Information Support Teams in support of U.S. Embassies. We are encouraged by the persistent pressure that our partners and allies have applied against VEOs over the last 10 years and the marked success they have achieved in countering extremist ideology and terror plots. Continued success requires a consistent long-term effort to diminish the drivers of violence that al Qaeda and other terrorists exploit. These efforts to prevent terrorist radicalization, recruitment, and mobilization are critical to defeating this dangerous ideology and reducing strategic risk; neither we nor our partners can capture/kill our way to victory in this fight. Continued modest preventive efforts today will make expensive reactionary efforts far less likely in the future.

Our partners in Southeast Asia have made impressive strides in reducing the danger posed by violent extremists, but disrupted attack planning in Indonesia, the Philippines, and Thailand last year is testament to the remaining threat. Smaller, more fragmented groups continue to pursue their disparate agendas through violence and intimidation. Joint Special Operations Task Force-Philippines (JSOTF–P) continued to advise and assist Philippine Security Forces as they improved counterterrorism capabilities in combating the Abu Sayyaf Group and Jemaah Islamiyah in the southern Philippines. The improving security situation has supported the implementation of an initial peace framework agreement between the Philippine Government and the Moro Islamic Liberation Front. This agreement serves as a vehicle for ongoing negotiations to build lasting peace and improve security and stability in the Southern Philippines. Counterterrorism efforts, which have included improved information sharing and increased cooperation, have also had positive impacts on the related issues of piracy and crime. Piracy and robbery-at-sea in the Malacca and Singapore Straits remain low.

Lashkar-e-Tayyiba (LeT) remains one, if not the most operationally capable terrorist groups through all of South Asia. LeT was responsible for the November 2008 attack in Mumbai, India that killed over 160 people, including 6 Americans, and has supported or executed a number of other attacks in South Asia in recent years. Beyond the direct impact of these attacks, there is a significant danger another major terrorist attack could destabilize the fragile peace between India and Pakistan. Should the perpetrators of such an attack be linked back to Pakistan—as was the case in the 2008 attack—the Indian Government may face domestic pressure to respond and the resulting spiral of escalation could be rapid. For those reasons, and more importantly to protect innocent lives, we and our partners in the U.S. Government engage regularly with the Indians and Pakistanis to avert such a crisis.

India's relationship with Pakistan has gradually improved in recent years, thanks to a series of confidence building measures, growing economic ties and the absence of large-scale destabilizing incidents. However, we remain concerned the progress could be quickly undone by a major terrorist attack. Both sides maintain modern, trained militaries underpinned by demonstrated nuclear capabilities. A major war on the subcontinent is not likely, but could be catastrophic to both sides, as well as the region. In addition, while India has seen its bilateral economic ties with China expand in recent years, its unresolved border disputes with China have remained a source of friction. We do not think war between India and China is inevi-

table or likely, but unresolved territorial issues and regional competition could fuel incidents.

Elsewhere, South Asia is mostly free from direct conflict, but various, mostly internal, challenges remain. Despite Nepal's inability to resolve its many political issues, reintegration of former Maoist combatants into the army is now complete and the process has remained peaceful, with all parties and entities working within the framework of peace and stability. Bangladesh may struggle to contain political violence and turmoil as they face national elections early next year. Sri Lanka needs to work to move past its recent history and reconcile a nation divided by many years of civil war.

Indo-Asia-Pacific nations continue cooperative efforts to reduce illegal trafficking in drugs, persons and commercial products, an endeavor significantly challenged by the enormous distances and varied geography of the region. Through Joint Interagency Task Force West, PACOM partners with international and other U.S. Government agencies in this effort.

Typhoons, earthquakes, floods, tsunamis, and cyclones are all too common in Indo-Asia-Pacific. Increasingly severe weather patterns and rising sea levels threaten lives and property, and could even threaten the loss of entire low-lying nations. In 2012, almost 100 natural disasters struck Asia, causing nearly 4,000 deaths and affecting over 65 million people. Amazingly, this was actually below the 10-year average of over 6,600 people killed annually by natural calamities.

The illegal trafficking of people, animals and products poses a transnational threat. Counterfeit or substandard antibiotics can promote the introduction and spread of antibiotic resistant strains of diseases, such as malaria and tuberculosis. Water sanitation and global food security issues can to divert resources and halt the flow of goods and services in the event of global pandemics. Illegal trafficking in animals and plants has the potential to spread organisms that destroy crops or food chain ecosystems. As we engage with the Indo-Asia-Pacific nations through Cooperative Health Engagement (CHE), we will enhance the region's ability to deal with these and other public health risks.

Based on PACOM's past humanitarian assistance/disaster response (HA/DR) experience, we have initiated changes to the planning and execution of health engagement in the Indo-Asia-Pacific. The focus has shifted from one-time provision of health care to an underserved population to CHEs which build sustainable, multilateral, capability, capacity and medical interoperability in support of the PACOM Theater Campaign Plan. CHEs tie directly to health security, homeland defense, and transnational threats. Some of our more successful efforts include Cambodia, Vietnam, and Laos Blood Product Safety projects. These interagency collaborations have built national civilian and military blood product capacity resulting in a national self-sustaining blood supply. Through the DOD HIV/AIDS prevention program (DHAPP), militaries of 10 Indo-Asia-Pacific countries are implementing HIV prevention programs to reduce the incidence of disease among uniformed international partners, and by extension, in the civilian communities in which they live. DOD overseas medical research laboratories have made great strides in developing countermeasures to many emerging diseases. The Armed Forces Research Institute of Medical Sciences in Bangkok, Thailand, has made important breakthroughs on the Hepatitis A vaccine, the Japanese Encephalitis vaccine, and the first HIV vaccine to show efficacy in human trials. All of these engagements serve to build health security in the Indo-Asia-Pacific region and contribute to a more stable global health environment.

Resource Competition:

Demand for water, food, and energy will only grow. Friction caused by water availability and use is evident between India and Pakistan, between India and Bangladesh, between countries in the Lower Mekong regions of Southeast Asia, between China and Southeast Asia, and even internally in China between the northern and southern regions of the industrialized east. Much of the Indo-Asia-Pacific is unable to adequately provide for their own food requirements, highlighting the need for stable, plentiful supplies available through international commerce. The same is true for energy supplies. Disruption to these supplies or unexpected price increases will quickly strain many governments' ability to ensure their population's needs are met.

Intelligence Support to Operations:

The challenges I've addressed all place a significant strain on our theater and national intelligence organizations. Still, these challenges, which necessitated our national strategy to rebalance to the Indo-Asia-Pacific, must be met head on by our military leadership and the Intelligence Community (IC). There are several key enablers that I believe will assist in this task. Key among these is the continuing

requirement for making "all sensed data" available to our analysts so that it can be quickly absorbed into our decision cycle and visualized in a way that assists our understanding of complex issues. As we reset the Intelligence, Surveillance, and Reconnaissance (ISR) force in the drawdown from Afghanistan and reprioritize our overhead sensors, we must ensure that those ISR sensors and accompanying processing, exploitation, and dissemination (PED) architectures and personnel that help us understand our unique operating environment are optimally positioned and outfitted to achieve this mission. Most importantly, I need to have effective command and control over ISR architecture in real-time through all phases of operations. We are making steady progress in all of these areas. Improving processes to rapidly share information with allies and partners creates a common understanding within the region and results in more effective and robust relationships. Maturing concepts for cloud architectures and initiatives to enhance access to those clouds have great promise to unleash knowledge from derived data in ways that we have not yet experienced. Significant advances in intelligence mission management are helping address my need for effective command and control, optimization and visualization of ISR. Still, we have much work to do to fully realize the potential advantage of a penetrating understanding of our key threats.

THE INDO-ASIA-PACIFIC REBALANCE

The Rebalance to the Asia-Pacific Strategy reflects the recognition that the future prosperity of the United States will be defined largely by events and developments in the Indo-Asia-Pacific.

While the Indo-Asia-Pacific region today is at relative peace, we remain concerned as we see stress points in territorial disputes and the threat that North Korea presents to the peace and security of the region. However, the credible and persistent commitment of the United States to the region through robust presence and partnerships has, and will continue to provide, an enduring, prosperous, and stable security environment for the region.

Fundamental to the rebalance is that PACOM actions align and synchronize with the diplomacy, policy, and economic confidence building measures of our U.S. Government partners. These coordinated efforts demonstrate an enduring resolve to show commitment to the Indo-Asia-Pacific across all facets of engagement. PACOM remains focused as the military component of this commitment, and we will continue to plan and conduct operations, actions, and activities that support this holistic governmental approach in building upon the peace and prosperity of the region.

The posturing and forward presence of our military forces is key to PACOM's ability to rapidly respond to any crisis or disaster. Due to the vast distances involved in our area of responsibility, it is imperative we continue to receive the support provided by our partners in the Services and through Congress to maintain the readiness of our forward deployed forces. PACOM manages the rebalance along four lines of operations that form the bedrock of our strategy. Those four lines of operations are: (1) strengthening alliances and partnerships; (2) improving posture and presence; (3) developing capabilities and concepts; and (4) planning for operations and contingencies.

Strengthening Alliances and Partnerships:

At the core of the rebalance, is an effort to renew, modernize and strengthen our alliances and partnerships in support of shared security interests. We are ensuring our alliances are adaptive so they can meet the challenges of the current security environment while capitalizing on emerging opportunities. Similarly, we are exploring innovative ways to expand cooperation through more effective strategic partnerships in order to address the complex problems presented by nontraditional security challenges. PACOM is working closely with the five U.S. treaty allies in our AOR, Australia, Japan, the Philippines, South Korea, and Thailand, as well as key partners, including India, Indonesia and Singapore.

Australia:

The U.S.-Australian alliance is an anchor of peace and stability in the Indo-Asia-Pacific, and promotes economic development and integration, good governance, and the rule of law. PACOM coordinates closely with our Australian partners to promote security in the region. This past fall in Sydney, we co-hosted PACOM's Pacific Chiefs of Defense annual conference, where 22 of 26 Chiefs of Defense attended. We engaged in a weeklong series of briefings and discussions on security cooperation. In addition, the Australian Chief of Defense and I attended the Australia-U.S. Ministerial (AUSMIN) Consultations in Perth in November where we jointly briefed on our robust military-to-military engagements.

We are continuing to implement the force posture initiatives announced by President Obama and Prime Minister Gillard in November 2011, which include U.S. marines who will rotate through Darwin to participate in bilateral training. In addition, access by U.S. aircraft to airfields in Northern Australia, which will provide significant training opportunities. The first rotational deployment of approximately 250 U.S. marines in Darwin was successful, and planning continues for the second rotation scheduled to begin in April 2013. We are working together to increase the USMC rotational presence in Darwin to approximately 1,100. This increase will require infrastructure improvements and we are currently in the process of identifying the details of those requirements. We are also working through the protocols and lift required to deploy these personnel in the event of a natural disaster as we did during the 2004 Indian Ocean tsunami. I am confident that our efforts will bear fruit, and we will continue to posture in a manner that supports our strategic objectives.

We also continue to seek better opportunities to advance bilateral and multilateral operations. For example, our biennial Exercise Talisman Saber 2013 is a combined U.S.-Australian exercise designed to train our respective military forces in planning and conducting Combined Task Force operations. We are further analyzing the benefits of expanding Talisman Saber to include other security partners.

We are also realizing increased value in the expansion of regional trilateral security cooperation engagements. The close relationship between Australia and the United States facilitates the inclusion of other countries to our combined security cooperation efforts, such as with Japan. This allows us to move forward together and support multilateral security exercises and activities with multiple nations focusing on Proliferation Security Initiative exercises, HA/DR operations, information sharing, intelligence, surveillance, and cyber security cooperation.

Japan:

The U.S.-Japan Alliance, supported by a robust U.S. military presence in Japan, continues to provide the deterrence and capabilities necessary for the defense of Japan and for the maintenance of peace, security, and economic prosperity in the Indo-Asia-Pacific. Over the last year, the Office of the Secretary of Defense and PACOM have worked with our Japanese counterparts to realize adjustments in the U.S. force posture in the Indo-Asia-Pacific. Significant achievements with realignment initiatives include: progress in the environmental impact assessment process for the Futenma Replacement Facility; the expansion of aviation training relocation programs to Guam; the relocation of the Japan Air Self Defense Force (JASDF) Air Defense Command to Yokota Air Base; and progress in the relocation of the Japan Ground Self Defense Force (JGSDF) Central Readiness Force Headquarters to Camp Zama.

These movements do not alter the fundamental goals of the Realignment Roadmap, which are to maintain deterrence and mitigate the impact of U.S. forces on local communities. In fact, the adjustments improve interoperability between U.S. forces and the Japan Self Defense Forces (JSDF) thereby strengthening the overall deterrent capability of the U.S.-Japan Alliance. Bilateral exercises, such as Keen Edge 2012 and Keen Sword 2013, do the same and continue to expand earlier set precedents for expanded U.S.-Japan operations. Likewise, the deployment of Marine Corps MV–22s to Okinawa replaces outdated equipment and brings enhanced capabilities to our forward deployed Marine forces.

In concert with the Joint Staff and the Office of the Secretary of Defense, we have begun to evaluate alliance roles, missions, and capabilities in order to fortify the alliance for the evolving challenges of the regional and global security environment. The United States and Japan continue to share common security interests such as containing the threats presented by the North Korea, providing humanitarian assistance and disaster relief (HA/DR), and supporting freedom of action in shared domains. In addition, we are cooperating to help allies and partners in the region build security capacity through training and exercises. These efforts will contribute to continued peace and stability in the region.

Philippines:

Our 62-year-old alliance with the Philippines remains key to our efforts to ensure the stability and prosperity of the Western Pacific, and we are modernizing the relationship to meet the challenges of the 21st century. High-level engagements including Secretary Clinton's visit to Manila in November 2011, when she signed the "Manila Declaration," the first "Two-Plus-Two" Ministerial Consultations hosted by Secretaries Clinton and Panetta in April 2012, and President Aquino's official visit in June 2012, have reinvigorated the U.S.-Philippines relationship. We are seeing a renewed interest to redefine our relationship with capability and capacity building be-

yond the CT effort; increased rotational access; and more sharing of situational awareness in the maritime domain.

We remain committed to our alliance with the Philippines as defined in the 1951 Mutual Defense Treaty. This past December, we co-chaired the annual Mutual Defense Board/Security Engagement Board in Manila, which remains the focal point of our expanding military relationship. As the Armed Forces of the Philippines (AFP) continue to transition from internal security operations to territorial defense, we will make adjustments to the military-to-military relationship in order to effectively mitigate perceived threats. We are currently discussing opportunities to increase rotational presence of U.S. forces in jointly identified priority areas to allow new training for Philippine and U.S. forces.

We use training opportunities to address short-term AFP capability gaps while helping them build long-term capability and capacity. Additionally, our security assistance is primarily focused on supporting the AFP maritime domain awareness and maritime security capabilities, but also includes information technology and cyber security. This past May, we transferred a second Hamilton-Class Coast Guard Cutter (Ramon Alcaraz) to the Philippines, and we continue to partner with the AFP to affect the necessary maintenance and training.

Operationally, PACOM engages the Philippines through the Joint Staff-sponsored exercise Balikatan and periodic Pacific Partnership missions that focus on humanitarian/civic assistance and civil military engagement as well as numerous Service component-led exercises. In addition, for the past decade, JSOTF–P has operated in a non-combat advisory and assist role in support of the AFP to combat and contain violent extremist organizations. We are currently assessing JSOTF–P's enduring requirements to align with the current security situation. A strong U.S.–Philippines alliance greatly enhances regional stability and helps the United States guarantee an environment that will help prevent miscalculation, promote regional cooperation, and protect vital Sea Lanes of Communication for all parties.

Republic of Korea (ROK):

2013 marks the 60th year of the U.S.-ROK alliance, which remains strong and essential to the success of our strategy. For over 6 decades, the United States and the ROK have collectively worked to provide peace and stability in Northeast Asia by deterring a North Korean regime committed to periodic provocations and overt threats to peace and stability on the peninsula and in the region. A major conflict in Korea could have unpredictable, long term, and far reaching impacts due to the central location of the Korean peninsula in Northeast Asia and the vital importance of Northeast Asian trade to the global economy. We have limited understanding of North Korean leadership intent, which remains a concern to long-term stability.

General Thurman and I are aligned in our efforts to do what is necessary for the United States and the ROK as this alliance undergoes transformation, a change that will ultimately assist the ROK to better meet security challenges both on and off the peninsula. Part of that transformation is the transition of operational control to the ROK military, which will allow it to take the lead role in the combined defense of Korea. Transition of operational control in 2015 is conditions-based and certification of key capabilities must be accomplished. The U.S.-ROK exercise program—which includes Key Resolve and Ulchi Freedom Guardian—is a key mechanism to certify that critical capabilities, such as C4I and command and control of combined and joint forces, are achieved. As we proceed through the transition process, USFK will seamlessly transform into U.S. Korea Command and will remain capable of executing future plans.

To address the growing threat posed by North Korean missile capabilities, the United States and ROK have been conducting close consultations through the Alliance Counter-Missile Capabilities Committee. Last fall, these discussions resulted in the adoption of a comprehensive Alliance counter missile strategy. ROK capability improvements under this strategy include the development of new ROK ballistic missiles that increase ranges from 300 kilometers (km) up to 800 km, strengthened missile defenses, improvements to command, control and communications, as well as enhanced ISR capabilities. All of this is to better achieve a fully-integrated and operational missile defense umbrella. As part of enabling these improvements, the Missile Guidelines governing ROK missile and unmanned aerial vehicle ranges and payloads were revised. These improvements in ROK capabilities are a smart and proportionate response to the growing North Korean missile threat.

Trilateral security cooperation between the United States, the ROK, and Japan has been evolving, although political and historical context moderates the pace at which it develops. The shared values, financial resources, logistical capability, and planning capacity to address complex contingencies make this trilateral partnership a relationship worth pursuing. PACOM and our counterparts within Japanese and

the ROK military staffs will continue to find ways to enhance trilateral cooperation with diplomatic assistance. During the April 2012 and December 2012 DPRK missile tests, PACOM coordinated closely with both our ROK and Japanese counterparts throughout the launches. We conducted a trilateral naval exercise in the Yellow Sea in June 2012 improving our naval forces' tactical interoperability in ballistic missile defense. U.S., ROK, and Japan officials issued a trilateral statement at the Defense Trilateral Talks in early 2013 stressing that we will closely coordinate to monitor a potential North Korean nuclear test and to respond to ballistic missile threats.

Thailand:

As the treaty relationship between the United States and Thailand enters its 180th year, our relations remain strong, vibrant, and essential. Thailand has demonstrated a willingness and capability to act as a regional leader in a number of areas, including HA/DR efforts. Thailand has also been a partner supporting reform in Burma, and invited representatives from Burma, as observers, to exercise Cobra Gold 13, which is the United States' largest co-hosted multilateral exercise in the world. Thailand is a demonstrated partner in counterterrorism and is the United States' oldest partner in the region.

Thailand will be increasingly important in collective security, peace, and prosperity in the region. PACOM remains committed to helping the Thai military further develop its already impressive capabilities so that it can assume even greater security responsibilities in the Indo-Asia-Pacific, particularly in counter-piracy and maritime security, humanitarian assistance and disaster relief, and peacekeeping operations.

India:

The U.S.-India relationship is the strongest it has been since India gained its independence in 1947. A strengthened U.S.-India strategic partnership is imperative to achieve U.S. national interests including ensuring regional security, strengthening the international trading system, protecting shared domains, countering terrorism, and bolstering international nonproliferation. We remain India's most frequent partner for security engagements. Our defense relationship is built around a robust program of dialogues and engagements, military exercises, personnel exchanges, and defense trade, which has grown from $0 to $9 billion in less than a decade. The Indians now operate a fleet of 6 C–130J cargo aircraft; they have taken delivery of their first of 8 P–8I Poseidon maritime patrol aircraft and their first of 10 C–17 Strategic Airlifters.

Our relationship with India has room to grow, and we are optimistic and enthusiastic about its potential. India's legacy of non-alignment and commitment to a policy of "strategic autonomy" is often viewed as limiting the relationship. However, our shared values and commitment to democratic principles inevitably place us on parallel, if independent paths. Several of these parallel interests include cooperating in multilateral forums which address counterterrorism and maritime security, including anti-piracy and HA/DR issues. We support India's increased desire for regional leadership.

While U.S.-Indian relations remain on an upward trajectory, we recognize there are impediments that must be overcome in the relationship. Process issues in the Indian bureaucracy and Indian concerns about U.S.-Pakistan relations are examples of challenges to achieving the strategic partnership we seek. Deputy Secretary of Defense Carter's India Defense Trade Initiative, however, has great potential to overcome much of the inertia and institutional red tape that has hampered our ability to expand cooperation. Even though progress is incremental, PACOM continues to reinforce our desire for, and commitment to an expanded relationship that promotes a secure and stable South Asia.

Indonesia:

Since President Yudhoyono signed a comprehensive partnership between Indonesia and the United States in 2010, progress has been made in military relations. Following a decade of political, economic, and military reform, Indonesia has surfaced as a vibrant democracy, with an emerging economy and a strengthened PACOM—Armed Forces of Indonesia (TNI) relationship. We are working extensively with Indonesia in areas such as resilience and disaster risk reduction, counter terrorism, and, most recently, Indonesia and the United States were designated co-chairs of the Asia Pacific Intelligence Chiefs Conference. As co-chairs with Indonesia since 2011, we are now preparing to conduct the inaugural Counterterrorism Exercise (CTX) of the Association of Southeast Asian Nations (ASEAN) Defense Ministers' Meeting-Plus (ADMM–Plus) Experts Working Group (EWG) on Counterterrorism in 2013.

Following a 12-year hiatus, PACOM has reestablished security cooperation activities with the Indonesian KOPASSUS (Army Special Forces). The measured pace of this engagement includes key leader dialogue and small-scale subject matter expert exchanges in areas such as military decisionmaking, medical planning and law of war/human rights. More activities of this type are planned for 2013 and will gradually expand at a pace commensurate with the demonstrated progress in the TNI's transparency and institutional reform. Broadly speaking, we cannot afford to disengage just as we establish key partnerships in the Pacific.

Defense trade is also increasing as Indonesia grows its military budget. The United States is providing Foreign Military Financing and is in conversation with Indonesia on purchases of military equipment such as attack helicopters, fighters, and radar systems. The comprehensive partnership between Indonesia and the United States is strengthening ties between the two countries as well as bolstering our engagement with Southeast Asia and the region as a whole. The progress in this security relationship is very promising for both countries.

Singapore:

Our bilateral relationship with Singapore is extensive and continues to strengthen and broaden. Singapore armed forces comprise a small, but capable military, and the access to port and airfield facilities they grant the United States is key to our posture in the Asia Pacific. Their main focus continues to be security within the Strait of Malacca and Singapore Strait and they cooperate with Indonesia, Malaysia and Thailand in conducting security patrols within the Straits against piracy and other illicit activities.

Singapore's armed forces are also conducting counter-piracy missions in the Gulf of Aden. Both of our militaries are seeking to increase engagement across all PACOM Service components. Singapore's offer to host U.S. Littoral Combat Ships (LCS) at Changi Naval Station, the first scheduled to arrive in April 2013, will also significantly enhance PACOM's posture.

Engaging with Other Partners:

New Zealand:

In addition, PACOM has been working hard to promote our security relationships with our partners in the region. For example, U.S.-New Zealand bilateral ties are stronger than it has been in 3 decades. We have made historic improvements in our relationship as we advance diplomatic, economic, and security cooperation. The growth between our countries is exemplified by regularized strategic and defense consultations, joint efforts to protect Antarctica's maritime ecosystem, and strategic dialogues on the Pacific Islands. The Washington Declaration, signed by Secretary Panetta and Defense Minister Coleman in June 2012, has allowed for greater flexibility in terms of joint exercises, military liaisons, and military educational exchanges. In 2012, Secretary Panetta announced a significant policy change, modifying restrictions on U.S. military relations with New Zealand by allowing the Secretary of Defense to waive, on a case-by-case basis, the restriction on access by Royal New Zealand Naval vessels to U.S. military and Coast Guard facilities.

China:

The U.S.-China relationship has elements of cooperation and competition. The overall U.S. policy goal is to expand the areas of practical cooperation in addressing shared economic and security challenges, while preventing unhealthy and disruptive competition from undermining the relationship. In January 2011, President Obama and Chinese President Hu Jintao agreed to "build a cooperative partnership" that included a commitment to develop "continuous, stable, and reliable military-to-military relations." More recently, in 2012, President Obama and President Hu Jintao agreed to explore "building a new model of major power relations" in recognition of the fact that rivalry and conflict does not need to be inevitable between a rising power and an established power. Both Washington and Beijing are working towards these goals, as evidenced by the more than 60 formal dialogues a year including the Strategic and Economic Dialogue, which PACOM attended at the invitation of Secretary Clinton last year. Both nations recognize the importance of our bilateral relationship not only to the Indo-Asia-Pacific region, but also to the world, which explains in part why, in spite of many disagreements, the United States and China stress the importance of stability in the overall bilateral relationship.

For the first time in 4 years, the Commander of PACOM participated in a military-to-military engagement with China in country. To mature the partnership, I visited China twice in my first 6 months as a commander and hosted reciprocal visits at my headquarters.

The importance of stability presents opportunities in our bilateral military-to-military relationship. China's participation in regional multilateral and bilateral security dialogues, consultations and mechanisms has grown commensurate with its rising economic and military clout, and has provided greater potential for cooperative engagement with the United States and the region. Through those multilateral and bilateral activities, the United States is working with the Chinese to build a relationship that seeks to address regional security issues based on enhanced trust and convergent interests. Nontraditional missions such as HA/DR, counter-piracy, peacekeeping, and military medicine offer potential for growth. The Chinese received our invitation to attend the Rim of the Pacific (RIMPAC) Exercise in 2014 very positively, and it appears both sides view U.S. outreach and Chinese attendance as an important step in fostering greater trust and openness in the bilateral military-to-military relationship.

The seventh U.S.-China Defense Policy Coordination Talks in October 2012 featured substantive discussions on U.S.-China relations including maritime security and safety, as well as regional and global security issues. In early December, PACOM hosted a delegation of PLAN officers led by VADM Zhang Yongyi, Vice Chief of the PLAN. Discussions during the roundtable focused on PACOM's mission in the region and PACOM's thoughts on the U.S. Government's perspective on recent territorial and maritime disputes in the East China Sea and South China Sea. During the 13th U.S.-China Defense Consultative Talks in early December, both delegations reaffirmed the importance of a healthy, stable and reliable military-to-military relationship. We achieved a broad consensus on a number of areas of common concern and candidly discussed areas of disagreement. The U.S.-PRC 2013 Military-to-Military Planning Conference in Beijing expanded on these talks. Both sides agreed to a bilateral plan consisting of over 40 events, the largest number since China suspended military-to-military engagements in 2010.

Our bilateral military dialogues with China provide us with important opportunities to discuss our respective concerns as well as to explore areas of future cooperation. The Chinese characterize our rebalance as militarily heavy, aimed at containing them, and that it has "emboldened" regional actors such as the Philippines and Japan against them, generating regional instability. However, Beijing also questions the sustainability of the rebalance, pointing to sequestration and other looming fiscal issues.

A continuing point of friction between the United States and China and a key part of bilateral discussions involves Chinese efforts to impede our lawful military activities in international air and maritime areas. While we do not believe China seeks a repeat of the 2001 EP–3 incident, we still see instances where Chinese forces conduct unsafe or unprofessional maneuvers in proximity to legally operating U.S. forces.

Despite our many differences with the Chinese, we have areas of common interest, and both sides agree that 2012 was an especially positive and productive year for military-to-military relations. We furthered the relationship in line with DOD's long-term objectives of increasing cooperative capacity, fostering institutional knowledge and building a common picture of the security environment. The PLA became more amenable to conducting more complex engagements, and committed to events beyond the normal 1-year timeframe. PACOM will continue to develop this relationship focusing on our converging interests in counter-piracy, counterterrorism, protecting sea lanes, and humanitarian assistance and disaster relief.

Multilateral Relationships and Institutions:

While the United States is committed to strengthening bilateral alliances and partnerships, we also recognize the critical role multilateral relationships and institutions will play in enhancing regional security. Common challenges like natural disasters that strike with little warning require unified efforts to respond rapidly and effectively. Institutions such as ASEAN can serve as an organizing force to harness such efforts but can likewise serve as a unifying body in establishing principles that support responsible behavior by regional actors.

PACOM, working with the State Department and the Office of the Secretary of Defense, has supported U.S. engagement with ASEAN. I recently met with the newly-inaugurated ASEAN Secretary General and was encouraged by his desire to continue the progress made by his predecessor in addressing security-related matters in Southeast Asia. We are also participating in two major ASEAN Humanitarian and Disaster Response field training exercises in May and June 2013 reinforcing multilateral civ-mil and mil-mil cooperation as the ASEAN Humanitarian Assistance (AHA) Center comes online.

Engagement Tools:

Foreign Military Financing (FMF) and International Military Education and Training (IMET) are two of the top security cooperation engagement tools available to PACOM. With minimal continued increases to meet our requirements, we can truly address a broad range of challenges from border security issues, HA/DR, counterterrorism, and military-to-military engagement. PACOM countries receive between 0.1 percent–0.15 percent of the worldwide FMF. Specific PACOM considerations in making FMF budget recommendations include: Commander and Theater Campaign Plan priorities, coalition partner contributions or country priorities, and U.S. access objectives. The Philippines and Indonesia were the top beneficiaries of PACOM FMF aid in fiscal year 2012. IMET is a low cost, high impact program that has a longstanding track record of establishing valuable relationships with senior officers and leaders from critical partner nations.

Programs such as these contribute resources which PACOM can synchronize with other efforts to build right-sized capacity at the right time, ultimately strengthening our relationships, building interoperability, and maintaining our leadership role in the region. The sustained engagements these programs provide also help regional nations appreciate the value of maintaining an active U.S. presence.

Improving Posture and Presence:

The United States requires a more geographically distributed, operationally resilient and politically sustainable posture that allows persistent presence and, if needed, power projection. As many of you who have frequently visited Asia know, the tyranny of distance imposed by the size of both the Pacific and Indian Oceans and intervening landmasses requires the United States to operate forward in order to achieve rapid response. This rapid response hinges on flexibility and forward positioning of both permanent and rotational military forces and is essential in enabling us to influence the onset and unfolding of crises, prevail in conflict, and provide aid in the aftermath of disasters.

Some of the most visible results of the rebalance can be seen in the ground forces now returning to theater. After a dozen years supporting wars in the Middle East, PACOM's permanently-assigned forces are resetting to focus on the Indo-Asia-Pacific. Recently, the Army removed I Corps and the 25th Infantry Division from worldwide service rotation, permanently assigning them to PACOM and, at my request, subsequently elevated Commander, U.S. Army Pacific to a four star position. Likewise, the Marine Corps removed the III Marine Expeditionary Force from its worldwide service rotations, allowing them to once again concentrate on Pacific theater missions.

A large component of PACOM's permanent posture adjustment is the Defense Policy Review Initiative (DPRI), which is a product of an extensive force posture and footprint review conducted by PACOM and approved by the Secretaries of Defense and State in 2005. DPRI also remains a key transformational goal of the U.S.-Japan Alliance, and we are supportive of its implementation. A major element of DPRI is the significant reduction of Marine forces on Okinawa and relocation of approximately 8,000 marines to Guam and Hawaii. The resulting end state is a transition from a heavily-concentrated Marine force in Northeast Asia region to four Marine Air Ground Task Forces geographically distributed across the Pacific providing a more flexible and balanced capability throughout the entire Western Pacific. The implementation is in progress with the Environmental Impact Statement under development in Guam and land-use alternatives being studied to support a future Environmental Impact Statement in Hawaii. While we intend to leverage the use of existing infrastructure to the maximum extent possible, resource investments will be needed to support this realignment. Those investment decisions, as well as the timeline for making personnel movement decisions, will be informed by the impact studies that are underway now. It should be noted that the Government of Japan has also committed to providing $3.1 billion to support the strategic realignment. It is recommended that a focused approach be adopted for the identification of required resources so that the strategic benefits of a balanced forward force presence across the entire Western Pacific can be realized as soon as is feasible.

Additional DPRI initiatives include the relocation of part of the Navy's air wing in Japan from Naval Air Facility Atsugi to Marine Corps Air Station Iwakuni as a result of encroachment issues. In large measure, DPRI remains on track due to the contributions provided by the Government of Japan (GOJ). In December 2012, the GOJ submitted the environmental impact statement for the Henoko-based Futenma Replacement Facility to the Okinawa Prefectural Government, moving the process one step closer towards completion. Meanwhile, U.S. forces will continue to operate from the existing facility at Marine Corps Air Station Futenma.

As previously mentioned, changes in rotational forces are already underway. These include the rotational presence of marines in Darwin, Australia, and the upcoming rotational presence of Littoral Combat Ships at Changi, Singapore. Further, PACOM is able to enhance the persistence of our rotational and forward deployed force presence through various operations such as those conducted in support of freedom of navigation, humanitarian missions, and civic assistance, to name a few. Pacific Air Force's Operation Pacific Angel and Pacific Fleet's Pacific Partnership are two examples that bring joint, combined and nongovernmental organizations together to deliver cooperative health engagements, engineering civic action programs and subject matter expert exchanges to many nations, specifically in areas like Oceania, Sri Lanka, and Laos—opening doors that would otherwise be closed to a U.S. military presence.

In addition to operations, exercises serve as a valuable means of augmenting presence in and around the region while simultaneously providing opportunities for robust and meaningful engagement. The PACOM exercise program is key to maintaining a credible defense posture, strengthening relationships with our allies, expanding our partner networks, and preparing to accomplish the full range of military contingencies. Congressional support for the Combatant Command Exercise Engagement and Training Transformation (CE2T2) program, therefore, is critical. CE2T2 directly impacts our ability to conduct joint training exercises and theater security engagement events in the Pacific region. PACOM's portion of this essential program is comprised of 18 major exercises and involves joint military forces, interagency activities, and 30 of our 36 partner nations. In support of the rebalance, the number of major exercises conducted will expand to include events with Malaysia, regional Proliferation Security Initiative (PSI) partners, and ASEAN.

The exercise program also provides important venues for joint experimentation to accelerate the development and fielding of new and maturing concepts, technologies, and procedures ahead of potential adversaries. This is essential to the development and application of innovative capabilities and concepts that comprise the third component of PACOM's rebalance efforts.

Developing Capabilities and Concepts:

Today's regional threats and potential contingencies necessitate PACOM be equipped with America's most advanced ships, aircraft, intelligence collection, logistics, and missile defense capabilities, thereby placing our finest forces forward. In order to outpace the rapidly evolving challenges of tomorrow, however, PACOM requires further investments in hardware, systems, and innovation. For example, the Indo-Asia-Pacific's unique challenges in terms of distance and threat require development of capabilities related to lift; long-range strike; ISR; sub-surface capabilities; and missile defense. We are also working with the Deputy Secretary of Defense's Deputy's Management Action Group (DMAG Asia Pacific) to determine the optimal mix of capabilities, given competing requirements.

PACOM is further working to improve cyber capability, capacity, and security through our recently activated Joint Cyber Center-Pacific. We believe the Joint Cyber Center is critical for synchronizing cyber operations with the other operational domains. In order to improve cyber operations with allies and partners, PACOM continues to advocate for implementation of a Joint Information Environment (JIE) that addresses coalition networks as an organic element of the design. As a result of our cyber planning, exercise, and engagement efforts, the United States has emerged as the partner of choice in the Pacific for collaboration in the cyber domain.

We must continue to progress in strengthening the collective cyber security capabilities of the United States and its allies and partners. Our bilateral and multilateral communications interoperability programs have improved the management of electromagnetic spectrum, tactical data link capabilities, communications security, and satellite management in the multilateral environment. We are working to meet increasing demand for cyber and information assurance partnerships, including requests from all nations with whom we have bilateral communications agreements as well as those from emerging partner nations.

Resilient cyber and space capabilities are critical to PACOM's ability to maintain communications, situational awareness, and command and control of forward deployed forces and coalition partners. PACOM is working with allies and partners to strengthen collective cyber security and those efforts have the collateral benefit of strengthening relationships as they build capacity. Still, a more defensible and secure cyber architecture specifically designed for joint and coalition mission partners as well as cyber defensibility is necessary to ensure our ability to communicate securely, share information, and conduct operations. Space assets also remain vulnerable to terrestrial and on-orbit threats. For example, China possesses a mature anti-

satellite (ASAT) research and development program. Expanding PACOM's organic satellite communications capacity will help mitigate this threat.

Because PACOM recognizes the resource constraints the United States faces, we also endorse and participate in the development of concepts that augment the efficacy of our capabilities. These include warfighting approaches such as the Joint Operational Access Concept, Air-Sea Battle, and efforts to deepen ally and partner capacity to prevent, respond to, and rebound from crisis.

PACOM further supports concepts that allow for creative and innovative funding mechanisms in order to accomplish our mission. The Global Security Contingency Fund (GSCF) is one such tool. Its broad-based authority has the potential to allow improved interagency security cooperation in support of U.S. Government strategic objectives.

Moving forward, to better deter and defeat aggression, PACOM is taking steps to improve in-theater critical munitions stockpiles. In the past year, U.S. Army Pacific and U.S. Forces Korea have seen tangible benefits from the rebalance, improving their ability to meet future requirements through enhanced prepositioned stocks. PACOM is working with the Office of the Secretary of Defense and the Joint Staff through the Munitions Requirement Process to ensure adequate resourcing of munitions, as well as other logistics enablers, such as the pier facilities at Military Ocean Terminal Concord, a next generation Offshore Petroleum Discharge System, our inland petroleum discharge system capability, and completion of required MILCON projects in support of our theater petroleum plan.

Planning for Operations and Contingencies:

The final aspect to PACOM's rebalance efforts is the planning we conduct for operations and contingencies. Just as innovative concepts allow us to maximize our resources, so too, does creative planning. An example of this is our approach to the PACOM Theater Campaign Plan (TCP). The TCP operationalizes our theater strategy and puts words into execution. Although the TCP has traditionally been used to generally guide command efforts for a 5-year period, planning has begun too late for our Service components to execute with anything but resources on hand. PACOM has now extended the TCP's time horizon by producing a Theater Campaign Order that defines component taskings for the current fiscal year. Planning for the next fiscal year occurs in conjunction with TCP planning for the next 5 year period, far enough out to allow our Service components time to influence their parent Service budgets.

Another example of a new approach to planning is our Theater Security Cooperation Plan. Developing mutually supported objectives and goals with our allies and partners is critical, and aligning a solidified U.S. position is crucial to building capability in the region. To support this effort we have developed Country Security Cooperation Plans to support the Theater Campaign Plan. These lay the foundation for our bilateral and multilateral engagements and allow us to be smarter in the application of our resources.

Additionally we have reassessed the efficacy of our theater-wide command and control efforts and have made the adjustments necessary to better respond to the dynamic security environment we find ourselves in.

REPERCUSSIONS OF SEQUESTRATION AND CONTINUING RESOLUTION

During the past decade the U.S. joint force has been heavily tasked in other AORs. As a consequence, the PACOM AOR, in many areas has assumed additional risk. Examples of areas of particular concern are ISR assets, regional and homeland ballistic missile defense capabilities, carrier strike group availability, undersea warfare capabilities, munitions availability and theater lift. The rebalance has given us a new opportunity to begin to solve this and to re-emphasize to our allies and partners that we are a committed Pacific nation. However, the impact of sequestration and shortfalls in operating accounts under the continuing appropriations resolution may begin to undermine our strategic rebalance initiatives, exasperate existing resource challenges, and result in increased risk.

Due to Service funding reductions, PACOM component training tempo will be drastically reduced; rotational forces in theater will be reduced, all leading to decreased ability to accomplish assigned missions, respond to crises, and support theater engagement objectives. These funding cuts will challenge our ability to execute both discreet operations and the broader Indo-Asia-Pacific rebalance strategy.

The net effect of sequestration will be a negative impact in the Indo-Asia-Pacific at a critical time as we look to stabilize our forward presence and increase engagement with our treaty allies and partners. Given the size of the PACOM AOR, Service contributions, especially lift capabilities that the Air Force and Navy provide, are crucial to engagement with Indo-Asia-Pacific countries.

Facilities maintenance is critical to sustaining essential infrastructure. In order to provide immediate savings, Services will be forced to forgo facilities sustainment. Due to lack of maintenance, issues that would have been inexpensive minor problems will turn into expensive projects in future years. The inability to conduct preventive maintenance will affect the lives of our servicemembers and will cause a bow wave of maintenance and infrastructure requirements in the out years. Degraded facilities put missions at risk and delayed MILCON projects endanger the implementation of international agreements.

Civilian furloughs and restrictions on hiring are of special interest. Civil servants represent a noteworthy portion of our capability and capacity. If furloughs occur, every aspect of PACOM's warfighting readiness will be adversely affected. Overseas schools, hospitals, and warfighting staffs will be impacted. Of particular concern, more than half of those who support our ISR architecture are civilians. The current budget restrictions and hiring freeze also puts at high risk the Joint POW/MIA Accounting Command's (JPAC) ability to meet the NDAA 2010 required 200 identifications per year by fiscal year 2015.

The impact to each of these civilians will be significant—22 unpaid days equates to 20 percent less pay for nearly half the year. On a personal level, it breaks faith with a skilled workforce. Much of what they do simply cannot be picked up by others in their absence.

As we work through the near-term resource implications of funding reductions and assess the increasing risk, I will continue to work with the Services to preserve, to the extent possible, our essential homeland defense and crisis response capabilities . . . capabilities resident in our PACOM forward deployed forces. We will also continue to demonstrate U.S. resolve and commitment to peace and security in the Indo-Asia-Pacific.

CONCLUSION

The Pacific Ocean does not separate the United States from Asia; it connects us. We are connected by our economies, by our cultures, by our shared interests, and our security challenges. We have been accepting additional risk in the Indo-Asia-Pacific region for some time. Our rebalance strategy is in place, and we are making progress. Implementing and sustaining the strategic rebalance will require long-term, sustained commitment and resources.

On behalf of our military members and civilian employees that work every day to ensure that our country is successful in this effort, I would like to thank the committee for their support, and I look forward to answering your questions.

Chairman LEVIN. Thank you very much. Thank you very much, Admiral.

We're going to try to use the technology we've been provided with here today. Senator Inhofe said the other day: How come we don't use timers like every other committee? My answer was: I don't have the vaguest idea why we don't use timers. So we're going to find out whether they actually have an impact on us. Instead of a card being handed in front of us, now you have to keep your eyes on the timer. So let's see if it works.

We're going to start with 8 minutes.

Senator MCCAIN. A quantum leap.

Chairman LEVIN. A quantum leap, right. A small step for the committee, major step for mankind.

So, Admiral, let me start. Over the weekend, DOD announced that they were delaying a routine reliability test of a Minuteman III ICBM that would have been from Vandenberg Air Force Base to an impact site in the Marshall Islands 4,300 miles away. The test was apparently delayed so it would not be misconstrued by North Korea.

Now, I know you're not in the chain of command here, but basically do you agree with that decision and do you know what the basis for it was?

Admiral LOCKLEAR. I do agree with the decision. I assume that the basis of the decision was to look at the strategic communica-

tions, at all the events surrounding this particularly tenuous time with North Korea, and the impacts of the totality of those. So it is my sense that through this period of the last few weeks that we have demonstrated to the people of the region, we've demonstrated hopefully to the leadership of North Korea, and we've demonstrated to our own population back here, our ability and our willingness to defend our Nation, to defend our people, to defend our allies, and defend our forward-deployed forces.

So I did agree with the decision.

Chairman LEVIN. What are some of the things that we've done in response to the bellicose rhetoric of North Korea?

Admiral LOCKLEAR. We do a series of exercises each year with all of our allies. In particular with North Korea, about this time of year we do an exercise called Key Resolve.

Chairman LEVIN. With South Korea?

Admiral LOCKLEAR. With South Korea, we do Key Resolve and Foal Eagle. Those exercises are to build our alliance capabilities together, our defensive capabilities together. Many of the activities that you've seen play out over the last month are a result of an exercise that we would do annually anyway.

So normally at this time of year you will also see in North Korea that they will go into their winter training cycle and they will conclude that winter training cycle about the time that Foal Eagle finishes. So we have those two events happening at the same time.

So when you lay on top of that the bellicose rhetoric that has come out of North Korea and the follow-up from the nuclear test and now the poor decisions that it appears that he's making, each of these events that were rolled out at Foal Eagle start to take on a more significant strategic context. But they all, I think, demonstrate the strength of the alliance, demonstrate the defensive capabilities we build in the alliance, and demonstrate the deterrence capability of the forces that we bring together.

In addition, we pursued a long-range B–2 demonstration as part of Foal Eagle that came from the United States here. It was a good opportunity for my forces in PACOM to coordinate with the U.S. Strategic Command (STRATCOM) and for us to be able to demonstrate that capability. I believe the fact that it was visibly demonstrated was done at the right time to indicate the capabilities that the United States has to ensure the defense of our allies and of our Homeland.

Chairman LEVIN. I believe we also moved a missile defense system, is that correct?

Admiral LOCKLEAR. Yes, sir.

Chairman LEVIN. To Guam, I believe.

Admiral LOCKLEAR. Yes, sir, we did. At my request, I asked the joint force to be able to produce for the defense of Guam the THAAD asset and that request was supported and we're doing that to ensure that we can adequately defend our U.S. territories as well.

Chairman LEVIN. I understand that President Obama talked to Chinese President Xi recently regarding the actions that we have taken following this North Korean spate of rhetoric. Have you had any conversations with your military counterparts in China in the last couple of weeks?

Admiral LOCKLEAR. I have not.

Chairman LEVIN. A widespread attack by North Korea, conventional or otherwise, seems highly unlikely, but nonetheless there is a prospect, based on history, for a limited military action of some type from North Korea. If there were such an event, that would, I presume, draw a military response from South Korea.

The United States and South Korea have reportedly finalized something called a Combined Counter-Provocation Plan in an effort to get in place the terms and type of any such response to a limited military action from North Korea. Can you describe for us in general terms what the parts of that agreement are and are you satisfied that the plan that we have entered into with South Korea strikes the right balance between enabling South Korea to respond and to defend itself, at the same time ensuring that the United States is involved in any decisions that might widen a military action to include U.S. forces?

Admiral LOCKLEAR. Yes, sir. You know we've been planning with our ally, joint planning together, for many, many years. We have plans that we've worked together and we continually revise them. This particular plan that has been talked about is basically what I would call a branch from our normal day-to-day planning we have there to take a look at how things have changed. This is a recognition of a better understanding of the cycle of provocation that we see from not only this leader, but his father as well, and how best to deal with it.

I won't go into the details of the plan here because I don't think that's appropriate. But I do think that it is a good planning effort. I think that it has provided us, General Thurman, and his counterparts there the opportunity to ensure that the right command and control and the right coordination is in place, to ensure that as we were to approach future provocations that we do so in a predictable way that allows us to be able to manage those provocations without, hopefully without, the unnecessary escalation that none of us want.

So I am supportive of the plan, I think it's a good one, and we will continue to revise it as time goes on.

Chairman LEVIN. Are you satisfied that we would be ready if there were such a limited military action from North Korea?

Admiral LOCKLEAR. I am satisfied that we're ready today, yes, sir.

Chairman LEVIN. Thank you.

Can you give us briefly the impact of sequestration on the PACOM?

Admiral LOCKLEAR. There's no doubt that sequestration is having an impact on near-term operational readiness. By nature of the way that sequestration is put into the budget, particularly in this year, in the execution year of 2013, there's only so many places that we can pay that size of a bill, and most of the places that the Services have to go to are in readiness and operational accounts.

So I would say that for us to be able to deal with what we have done, what the Services have done, is that we've prioritized our assets globally as well as inside the Asia-Pacific to be able to ensure that our most pressing problems are properly addressed with the

right force levels and the right levels of readiness. So today I think we have managed that inside the PACOM AOR.

Now, where I have concerns is in the mid-term, as our overall readiness of our force starts to decline because of the impacts of the way that sequestration has been implemented. So you're seeing things like cancelling large-scale exercises that we've done to ensure the future readiness of our force, because we don't have the flying hours, or the transportation, or the fuel supplies to do that, or the fuel money to do that. So we're having to prioritize those things towards those things in PACOM's theater which are most pressing, and today that most pressing situation is what's happening on the peninsula in Korea.

Chairman LEVIN. Thank you very much.

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

Admiral, as you and I have talked about before, I'd like to get clarification on one statement that was, I think, misrepresented. It was in the Boston Globe, reported that you indicated—and I'm quoting now from the Boston Globe—"The biggest long-term security threat in the Pacific region is climate change."

Now, I'd like to have you clarify what you meant by that because I want to follow up with a couple of things here.

Admiral LOCKLEAR. Thanks for asking that question. I'm happy to have the opportunity to clarify.

Senator INHOFE. I say that because a lot of the people who are trying to use that and use your statement are the very people who think we're spending too much money on defense and that that money should be spent in other areas. Some of the environmental extremists don't really believe we need to have that strong of a military, as strong as we have right now, in spite of the hit that we've taken militarily.

But go ahead.

Admiral LOCKLEAR. As you might expect, I gave 100 or so interviews over the last year. During those interviews, I can assure the committee that I always start by talking about the most pressing military threats that we have—North Korea, the rise of powers in the region, transnational threats, all the things that Chairman Levin laid out in his opening remarks quite well.

In this particular case, I did the same. Then we started to talk about the long-term, the long-long-term, and what are the implications of it. I would clarify my perspective this way. In the Indo-Asia-Pacific region, projections are we're going to go from about 7 billion people in the world to about 9 or 10 by the century, and about 70 percent of them are going to live in this part of the world.

About 80 percent of them today live within about 200 miles of the coast, and that trend is increasing as people move towards the economic centers which are near the ports and facilities that support globalization. So we're seeing that trend of people moving into littoral areas.

We are also seeing—if you go to the U.S. Agency for International Development and you ask the numbers for my PACOM AOR how many people died due to natural disasters from 2008 to 2012, it was about 280,000 people. Now, they weren't all climate change or weather-related, but a lot of them were due to that.

About 800,000 people were displaced and there was about $500 billion of lost productivity.

So when I look and I think about our planning and I think about what I have to do with allies and partners and I look long-term, it's important that the countries in this region build the capabilities into their infrastructure to be able to deal with the types of things that——

Senator INHOFE. I'm sorry to interrupt you here, because you've now used up half my time and we didn't get around to it. Is it safe to say that in the event—that the climate is changing, which so many scientists disagree with—in fact, when the Boston Globe, coming out of Massachusetts, made that statement, perhaps arguably one of the top scientists in the country, Richard Lindzen, also from Massachusetts, MIT, said that was laughable?

Let me just put it this way: CRS has told us that we could be totally independent from all other countries in terms of providing our own energy if we just develop our own resources. I believe that to be true. Wouldn't it be a more secure world and, specifically in your area, if we not only were totally independent, but were able to supply our allies in your jurisdiction with their energy so they don't have to depend on other sources?

Admiral LOCKLEAR. Absolutely.

Senator INHOFE. Okay. Let me say something about China. China, I understand right now—this is fairly new stuff—that they're talking about increasing their defense budget by 10.7 percent in 2013. I remember back in the 1990s when they increased their defense spending during that decade by 300 percent at the same time that we reduced ours by about 30 percent. This is not a partisan thing. This was after the Cold War. A lot of people felt that we could afford to reduce and we did.

We went down 30 percent in that decade. They went up 300 percent. Now, we're facing the same thing. My concern is could it be that we will cease to become the partner of choice to our allies if this trend continues? Does this concern you with the amount of increase that China is making and how it's affecting your region?

We see this in Africa. It's our experience in Africa that every time we have any type of a void that takes place in Africa, China moves in, and they seem to have the resources to do that. I just want to know how that might affect our relationship with our allies in your jurisdiction?

Admiral LOCKLEAR. It is concerning, and I think one of the aspects of the rebalance is to ensure that we have the right force posture, the right force mixture for the future in the Asia-Pacific so that we can reassure our allies, that we can reassure our partners, we can reassure the American people that our interests are protected over there. I think we do have to watch very carefully how China's military rises, what they do with that military, and how that military is integrated into the security environment.

Senator INHOFE. In our trip over to Guam, we were looking at that controversial hangar and the fact that you'd made a statement that maybe that should be hardened. There's a big expense to that. That's a controversial thing over there. I would agree with your statement. However, with the resources that we have, I would think that others would say, these need to be hardened also.

Would you address that issue in terms of the scarce resources and the advantages of hardening those facilities?

Admiral LOCKLEAR. Yes, sir. First, we're acutely aware of the significance of the resources that we'd be asking for. It really boils down to resiliency. It's not just about hardening. It's resiliency of forward bases as you look to the future, where in this case you are looking at Guam. It is a significant strategic hub for us in any scenario I think that I would see in the Asia-Pacific for the next number of decades as far as I can see forward.

So when you look at resiliency, there's really a number of components. There's offensive counter-air and how you use that. There's offensive methods to protect it. There's defensive measures to protect it. Then there are things that you might do to harden, and then there's command and control over it. We're looking across all of those.

So when you look at the things we're talking about hardening, I think, those are things that would allow you to be able to quickly, as quickly as possible, recover Guam if it ever were to be attacked by someone. It's not hardening everything, but it's hardening those things that would allow you to have that resiliency with some expectation you could return it to service quickly.

Senator INHOFE. I think it would be a good idea, just for the record, to elaborate on that, in what areas that should take place, give us some ideas of some priorities. I know it's not of a lot of interest to this committee right now, but it was during our trip over there.

It might also be true on this. Taking the 9,000 marines from Okinawa going to Guam, and I think some of them to Australia and some to Hawaii, there is some issue there in terms of the real estate that that would free up for the Japanese. Is there any brief comment you can make about that move of those marines?

Then I'd like to have for the record some of the detail in terms of where the remaining, I guess about 10,000 marines, would be, where they'd be moved to, how that affects the value of the real estate there, and how we might be addressing that.

Admiral LOCKLEAR. Let me begin with the question of resiliency in Guam and you said some more detail on that. I think generally I would say when you look at fuel supplies and how you would regenerate fuel supplies and whether those fuelheads would need to be hardened or not, is one we look at; whether you have the right runway recovery equipment if the runways were ever damaged by someone who decided to attack Guam and how fast you could recover them. So those are a couple of things we're looking at.

We're also looking at how you would command and control the dispersal of assets so those assets might go to different places in times of crisis and conflict. So we're looking at a broad spectrum and these are just things that fit together in that patchwork.

Senator INHOFE. Because of the timing, if you can just go ahead and answer the other one for the record, that would be fine, Admiral.

[The information referred to follows:]

In April of this year, the Secretary of Defense released the Okinawa Consolidation Plan which established three categories of return: immediate facilities and areas upon completion of necessary procedures; additional areas following construction of

replacement facilities; and remaining areas after marines relocate to Guam and Hawaii. Under the plan, the remaining ~10,000 marines will be consolidated in order to reduce impacts on some of the most populated parts of Okinawa. Potential effects on the value of real estate will be addressed through Environmental Impact Assessments, part of the 'necessary procedures' specified in each return category. When complete, approximately 1,000 hectares will have been returned to the people of Okinawa.

Admiral LOCKLEAR. Aye, sir.

Senator INHOFE. Thanks so much.

Chairman LEVIN. Thank you very much, Senator Inhofe.

Senator Reed.

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

Thank you, Admiral, for your service. I was struck in your testimony at page 9 where you describe the growing number of nations adopting the submarine as an enhanced weapon system. You point out the Russians in the north have both attack and ballistic missiles, indeed that India is growing its submarine force, the Chinese seem to be the ones who are expanding the most. Australia, Singapore, Indonesia, Malaysia, Vietnam, and the Republic of Korea have launched new submarines.

This seems to be the class of weapon systems or ships that they are actively trying to compete with the United States; is that a fair judgment?

Admiral LOCKLEAR. I don't know that I would say they were actively competing with the United States. I think globally you have well over 300 submarines and that number's growing. People recognize that they have a significant anti-access, denial, or anti-access capability, that there remains an asymmetric ability in undersea warfare in the ability to remain covert, in stealth; and that technology is allowing very quiet submarines to be built that can be sustained at sea for longer and longer periods of time.

So I don't know that they're necessarily competing with the United States because 300 submarines is a lot, but they certainly are, I think, re-emerging into the security environment in a way that we should be very thoughtful about.

Senator REED. But in terms of our fleet, which is clearly because of technology and also the skill of the men and women who operate these vessels, is far superior, but no longer do we have in one sense an open field. We are now beginning, and you're beginning, to note an increase in submarines that are being developed and deployed by Asian powers. That's the sum of your testimony?

Admiral LOCKLEAR. First of all, let me say that we have the very best submarines in the world, so I'm not concerned about the capabilities of our submarines or the crews that operate them. I am concerned about—numbers matter, and where you have them matters, and the types of missions. Our submarines do a variety of missions across the broad spectrum of things, and there are places in the world where an asymmetric advantage from undersea warfare is important.

Senator REED. It seems to be important, on the basis of your comment, in the context of the anti-access doctrine. Is that what you're perceiving to be the major emphasis now in Asia, particularly the major powers like China and others being in line, to be able to deny access to our fleet?

Admiral LOCKLEAR. I would say the general trend around the globe is that people want to be able to control what happens in their economic zones and in their territorial seas. Then there are those powers that like to project power even beyond those areas, and submarines provide them viable alternatives for doing that in a way that's sometimes asymmetric.

Senator REED. One other, shifting gears slightly, is that the Littoral Combat Ship, the *Freedom*, I believe, has been deployed to Singapore, which is in your AOR. We're going to have issues with respect to budgets and the capability of different ships. How do you—do you intend to monitor the operation of the *Freedom*, or how are you going to employ it, since it's in your AOR?

Admiral LOCKLEAR. First, the *Freedom* is the first of the class of the Littoral Combat Ship. It's a concept ship, something that started out to build it and then to grow the research and development in it as you build it. The Chief of Naval Operations, I think, has wisely decided to push it to PACOM and to rotationally deploy it out of Singapore.

It is a ship that was designed for littoral operations because of its speed, its shallow draft. It has the ability to be, over time, reconfigured. It has mission module packages that you are all aware of. What it does for me out there, number one, it provides a visible presence of the United States in the littorals. It allows us to cooperate and participate with a key strategic partner out there, our partners in Singapore. It provides my Seventh Fleet commander and my Pacific Fleet commander, Admiral Haney, another tool in the toolkit to be able to deal with peacetime events as well as those in crisis. So I'm anxious to get it out to the theater and to see what it can actually do.

Senator REED. In that context, do you have a conscious plan to evaluate its capabilities, to make recommendations with respect to both its design, its function, and its operational capacities?

Admiral LOCKLEAR. We do. The *Freedom* will be there for about 10 months in this first rotation to the area. During that time, my understanding is that we will concentrate on how we move the mission module packages around, how do we employ them in the littorals, how do we integrate them into the operational fleet, the Seventh Fleet.

So it's a good thing because it gets it into the real world. It gets it to having to see what it can do and how it can best perform and how it can best be used.

Senator REED. Just a final question. When you're doing your planning for a range of operations from noncombatant evacuations all the way up to a main fight or a forced landing, will you think in terms of where the Littoral Combat Ship fits in those missions and what missions it may or may not be adequate for?

Admiral LOCKLEAR. Absolutely. I think they are, from my other components, all looking very carefully at what they can use, how they can use the Littoral Combat Ship, because of its reconfigurable capability, because of the amount of cargo and types of things it can carry, the flexibility that it has with airframes. So we'll be looking at that.

We'll also be looking carefully at its mine countermeasure mission, which is an integral part of, I believe, the Navy strategy for

next generation mine countermeasures, and we're going to ensure that those technologies are looked at as carefully as we can.

Senator REED. Finally, with the remaining minute or so, can you comment about the amphibious capability that you have in the Pacific now? Because of the Marine Corps' deployment in Afghanistan and their service there, the frequency of amphibious operations from ship to shore have been curtailed over time. Have they been reinvigorated? Are you conducting them on a regular basis, and what are the problems you see?

Admiral LOCKLEAR. They have been reinvigorated. I think one of the initial impacts of the rebalance was to see the Marine Corps forces, that many of them had been deployed into Afghanistan and the Middle East over the last decade, returned to the Pacific. So General Amos, the Commandant of the Marine Corps, and I have had extensive conversations about how do we bring back the marines, reintegrate them back on the amphibious ships that we have there, what are the types of missions that we need to pursue, what is the level of training, what are the exercises we need to be incorporating.

So we have a good plan. I've asked the Navy to look at increasing the amount of amphibious lift that's in the AOR because of the geographically distributed operations that marines have to do. I think there's a need for more lift in the PACOM area and that has been, I believe, positively received and we'll look at options on how best to do that.

Senator REED. Thank you, sir.

Chairman LEVIN. Thank you, Senator Reed.

Senator McCain.

Senator MCCAIN. Thank you, Mr. Chairman.

I thank you, Admiral, for being here. You mentioned the effect on sequestration and you were making certain adjustments to it. Are you going to be able to, in your view, adjust adequately to carry out your assigned missions in the medium- and long-term if sequestration continues on the path that it's on?

Admiral LOCKLEAR. I would say that we'll have to closely assess globally the types of things that our military's being asked to do, and then we'll have to decide——

Senator MCCAIN. I'm asking for PACOM.

Admiral LOCKLEAR. I think it would depend on how, over time, if the resources were reprioritized to the rebalance. I think at the end of the sequestration we'll still have the most powerful military in the world, I expect. So it will depend on how we're going to reprioritize that and whether that comes back to the Pacific. But it will be a challenge.

Senator MCCAIN. My question is not whether we will still have the most powerful military in the world. My question is, will you be able to carry out the assigned missions that the PACOM has now in a sufficient manner to ensure our national security if sequestration continues on the path that it's on.

Admiral LOCKLEAR. I hate to give you this, but I think it depends on——

Senator MCCAIN. You know what the numbers are, Admiral.

Admiral LOCKLEAR. Yes, sir.

Senator MCCAIN. You know what the numbers are and you know then that those numbers in some way or another are going to have to be put into effect. My question again is: Will you be able to ensure the American people that you will carry out your assigned security requirements to defend this Nation if sequestration continues the path that it's on?

Admiral LOCKLEAR. I'd have to give you the answer. It depends on how the resources globally are prioritized and if they're prioritized to the Pacific.

Senator MCCAIN. So I guess the answer is that sequestration is okay as long as we prioritize in the proper fashion. Is that the answer you're giving this committee?

Admiral LOCKLEAR. No, sir. I've been consistent in saying that sequestration would have a catastrophic effect on our ability to do the type of global operations we're doing today. To tell you that sequestration is something that I would be supportive of in general, I would say no, I have not said that. But now that sequestration appears to be heading in that direction, at least in the near term, then there will be decisions that DOD will be forced to make.

I believe Secretary Hagel and Secretary Carter are moving in that direction to start to look at what are those strategic choices that have to be made. If the strategic choice is that we cannot—that we're not going to be able to provide the force levels that we have today in the PACOM, then the answer to your question is I can't do it. The answer is if they're going to reprioritize to the Asia-Pacific, then I'll have to see, sir.

Senator MCCAIN. Thank you very much. Thank you.

I was thinking this morning, I don't know of a time of greater tension since the end of the Korean War that exists today between North Korea, South Korea, and us. Would you agree with that?

Admiral LOCKLEAR. I would agree that in my recollection I don't know a greater time.

Senator MCCAIN. Do you believe that we have the ability to intercept a missile if the North Koreans launch a missile, as it is widely reported they would do in coming days?

Admiral LOCKLEAR. I believe we have a credible ability to defend the Homeland, to defend Hawaii, to defend Guam, to defend our forward-deployed forces, and to defend our allies.

Senator MCCAIN. Do we have the capability to intercept a missile if the North Koreans launch within the next several days?

Admiral LOCKLEAR. We do.

Senator MCCAIN. Would you recommend such action?

Admiral LOCKLEAR. If the missile was in defense of the Homeland, I would certainly recommend that action. If it was defense of our allies, I would recommend that action.

Senator MCCAIN. My question is would you recommend that we intercept a missile if it is launched by North Korea, no matter where the intended target is?

Admiral LOCKLEAR. I would not recommend that.

Senator MCCAIN. Until you were sure what the target is?

Admiral LOCKLEAR. I think if you look at the architectures that we have, we will be able to sense and be able to understand pretty quickly where any launch from anywhere in the world, but in this case, from this particular site, where it would probably—where it

would be going and what we would need to do about it. So I am confident that we would be able to make that decision for the defense of our allies and our Homeland.

Senator MCCAIN. So in the event of a missile launch, you would wait until you could determine where the missile was aimed?

Admiral LOCKLEAR. We should hopefully have—if we have any predetermined indications and warning (I&W), we'll have a good—we should have a sense of where it's going to be aimed. If we don't, it doesn't take long for us to determine where it's going and where it's going to land.

Senator MCCAIN. We see that China made some rather cautionary remarks about North Korea. We identified a building in Beijing from which cyber attacks emanate. We also see continued confrontational behavior on the part of China as far as its assertion of sovereignty over the South China Sea. Would you agree with me that the only really restraining force on North Korea would be at this time the Chinese?

Admiral LOCKLEAR. I would say that they would play—will play a key part in any restraint. I don't know the only one, but I would say they are a significant factor.

Senator MCCAIN. Do you think they have played a sufficient role of restraint of North Korea yet?

Admiral LOCKLEAR. I think that they could do more.

Senator MCCAIN. So are you concerned about this combination of factors about Chinese behavior, that they certainly are not behaving in many respects as a world power should behave, especially again in light of the military buildup that Senator Inhofe has already described?

Admiral LOCKLEAR. I do have some concerns.

Senator MCCAIN. How serious are those concerns?

Admiral LOCKLEAR. I think that as the Chinese military evolves, which I think it will evolve, it doesn't surprise me that they're investing in their military. They're getting global aspirations because of their economic growth. The question is, for me, about transparency and what they're going to do with that military and how they integrate that military into the rest of the security environment.

So it does concern me. They know my concerns. I voice them when we meet together, and we continue to have dialogue on those concerns.

Senator MCCAIN. Do you have adequate missile defense resources to defend the Homeland, including Guam, Hawaii, and Alaska?

Admiral LOCKLEAR. The Secretary of Defense has announced some additional missile buys for the GBIs. But today we have the capacity, the capability, and a limited capacity to be able to defend against the type of threat that we're seeing from North Korea.

Senator MCCAIN. Isn't it true that this concern about North Korea is exacerbated by the fact that artillery at the demilitarized zone (DMZ) could strike Seoul and cause horrendous casualties?

Admiral LOCKLEAR. It is very much exacerbated by that because of the legacy of the DMZ and how that has progressed for the last 50 or 60 years. That amount of artillery, through a miscalculation

or a provocation from the north, would put Seoul at risk and it is a primary concern of U.S. Forces Korea and mine.

Senator MCCAIN. This committee noted with interest the announcement that the Governments of Japan and the United States announced for Okinawa movements, that has already been mentioned by the chairman and Senator Inhofe. We are awaiting a master plan for the movement and what's required and the costs required, including environmental impact assessments. When do you think the committee and Congress would receive this master plan?

Admiral LOCKLEAR. I don't have a date to give you for when OSD would present that to you. I've been providing the information to them, as required, from my perspective and I think I've responded to the committee on a number of issues that you've asked me about, including the lift requirements necessary to move marines around, and I submitted that to the committee within the last 2 weeks.

Senator MCCAIN. Thank you. I thank you, Admiral.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator McCain.

Senator Blumenthal.

Senator BLUMENTHAL. Thank you, Mr. Chairman.

Thank you, Admiral, for your service, your extraordinary service over many, many years and for being here today and for your excellent testimony.

I am concerned as much about the threat that North Korea poses in terms of nuclear proliferation over the long-term as the immediate tension and potential threat in the short-term. You have briefly discussed it in your testimony. We have discussed it barely at all here today. So I wonder if you could elaborate on your testimony to describe what you see as the extent of the ongoing, and I underscore the word "ongoing", aid that North Korea is providing to other nuclear-arming countries, such as Iran, around the world? Then I'm going to ask how we can stop it more effectively, as you've described, through the counter-WMD program and what can we do to bolster it?

Admiral LOCKLEAR. North Korea's proliferation of weapons systems, including potentially missile technologies or nuclear technologies, very much concern me. We know that, over a period of time, North Korea goes through cycles of provocation. One of the things they rely on to fund their ability to do what they do is through proliferation and movement of arms sales around the world.

I don't have any direct knowledge that there's been, in this near-term case, that there's been collusion between Iran and North Korea, but it doesn't mean it hasn't happened.

Senator BLUMENTHAL. Isn't it a fact that Iran would be greatly disadvantaged if North Korea were not helping it?

Admiral LOCKLEAR. I think that Iran would be greatly advantaged if North Korea helps them.

Senator BLUMENTHAL. Is that help ongoing?

Admiral LOCKLEAR. I can't give you a verification of that in this forum, but I'd be happy to——

Senator BLUMENTHAL. Perhaps in another forum or for the record?

Admiral LOCKLEAR. Yes.

Senator BLUMENTHAL. Thank you.

[The information referred to follows:]

[Deleted.]

Senator BLUMENTHAL. What can we do to help stop that kind of proliferation even more effectively than we are right now through the counter-WMD program?

Admiral LOCKLEAR. I think first the international community has to bring pressure, continued pressure, to bear on North Korea. We have to tighten our ability to sense and see what is being proliferated and where it's going, and then we have to be able to ensure that we have the ability to interdict it before it is proliferated.

Senator BLUMENTHAL. I will just say, Admiral—and I know you are focused on this problem, as evidenced by your testimony here—but for me some of the most chilling testimony this year before our committee came from Admiral Stavridis, who told us, and I'm quoting: "Remember, the truly dark edge of the spectrum is WMD and the proliferation of these weapons." Then he said that "the ability to move 10 tons of cocaine in a mini-sub, if you have that ability you can also move a nuclear device."

So the seas are a ready means of proliferating nuclear arms that can do destruction beyond what we have seen so far through weapons of terrorism, isn't that correct?

Admiral LOCKLEAR. Certainly the seas, and particularly in my AOR, are the highways for a lot of these types of activities. Some don't recognize just the size of the Pacific Ocean. If you took all the land masses in the world and put them together, they'd all fit in the Pacific Ocean.

Senator BLUMENTHAL. You stated that well in your testimony, the sheer physical extent of your challenge. With that in mind, and I didn't mean to cut you off, but I do hope that we can be rebriefed, perhaps with your guidance as well as others, on the threat of proliferation particularly as it concerns Iran going forward.

Let me just shift to a subject that Senator Reed raised, submarines. This goes really to the end of your last question. There are 300 submarines out there now and they can't compare to the United States in terms of their technological capability or the ability of the personnel who man them, I agree with you totally.

But don't we need to continue our sub-building program at the rate we are now of two-a-year to keep pace with what's happening in the rest of the world?

Admiral LOCKLEAR. That's been my recommendation.

Senator BLUMENTHAL. Nothing has happened to change that recommendation, has it?

Admiral LOCKLEAR. Nothing's happened to change that recommendation.

Senator BLUMENTHAL. In fact, arguably, the urgency of that recommendation is all the more prescient now in the world with the increased building of those submarines by other countries around the world.

Admiral LOCKLEAR. I would—it's not only about the submarines. Our submarine force does a lot of other things, from intelligence and reconnaissance to special operations support. So it's a wide array of things that need to be addressed in the security environment that can be addressed very well by a competent submarine force that has the capability and the capacity to be able to address the growing challenges we see in the world today.

Senator BLUMENTHAL. Thank you.

Finally, you mentioned in your testimony, just very briefly, the challenges posed by human trafficking in the region under your command. I wonder if you could elaborate a little bit on that, particularly focusing on whether it's increasing or not, human trafficking, sex exploitation, particularly affecting children, young women, the range and increasing extent of it.

Admiral LOCKLEAR. I have a slide that somebody gave me the other day. I don't know if it's accurate or not, but it said that the slave trade in the world today, that it's about $30 billion a year. So in my particular AOR, my guess is that there's a fair amount of that trafficking coming from that part of the world.

So we do look at this. We try to work with our partners, our allies, to look at where the sources of this type of trafficking might be coming from, what are the security mechanisms they may have in place to be able to help deal with it. But it is a problem and I think a much larger problem than we often want to think about.

Senator BLUMENTHAL. Isn't the Republic of North Korea a primary contributor to this problem?

Admiral LOCKLEAR. I don't have the knowledge of that.

Senator BLUMENTHAL. My information is that, in fact, they are a primary contributor to human trafficking of women and girls, both within that country and the industry, particularly through Mexico and Canada. Are you aware of information that would corroborate that?

Admiral LOCKLEAR. I'm not aware of it, but I'll certainly look into your numbers. But I wouldn't be surprised.

Senator BLUMENTHAL. I apologize, I don't have numbers. But if you have some, I certainly welcome any additional information that you might be able to provide.

My time has expired, but I really want to thank you for your very informative and helpful testimony here today. Thank you, Admiral.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Blumenthal.

Senator Ayotte.

Senator AYOTTE. Thank you, Mr. Chairman.

Thank you, Admiral, for your leadership and for all that serve underneath you. I wanted to ask you, what is the relationship between China and North Korea, and how does North Korea depend upon China?

Admiral LOCKLEAR. China is, I think de facto, the only real, so to speak, ally that North Korea would have. They are on their border. They share a common border. I believe that China economically supports North Korea through food and fuel and water. I think that there are diplomatic ties between North Korea, unlike—they are much more robust than what we may have ever experi-

enced with North Korea. So I think their influence in North Korea is and can be significant.

Senator AYOTTE. Wouldn't it be—as I understand it, in fact, China is North Korea's biggest trading partner, their main source of food, arms to some extent, and fuel. So it seems to me that North Korea would have a difficult time continuing economically, even at their lower economic development pace as they are now, given the starving that many of the North Koreans experience, if they didn't have China's support. Would you agree with me with that?

Admiral LOCKLEAR. I would have to agree with that. The North Korean economy is about 2 percent of the South Korean economy.

Senator AYOTTE. So one thing that—when you look at what's happened in the last couple of weeks with the new leader of North Korea and his bellicose actions, which seem to go beyond their typical cycle of provocation that we've seen in the past with his father, couldn't China play a key role in getting North Korea to stop their actions?

Admiral LOCKLEAR. I would think that China could play a key role in influencing the bellicose rhetoric and restoring some more sense of calm to the peninsula. Of course, I believe sometimes the Chinese, in the way they approach it, are more nuanced than we are. I believe there's been some reporting and some indication that the leadership in China has made some statements about the issue. I can't tell you what's going on behind the scenes between Beijing and——

Senator AYOTTE. One thing that troubled me is that when you were asked by Chairman Levin about your conversations with your Chinese counterpart in the military you said during these past 2 very dangerous weeks that we've had with North Korea that you have not had contacts with your military counterpart. It seems to me that we need to be, I would think, clearer with China as to what our expectations are because this is a danger to them, and also, if there is a provocation between North and South Korea and we are required to engage, or North Korea engages us, that is to the detriment of China's security as well.

So I'm wondering why you haven't had those conversations.

Admiral LOCKLEAR. I believe our Secretary of Defense has had those conversations. The nature of our military-to-military with China is growing and is progressing and I believe that over time we will progress to a state where the PACOM commander can talk to the chief of defense or the Chairman can talk there in real time. We're not there yet. We'd like to get there with them.

But I can't tell you—I'd have to refer you to the Department of State. I know that there's a different flow of information at the diplomatic level than at the military level because of the way the PLA is structured.

Senator AYOTTE. I'm sorry to interrupt, but do you know what conversations that Secretary Hagel has had with his counterpart in China to get them to stop this? It seems to me that the Chinese could get North Korea to back off tomorrow.

Admiral LOCKLEAR. I don't know the specifics of it, but I believe that there has been outreach at that level. I believe there has.

Senator AYOTTE. I think that's particularly important, given that North Korea relies on China essentially for its economic existence almost.

I wanted to ask you, with the thought of stopping the proposed Minuteman, which is a preplanned ICBM test that we had, you had said you agreed with that decision. Was there any thought to the fact that if we stopped a proposed test that we were planning on doing anyway that North Korea might interpret that as their actions having an impact on us backing off, meaning that his bellicose actions were actually getting us to stop actions with our own ICBM testing? What was the thought process there about the other side of stopping?

Admiral LOCKLEAR. I'm sure that entered into the discussions about when the decision was made. I would just say that we have many tools available that demonstrate U.S. power and resolve and that we use those selectively, particularly as we're trying to make sure that we don't end up with a situation that spirals out of control on the Korean Peninsula.

So I think there's no question that we have the capability to demonstrate at will, when we want to, the ability to defend our own people, defend the peninsula. So I was supportive of the decision at the time it was made.

Senator AYOTTE. At some point we're going to have to go forward with our regular testing, though, because this isn't something that we just planned for this. It's something that we do regularly, isn't that right?

Admiral LOCKLEAR. Absolutely.

Senator AYOTTE. Can I ask you about the 14 GBIs that are now being placed, replaced. The prior administration had planned to put those interceptors in place in Alaska to make sure that we had the missile defense capability that was needed. How long will it take for that to be put in place?

Admiral LOCKLEAR. I don't have an answer for you. I can refer to STRATCOM and get you one, though.

[The information referred to follows:]

We defer to Missile Defense Agency for response as this is still in the planning phase and not in contract.

Senator AYOTTE. Is that a matter of years, though, to build those, to get those in place?

Admiral LOCKLEAR. I would assume that it's longer than days.

Senator AYOTTE. Right. So obviously, not having gone forward, this administration, with what the prior administration had planned, in 2009 has delayed some capacity that we now believe we need; is that right?

Admiral LOCKLEAR. I don't really have a comment on that.

Senator AYOTTE. Okay, thank you.

I wanted to also ask you about, in particular, the importance of the *Virginia*-class submarine. I know that Senator Blumenthal had asked you about the need to continue the current build, payload schedule. Is that payload schedule under threat with sequestration?

Admiral LOCKLEAR. I think that as we look at sequestration that they're going to look at—as the Secretary of Defense has said, we have to look at all options and all things that are out there, and

to see what's affordable and within the context of what the American people want to provide us for defense. So I think it will get looked at and it will stand on its own merits as far as what we expect our submarine force to do in a sequestered budget.

Senator AYOTTE. Is there any doubt, though, that we need that *Virginia*-class attack submarine capability in light of, obviously, what's happening in the Asia-Pacific region and in other regions around the world, including obviously what is happening in the Middle East?

Admiral LOCKLEAR. In my mind there's no doubt that we need the *Virginia*-class submarine and we need it to be able to employ a wide range of capabilities. They are all important. In my particular AOR I have to look at what are the capabilities that are most important, and we'll be doing that.

Senator AYOTTE. I appreciate it.

Thank you, Admiral, for your testimony and I appreciate your being here today.

Chairman LEVIN. Thank you, Senator Ayotte.

Senator Donnelly.

Senator DONNELLY. Thank you, Mr. Chairman.

Admiral, thank you for your service. The North Korean missile that's been moved to their east coast, what is the capability of that? What parts of American territory are under threat from that, if any, and what countries are under threat from that?

Admiral LOCKLEAR. We believe, as has been widely reported, that there's been a Musudan movement to the east coast. A Musudan has a range of roughly 3,000 miles, 3,500 miles, has a minimum range of about 400 or so miles, is what we think. So you can just extrapolate that out. It doesn't put the Homeland, the mainland of the United States, at risk. It doesn't put Hawaii at risk. It could put, I assume, if it was pointed in that direction, Guam at risk.

But let me reiterate again, we have the capability in place to be able to monitor and be able to protect the Homeland, protect Guam, and protect our forces that are fielded there, as well as our allies.

Senator DONNELLY. How quickly are you aware if a launch occurs?

Admiral LOCKLEAR. This is complicated, the scenario, over time. In the past we had significant I&W to be able to understand the direction of the launch, where it was at. So the introduction of road-mobile systems creates a problem for our intelligence, and the world knows this. This is not just a North Korea problem. This is a global issue with road-mobile systems.

So it puts pressure on our ability, a premium on our ability to sense and understand what's going on and to see it and to be able to respond to it. We would like from a military perspective to be able to sense it and be able to, if we have to, deal with it before it ever launched. But in this case, in the scenario we're in, we're probably looking at being able to see it being in the general location and then to sense a launch and then to do what's necessary to defend if that was required.

Senator DONNELLY. At what point do you have to launch to protect our allies and our own territories?

Admiral LOCKLEAR. That would be speculation, Senator. It would depend on the location of the launch. It would depend on the geometry of where it was going. It would depend on where the assets were located. So we will position our forces to optimize our capabilities in that area.

Senator DONNELLY. Do you feel confident we'll be able to protect all of our territories and our friends.

Admiral LOCKLEAR. I feel confident, I do.

Senator DONNELLY. In regards to the decisionmaking in North Korea with their new leader, what is—what differences do you see from his father to him?

Admiral LOCKLEAR. I think first the similarities. I think he's taken the playbook probably from his "Military First." It's a government that's organized around the military, and he's played that hard to the people of North Korea. He has indicated that he was going to do economic reform, which we haven't seen anything of.

He has brought from that playbook from his father a recognition of a cycle of provocation, where they go through—they do an event, there's bellicose rhetoric, it builds and it builds until the international community says, "I've had enough," and they go into some dialogue, he asks for concessions, the concessions are either given or not, and then it kind of hangs out there for a while, and then starts back up again.

Over time, I believe that that cycle of provocation has been a fairly successful strategy for them. They're still in power.

Now, where they differ is that I think our observation is that he's unpredictable, more unpredictable. His father and his grandfather as far as I can see always figured into their provocation cycle an off-ramp of how to get out of it, and it's not clear to me that he has thought through how to get out of it. So that's what makes this scenario I think particularly challenging.

Senator DONNELLY. Is there a tipping point for the Chinese with the North Koreans? What I mean by that, is there a point where they will look or speak to the generals of North Korea and say: Look, this is a point we don't want you to go past. Do they have that kind of influence?

Admiral LOCKLEAR. I think that they have that kind of influence, and I think there will be a point, would be a point in time where you would see more of that probably visible than you might have seen to this point in time. But we share with the Chinese similar interests. We don't want—we want peace and security on the peninsula. There's no benefit to the Chinese of having this type of activity occurring on their borders. There's no possible benefit that I can see from this.

So they will, I believe, in time, work this problem to their national interest, just like we do and the South Koreans do.

Senator DONNELLY. Do they have the ability—obviously, they have the physical ability to do it, but do they have the will or desire, do you think, if the North Koreans go past a point we would have expected them to go past in this, do the Chinese have the ability to force a change in North Korea in the leadership there?

Admiral LOCKLEAR. I don't know that they have—that they would say they have the ability to force a change. My sense is that they will look after their national interest and that they would at

some point in time, if North Korea is not in the best interest—activity is not in the best interest of their national interest, they will act to preserve their national interest, as we would.

Senator DONNELLY. Outside of the Korean Peninsula, what do you see as the biggest challenge in your region? What is the situation that concerns you the most outside of the Korean Peninsula?

Admiral LOCKLEAR. Certainly as we look at the rise of regional powers, the rise of China—and I've said this before in testimony in other forums—it's looking to a future where the U.S. interests are protected, that our allies are protected in the Asia-Pacific. But we have to also expect that China will integrate into that security environment. They have to. There's really not another good option.

So how we do that and how we are able to assist where we can—"assist" is a pretty soft word—how we can help China assume the regional role, a regional role in the security environment, which I think they will at some point in time, that is consistent with U.S. interests there and the interests of our allies is a concern to me of how we get there and the road we're on to that.

Senator DONNELLY. Do you see the contesting of islands, of territories, not only with Japan but with other countries as well in regards to China, do you see that as getting worse or is that situation getting worked out better? How do you see that moving forward?

Admiral LOCKLEAR. You know in the South China Sea the Philippine Government filed an international tribunal under the United Nations Convention on the Law of the Sea, which I thought was—I was supportive of that when they did that. I believe that, first, we don't take sides. That's our U.S. policy on territorial disputes. But we do have an opinion and the opinion is that they should be resolved using normal standards of international rule, that they should be done peacefully, without coercion, and that in the end it should be in the best interests of all the partners in that region.

So in the South China Sea I think we have—we are at a, I would say, kind of a low boil, is probably the best way I'd put it, is that we're watching carefully what happens as each of these peripheral countries look at how they're going to secure their interests.

In the East China Sea with the Senkakus, we're clear as well there. We don't take sides on territorial disputes. But we do recognize that the Senkakus fall in the administrative boundary of Japan and that falls under our alliance and our treaty responsibilities with them. So we are hoping again that over time this scenario can play out to the benefit of both Japan and China, to the degree they can ever get there, because they do have many, many interests together that I think over time may eclipse this event, but they have to get through it. Hopefully that's done peacefully.

Senator DONNELLY. Admiral, thank you for your service and for your testimony today.

Senator NELSON [presiding]. Thank you, Senator Donnelly.

Senator Graham.

Senator GRAHAM. Thank you, sir.

Admiral, again, thank you for your service.

If you looked out over a 10-year window and sequestration was fully implemented, we would have 232 ships left in the Navy a decade from now. Is that a wise thing?

Admiral LOCKLEAR. Not a wise thing.

Senator GRAHAM. Would it severely restrict our ability to deal with the threat that you face today in your backyard; do you agree with that?

Admiral LOCKLEAR. Unless you put them all in my AOR. I'd probably be okay if you put them all there.

Senator GRAHAM. But somebody else wouldn't be.

Admiral LOCKLEAR. But somebody else wouldn't be.

Senator GRAHAM. Fair enough.

Admiral LOCKLEAR. Yes, sir.

Senator GRAHAM. Now, what percentage of North Korea's GDP is dependent on their relationship with China?

Admiral LOCKLEAR. I don't have that at my fingertips, but I imagine a fair percentage, and I can give you a number.

[The information referred to follows:]

Over 15 percent of North Korea's gross domestic product (GDP) is dependent on its relationship with China. The vast majority of this contribution is from direct trade. A smaller portion, likely less than 1 percent of total GDP, comes from other Chinese-related sources such as private entrepreneurial investments and remittances from North Koreans working in China. China also indirectly supports the 2 percent of North Korean GDP coming from other trade partners, via air/ground transport links, telecommunication links, and banking support. Further, North Korea relies heavily on China for petroleum, machinery, and textiles, all critical for domestic and export production.

Senator GRAHAM. Okay, I'd appreciate that. The point I'm trying to make is that basically North Korea's a client state of China and they could stop this if they chose to in my view.

We're ready for the fight with North Korea if that day ever comes?

Admiral LOCKLEAR. We're ready.

Senator GRAHAM. South Korea and Japan, do they believe we have their back?

Admiral LOCKLEAR. In my sessions with my counterparts, the answer to that is yes.

Senator GRAHAM. The politics in South Korea has changed, would you agree, where the tolerance by the South Korean Government and people to accept any more attacks against South Korean interests is much lower than it was 2 years ago, do you agree with that?

Admiral LOCKLEAR. I would agree that their toleration of a significant provocation towards the South is much lower than it has been in the past.

Senator GRAHAM. If there were an incident where a South Korean naval vessel was sunk by North Korea, a South Korean island was shelled where South Korean citizens were killed, or a South Korean plane was shot down by the North Koreans, it would be almost impossible for the South Koreans not to respond in some fashion; do you agree with that?

Admiral LOCKLEAR. You'd have to ask, to get a real answer, the South Koreans. But my sense is, and I think General Thurman would probably agree, is that there is a growing sense in South Korea that future provocations of the level you just described would require them to respond in some way.

Senator GRAHAM. From our own national security interests, a nuclear-armed North Korea sharing technology with terrorist groups is a real concern; do you agree with that?

Admiral LOCKLEAR. One of the greatest concerns.

Senator GRAHAM. We should be concerned about a missile attack coming from North Korea and I applaud the administration for showing resolve. I think all the things you have done under Secretary Hagel's direction have been good, the right signal to send.

But it is more than just getting hit by a North Korean missile that I'm concerned about. A North Korea with an advanced nuclear weapons program is probably a nightmare for this country, because they have shown a propensity to share the technology with terrorist groups. Is that a fair statement?

Admiral LOCKLEAR. A fair statement.

Senator GRAHAM. Do the North Koreans have a rational bone in their body?

Admiral LOCKLEAR. I would say that over time that you could, if you look at—the armistice was in place the year before I was born, so over time they're still in power. So there must have been some rationality from their perspective of what they're doing.

Senator GRAHAM. I think from their perspective this is rational if you live like kings and most people are starving to death. When you get to the bottom of a North Korean problem you have to go back to China in my view, because this North Korean regime could not last 6 months under the current construct without support from China. Do you agree with that?

Admiral LOCKLEAR. I believe that North Korea is highly dependent on China for a lot of its resources. I don't know how long they would survive.

Senator GRAHAM. Not long.

Do you agree that China must have a plan for propping up this crazy regime?

Admiral LOCKLEAR. I don't know that——

Senator GRAHAM. They're not doing it by accident. They know who they're giving the money to, right?

Admiral LOCKLEAR. They do, they do. It's a long——

Senator GRAHAM. What is their plan? Tell me the best you can. You're one of our eyes and ears in that part of the world. As briefly as possible, tell me, why does China continue to do this? How does this fit into their plan for the planet?

Admiral LOCKLEAR. I would say that, speculating on China, my perspective of China's position on it is that over the last——

Senator GRAHAM. Have you ever asked them?

Admiral LOCKLEAR. We've talked about the situation on the peninsula——

Senator GRAHAM. Have you ever asked them, why do you support this crazy guy? Why do you do this? What's in it for you?

Admiral LOCKLEAR. My sense is that over time that they've developed this relationship with North Korea as a buffer to U.S. presence in South Korea on the peninsula.

Senator GRAHAM. Don't you think it's a little deeper than that, that they worry about a unified Korea, another democracy in their backyard?

Admiral LOCKLEAR. I don't know that I would agree that they are—you'd have to ask them. I don't know that I'd agree that they're worried about a democracy. They have a pretty vibrant relationship with South Korea, actually a strategic relationship economically.

Senator GRAHAM. So you think North Korea is a buffer?

Admiral LOCKLEAR. My sense is that they, again, that they may——

Senator GRAHAM. Okay. Why do they engage in cyber attacks against American business interests?

Admiral LOCKLEAR. They do that so that they can get the technological advantage.

Senator GRAHAM. Why do they object to efforts to control the slaughter in Syria?

Admiral LOCKLEAR. I don't have a comment on that.

Senator GRAHAM. Why do they not support us more in terms of controlling the ayatollahs in Iran?

Admiral LOCKLEAR. I couldn't comment.

Senator GRAHAM. I'll give you a comment. I think this is a communist dictatorship that fears individual expression. They fear freedom of thought. They fear freedom of religion. They fear anything not controlled by the state. It is now time to deal with these people more directly.

Do you consider China a friend or a foe?

Admiral LOCKLEAR. I consider them at this point in time, in the terms of those two terms, neither.

Senator GRAHAM. With friends like this, do you agree we don't need many enemies?

Admiral LOCKLEAR. I consider them at this point in time someone we have to develop a strategic partnership with to manage competition between two world powers.

Senator GRAHAM. I'll be a little more direct. I know you're a military officer and I appreciate your service. Their behavior is not only provocative, it's obscene. They're stealing American intellectual property. They're attacking us every day through cyber space. They're propping up one of the most dangerous regimes in the world that directly threatens our interests. They're one of the groups having Assad's back, one of the last real vicious people on the planet—not one of the last, but certainly one of the major.

So you live in a tough neighborhood and I just wish you would share with the Chinese that there's a growing frustration here in Congress with the way they behave and we would like to have a more mature China as part of the international community, a China that would bring out the best in the world, not reinforce what's dangerous about it. I think I'm speaking for a lot of Republicans and Democrats.

Thank you for your service.

Chairman LEVIN. Thank you, Senator Graham.

Senator Hirono.

Senator HIRONO. Thank you, Mr. Chairman.

I'd like to join my colleagues in welcoming you, Admiral Locklear, for the very important hearing today. Thank you for your leadership, and of course I want to thank the men and women who serve with you at PACOM. I visited with many of our leaders this

past week and so I know how hard they work. The fact that they are very much a part of the community through volunteering and particularly with our schools.

I have a question regarding Pearl Harbor Naval Shipyard. With the new strategy to rebalance our forces with a focus on the Asia-Pacific, the need for a strategically located maintenance facility such as the Pearl Harbor Naval Shipyard appears even more critical to the readiness of our fleet. When I visited Pearl Harbor, one of our attack submarines was in a drydock and I saw the huge effort and the hundreds of people who have to work to maintain our submarines.

Do you foresee any adjustment to the role that you see Pearl Harbor Shipyard playing with this rebalancing, as well as the importance of continuing the modernization efforts at the shipyard, because I know that we need to modernize that shipyard in order for them to work on these very highly sophisticated submarines in order to support the fleet in the future? Can you share your thoughts with us on that?

Admiral LOCKLEAR. Yes. I know of no plans to change the strategic direction we're headed with Pearl Harbor Naval Shipyard. In this AOR we have to have geographically distributed capabilities. They have to be operationally—you've heard this term—operationally resilient, and they have to be able to respond in crisis. But they also have to be affordable.

So I assume that the changes we're going to make in the Pearl Harbor Naval Shipyard will continue to make it competitive in nature. But certainly what they produce for us from a military perspective, from the PACOM perspective, is important and will continue to be important.

Senator HIRONO. I hope that means that you will continue to support the efforts to modernize that shipyard so that they can conduct the kind of highly technical work that they do there.

Admiral LOCKLEAR. For them to remain operationally resilient, they have to be able to do the type of work that I would need them do. If that requires them to modernize, then we'll need to do that.

Senator HIRONO. They do need to modernize. Some of the equipment seems to be under tents.

When we talk about the importance of the Asia-Pacific area and the rebalancing to that area—I just participated in a tea ceremony with Dr. Sen of the Urasenke tea group and their focus is peace through the way of the tea. So our relationship with Japan is very important. Can you talk about the current status of our alliance with Japan, which is a critical alliance in light of everything that is happening in the Asia-Pacific area?

Admiral LOCKLEAR. Yes, it is a cornerstone alliance, at least from the security perspective. Our relationship with Japan is equally as important today as it ever has been in the past and maybe more important. The strength of our military-to-military relationships and the strength of our military alliance and training together is as strong as it's ever been and it's getting better.

Their capabilities both from a joint command and control perspective, their capabilities to participate in high-end things like ballistic missile defense of their own territories, is growing. I see

a continued good way ahead with our military-to-military relationship with Japan.

Senator HIRONO. Would you say that one of the areas that we need to continue to focus on is the Futenma situation in Okinawa?

Admiral LOCKLEAR. Yes. We've had recent good news where the Government of Japan provided to the governor of Okinawa the landfill permit and they're having that under consideration. So that's the next step to go forward to be able to realize the Futenma replacement.

Senator HIRONO. I know that this committee has had numerous hearings on how we can facilitate and ensure that movement of marines happens in a way that is of benefit to both of our countries, not to mention what we need to do regarding Guam.

One of the areas that I've focused my questioning with other leaders from the military is your need to reduce your energy consumption, which DOD is the largest user of energy of all of our departments. So regarding your implementation of the DOD's operational energy strategy, I'm curious to know how this is progressing and what have been some of the successes of your implementation efforts? What have been the biggest challenges in your operational energy strategy efforts, and any lessons learned from the implementation of the strategy being integrated into PACOM's decisionmaking?

Admiral LOCKLEAR. I'd like to give you a more complete answer if I can later on in writing.

Senator HIRONO. I welcome that.

[The information referred to follows:]

U.S. Pacific Command (PACOM) is aggressively pursuing operational energy and energy security goals. Given PACOM's extensive area of operations, it is imperative to ensure energy limitations do not become an Achilles' heel.

First, we created a Joint Energy Security Working Group which includes representatives from each of the command directorates. This Working Group integrates energy considerations into all command functions: plans, engagement strategies, innovation efforts, exercises, intelligence, and operations.

Second, we are completing a Pacific Command Energy Security Strategy. The strategy's main themes are: decreasing energy consumption through waste elimination and efficient technology; pursuing distributed generation; hardening our electrical grids; and engaging with our allies and partners to share energy technology, enhance interoperability, and more efficiently share the energy burden. As always, we will not sacrifice operational capability for energy efficiency.

Third, as we update our family of plans, we consider operational energy at every step, thus creating a lasting legacy in our capstone planning documents.

Finally, we are collaborating with the Office of the Assistant Secretary Defense for Operational Energy Plans and Programs to ensure energy readiness is regularly reported in our logistics system. By capturing this data, we can identify our largest energy-consuming activities, eliminate waste, target areas for material and non-material improvements, and better understand the costs associated with our operational tempo.

Admiral LOCKLEAR. But to the larger perspective, inside of DOD, PACOM is the largest user of energy resources. The vastness of the AOR requires me to continuously think about where the energy resources are and where they're going to come from. I have to think about how they're going to get refined, the quality that I need to put into the airplanes and the ships. I think about, have to think about how I'm going to move it around or get it moved around in this vast AOR. I have to look to ensuring that the energy is going to be reliable when I get there, when I need it.

I also have to consider that I have locations throughout this vast area, that many of them are remote, and more remote locations that might be available to look at alternative energy supplies. So it remains a critical aspect of the way we think through the strategy and we are following OSD's lead on looking at renewable energy sources, and you're familiar with many of them, and I think there has been some success in that area.

Senator HIRONO. Thank you. I think that's a very important strategy—for us to pursue energy, lessening the energy usage in DOD.

Very briefly, I know that Senator Graham asked you some questions about China vis-a-vis North Korea. There's some indication that perhaps China is not too happy, perhaps displeased, with North Korea's rhetoric and actions. Do you foresee some action on the part of the Chinese either publicly or behind the scenes to stop or at least reduce the level of provocations from North Korea?

Admiral LOCKLEAR. I think there've been statements by both Xi Jinping and by their minister, I believe of foreign affairs, in the last day or 2 that would indicate that they have some concerns about any disruption, continued provocations or disruptions in this part of the world or anything that would put a potential negative situation on their border.

So I think these are maybe not as direct as what we like to see here, but I believe that there are indications that the Chinese Government is engaging. I think I'd have to refer you to the State Department to get more specifics on what the diplomatic channels are. But my sense is that they will consider their national interest, just like we do, and they will move to protect those national interests when the time comes.

Senator HIRONO. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Hirono.

Senator Kaine.

Senator KAINE. Thank you, Mr. Chair.

Admiral Locklear, welcome. I'm going to pick up on a theme. There's been a lot of questions about the relationship between China and North Korea and I just would like to associate myself with comments made by others. I wouldn't have wanted to answer that question that you were posed by Senator Graham, is China a friend or a foe. It reminded me, I was once in Israel and asked the foreign minister of Israel the same question about the relationship between Israel and Russia. He groaned and he said: "It's a friendship, but it needs an awful lot of work."

We have extensive ties with China commercially and in many multilateral venues, obviously, and the relationship is probably just about the most important relationship between two nations in the world. But when you list those items of controversy that Senator Graham mentioned—the Chinese position vis-a-vis Syria, the completely flagrant cyber-security attacks that can be testified to by any governmental agency, financial institution, or technology firm in this country will tell you about it occurring day after day after day, along with Chinese Government denials of the obvious reality, and then the situation in North Korea, it is clear that, while we

have a friendship and an alliance and it's a very strategic one and it's important for the world, it needs a lot of work right now.

I just would like to associate myself with the comments of the Senators who have said, I think the North Korean nuclear program would come to a grinding halt as soon as China demands that it happen. They have the capacity to. They have the ability to. They have the leverage to. I think you're right that the Chinese interest is in seeing North Korea as a buffer, but an unsafe, unstable buffer isn't much of a buffer.

At some point, other nations in the Pacific region—South Korea, Japan, and others—will start to, because of the logical illogic of nuclear proliferation, will say: We don't want nuclear weapons, but if an unstable neighbor has them then I guess we're going to need to get them, too. It would be the worst thing for China to face the prospect of additional nations in the area with nuclear weapons. Ultimately, that is going to be what other nations will be compelled to do unless the North Korean program is stopped.

So this is a comment, but it's to give you a sense of what we are thinking here as you deal with your counterparts in PACOM, Chinese counterparts, and others. We feel like China can bring it to a stop. We feel like they have not chosen to do so. The day is coming where they will need to do that or they will face other nations with weapons that they'll not be happy to have near their borders if they do not act in the role that they should.

I just, having heard similar rounds of questioning in hearings before this one from Senator McCain and Senator Ayotte, Senator Graham, others who've asked these questions, this is the emerging consensus, I believe, of this body, this committee, many members of the committee, about China's responsibilities and where we will likely go. So I hope you would just take that in the "for what it's worth" category.

A question, you've been asked a couple of things about sequester. I visited Joint Base Langley-Eustis last week in Virginia and that is the home of the Air Force's Air Combat Command. I talked to the men and women who maintain F–22s on the very day the United States had deployed F–22s to Osan Air Force Base in South Korea as part of these joint military exercises.

We've had a remarkable show of force of both F–22s and B–2s to demonstrate that we're serious about the North Korean threat. But, as we were doing that, I was also being told, and I'm concerned about, Air Force plans to cut flying hours by 18 percent as a result of the sequester. Air Combat Command informed us that as of this week it will enter what they called a tiered readiness status. One-third of its flying units will cease flying or stand down for the remainder of fiscal year 2013.

How will that stand down or cessation or that tiered readiness of flying units affect your important and critical missions in PACOM?

Admiral LOCKLEAR. As I indicated earlier, the fact of sequestration at PACOM in the near mid-term will be the degradation, potential degradation of readiness of our forces that would have to follow on. So what we've done in the near term is to ensure that we're able to manage the scenarios that are most important to us,

in my case North Korea, manage that, to manage our homeland defense.

But as the sequestration starts to move downstream we start to see more and more negative impacts on the readiness of our force. So what it means to Air Combat Command is that the forces that are back here, that are going to be training to get ready to come and relieve the ones that are on station, will not have adequate flying hours, will not have adequate training, potentially not have it. That's the world that we're in right now.

Senator KAINE. I think it is important. Many of us were very pleased when we did the defense appropriations bill to carry forward through year end to replace the CR. But even with that, the notion that a third of our air combat units are standing down from now to year end is something that should cause us some significant anxiety. I know it worries me.

You talked a little bit and there was also some information in your testimony about the combined counter-provocation plan, which is a South Korea-led, U.S.-supported contingency plan for challenges in the region. I know that was just signed within the last couple weeks, I think March 22. Could you share a little bit more about that contingency plan and what are some of the strategies for dealing with contingencies, including miscalculations or threats over skirmishes or threats that escalate in ways that we obviously wish they wouldn't?

Admiral LOCKLEAR. In all of our bilateral planning with our allies there, which we've been doing for years with them, and we continually evolve it based on the scenarios that we see in North Korea—this particular plan that you've heard about is just a follow-on iteration of our robust planning that we have. It's a look at the recognition that North Korea has established a cycle of provocation and then, following the Cheonan and the Yeonpyeong Island shelling a number of years ago, is that how do we best ensure that, as this cycle of provocation were to occur, how do we together as allies communicate, how do we understand the situation, how do we share intelligence, how do we posture ourselves to be able to ensure that we can manage those scenarios?

I can't go into the details of it, but it's a good—from our perspective, it's a very good effort. It's an indication of a maturing of the alliance and I'm very supportive of the efforts that General Thurman and his counterpart in Korea have undertaken.

Senator KAINE. Thank you, Admiral.

Finally, your testimony discusses the continued challenge faced by the region because of typhoons, earthquakes, floods, tsunamis. What is PACOM doing to plan humanitarian assistance and disaster response with other nations and also with multilateral agencies and nongovernmental organizations?

Admiral LOCKLEAR. Certainly the military aspects of Humanitarian Assistance and Disaster Relief (HADR)—that's not why you have militaries. You have them to do other things. But they certainly can provide assistance in these areas, particularly early on in those type of events. So, as we saw in Tomodachi in Japan, we saw where the readiness of military assets to kind of step in at the early stages of a huge crisis, a huge natural disaster, and to kind of get in front of the problem and get command and control set up

and to give the people on the ground the will and the help they need to kind of get them jump-started to go solve it. Because, in the end, Tomodachi was not solved by the U.S. military or any other allies. It was predominantly solved by the people of Japan. But it needed to get them started.

There's other areas that we can support. We have technologies and we have know-how that are in developed countries that we can share with developing countries. So in PACOM, I'm able to bring together many interagencies from our U.S. Government and we can transport some of that knowledge into these growing HADR scenarios that we do and exercises that we do with other countries.

So for instance, in Bangladesh, over time, they have been able to develop warning systems and places where people go during large storms that have significantly decreased the damage and cost in human life. So we can do some of those things in our multilateral planning together. Plus the whole idea of HADR is—many times in this large area we have to look for places where our interests converge to be able to participate with each other. In this case everybody can converge on HADR—the Chinese, the United States, everyone can. So you will see exercises where we're operating with the Chinese, we're operating with others, the Indians, other people in the area, because we're going after a common cause. These things build trust and over time I think make us a stronger region.

Senator KAINE. Thank you very much for your testimony.

Chairman LEVIN. Thank you very much, Senator Kaine.

Senator King.

Senator KING. Thank you for your thoughtful answers today. Are there treaty obligations between China and North Korea that we know of, a kind of mutual non-aggression or something like that?

Admiral LOCKLEAR. I understand that there is an alliance of some mechanism there. I don't know the specifics of how it would be implemented, but I believe there is, that it's been widely speculated that North Korea is an ally and vice versa of China.

Senator KING. Here's the scenario that keeps me up at night. The North Koreans torpedo a ship, a South Korean ship. The South Koreans, as you've testified, seem to have a higher level of intolerance for this kind of activity than they have in the past, so there's a response from the South Koreans, some kind of strike in North Korea. There's then a response from North Korea of more severity in the South.

What happens next? What's worrying me here is the "Guns of August" phenomenon, Barbara Tuchman's famous study of the beginning of World War I, where we stumbled into a world war because of a series of alliances based upon what could be considered insignificant incidents.

What is next in that scenario? Let's posit an attack on Seoul or some large population area in South Korea. What happens next?

Admiral LOCKLEAR. First, I share your concern about the seriousness of a provocation that would lead to a miscalculation or an escalation that would go kind of up and out pretty quickly. The timeline from when you would go to where you would see a miscalculation that went kinetic, let's say, to the time that you could see significant combat activity from the North is a very short

timeline, primarily due to the proximity of Seoul and the South Korean rising economic state, a great ally there.

So, it's hard for me to speculate exactly how those scenarios would play out. But what we have in place is the ability for the alliance to have—we've planned and thought through some of these events, in fact a lot of the events, and we have the ability to quickly consult with each other and to quickly bring the forces that would be necessary to hopefully—the idea would be to get it under control and to de-escalate it as fast as possible, so that in the end, the best thing we as militaries can do is to preserve the peace, to get it back to peace so that diplomacy can work. We would hope that that could be done in North Korea.

But it is a very dangerous situation. I'm not going to go where Mrs. Tuchman went on the scenario and extrapolate that because I don't think it has to go there. But it is something we have to watch and it could be quite volatile.

Senator KING. It seems to me that the key to the situation is our relationship with China, which has come out over and over, in terms of their ability to be a partner here in restoring peace, as opposed to an enemy.

Let me ask a general question about China. Why are they arming? Why are they building their military? Why are they diverting more resources? We've been attacked. We know that there are people around the world plotting against this country. Do they have any serious fear of someone attacking their homeland? What's driving them to militarize?

Admiral LOCKLEAR. First, they have a large standing army for internal security and border security issues that have worried them over time, is my guess. Then, over the last number of decades, as they have become a more economically powerful nation and they have money and resources to do it, they have increased their emphasis in cyber, increased their emphasis in space, increased their emphasis in maritime capabilities, which I think, if you pragmatically look at it, we shouldn't be surprised by that.

They have growing global economic and national interests that are concerning them, and any nation-state that has those needs to be able to ensure the security of them. In many ways, you do that with navies and things that can deploy. So, building an aircraft carrier, does that concern me? To the degree that—first of all, aircraft carriers are hard and expensive to operate. But to the degree that they get one, it would seem kind of a natural progression to me for a power that was rising.

The real key is that they need to be—and we've talked about this—there's a need for transparency. There's a need for them to build trust between their neighbors, which happen to be our allies. As they evolve this military capability, what are they going to do with it? Is it there to pursue their own interests at the expense of others in this kind of tightly-controlled, tightly—small sea space part of the world? Or is it to be a contributor to a security environment where the global economy and all the peace and prosperity can continue?

So that's what we have to contemplate.

Senator KING. Using the word "transparency" in connection with China strikes me as something of an oxymoron.

I also would like, Mr. Chairman, to associate myself with the comments, particularly at the end, of Senator Graham's remarks about on the one hand we have this commercial relationship with China, on the other hand they have some opportunities to really assist in peace around the world and aren't doing so. I think Senator Graham put it quite well.

To change the subject entirely, General Kelly from Southern Command, when he was here last month, talked about non-state actors, transnational criminal organizations, pirates, if you will, smugglers, human smugglers, drugs, weapons. Is that a serious issue in your command and are we equipped to deal with it effectively, particularly given the size of your jurisdiction?

Admiral LOCKLEAR. It is a concern and it's a growing concern. I think that transnational organizations will, in the current security environment we're in, continue to proliferate. We've done some—I think the joint U.S. forces and the United States of America have done some really magnificent work over the last decade or so to help curtail, particularly, al Qaeda activity globally.

But where you have disaffected populations and you have all these things that enter into frustrations of peoples, there's a potential for that. We don't see a significant terrorist threat today. There's pockets of it that we deal with. We work carefully with our Filipino partners in the Philippines in some operations that we help train and assist in there. Of course, in India there is always the concern about the transition of terrorists basically from the West into India that we discuss and talk about.

But what we're doing mostly in PACOM to try to stay ahead of this is we're working to ensure our information-sharing, so that as these networks develop either internal to countries or transnationally across countries, that we're able to sense and understand with each other what they're doing, how they're doing it, and being able to interdict them before this becomes a larger problem.

Senator KING. I know my time has expired. One very quick question. In the Cold War there was the famous hot line between Moscow and Washington. Is there a similar kind of direct communication link between Washington and Beijing to your knowledge?

Admiral LOCKLEAR. There is, and there's also—if necessary there would be one between me and Beijing as well. We exercise that on occasion. But as I've said to my Chinese counterparts, we need to get better at this, because I don't have the same relationship I have with maybe the chief of defense of Japan or of Korea or of the Philippines, where we understand each other, we meet routinely, we talk through security issues. We need to move that forward with our relationship with China, because we have many things that are friction points and we also have many, many things that we have in common with each other, and we need to understand those better.

Senator KING. It's nice to have a relationship before the crisis. Thank you, Admiral.

Chairman LEVIN. Thank you very much, Senator King.

Senator Nelson.

Senator NELSON. Admiral, good morning.

Admiral, going back to sequestration, in a big AOR such as yours, to be ready you have to do a lot of exercises. Is there any

capability of using our increasingly enhanced ability in simulation to keep your troops ready as a substitute for actual exercises?

Admiral LOCKLEAR. Senator, I think you'll find that we have—that we have spent an awful lot of money and time on developing simulations that help us. So I see simulations that help us across all of the joint force today that are critical. Many of what we used to fly in airplanes are now done in simulators and so there's a huge, huge cost savings there. Our highest-end ships today do most of their training via simulators because the cost to actually fire the weapons and very expensive missiles and things are prohibitively expensive. Even at the joint force command level, we do synthetic training where we bring in synthetic exercises to pulse the force and make it work.

Should there be more of this? Absolutely. The down side to it is that it is expensive to get into it. There's a cost to have to get into it. So we have to weigh that, that cost of asking the Services to buy it, versus whether or not it can be realized.

Senator NELSON. Let me ask you about, going back, to the North Korean nuclear program. Recently they said they were going to reopen their mothballed Yongbyon reactor, weapons-grade plutonium. They had shut it down, as far as we know, in 2007 and people have testified that it would take at least 6 months to get the reactor up and running.

Do you agree with this kind of assessment? Let me just stop there.

Admiral LOCKLEAR. First, I think it's a bad decision by North Korean leadership to do it. It's in direct contradiction of the U.N. Security Council resolutions and the agreements that have been made in the past. It's certainly provocative in nature.

The timeline that you discuss is what I have seen roughly approximates that. But it's just an approximation at this point in time.

Senator NELSON. Okay, so that's 6 months. Now, it's another thing taking a nuclear weapon and then integrating it on a delivery system. Presumably, they have the ability to integrate it on short-range delivery systems. What about the long range? We've heard testimony from senior officials that they have not produced the ability of mounting nuclear weapons on long-range.

Can you share your thoughts in this open forum or does that need to go into closed forum?

Admiral LOCKLEAR. I would say that to get into the specifics of it, we'd probably need to go into a more closed forum. However, as a general rule, I would say that we have not seen them demonstrate that capability yet. Now, they have indicated to us that they have it, which makes us—we're going to take it seriously when someone indicates it, and I think we've done prudent due diligence steps to ensure the defense of the homeland and our allies and our forces forward. But we haven't seen them demonstrate that capability.

Senator NELSON. For the American people to understand our capability with this bellicose nature of this new young leader in North Korea, can you state for the record here that between the United States' ground-to-air, sea-to-air capability of knocking down

one of his threatening missiles from North Korea, that we have that capability?

Admiral LOCKLEAR. I can confirm we have that capability.

Senator NELSON. Yes, sir, that we do.

Now, what about the F–22s? They were at Kadena going to be sent back to the United States and that was a plan that was in process until all of this bellicosity started by the Korean young leader. So then we sent our F–22s in some kind of exercise with South Korea. Do you think we ought to continue on that long-planned process of sending those F–22s out of Japan back to the United States?

Admiral LOCKLEAR. We rotate—we have two types of forces in my theater, one that are forward-deployed all the time, which is forward naval deployed forces and the air components that are there in both Japan and Korea; and then we have rotational forces. So I use a blend of those to maintain the capacity of the theater to deal with what we have to.

Some of those are perfectly useful being deployed from the States here. So, over time we've used force packages, F–22s are one, where we rotate them in and out. It lets them go back and get the high-end training they need and those types of things.

The decisions we made recently, I won't talk about specifically why we made those. But I think it was a prudent decision that we made, on General Thurman's behalf, to maintain stability of the force that we saw in Korea just in case we saw a contingency that we hadn't anticipated.

What I have more concern about is not so much our ability to rotate them, but our ACC's capability to sustain them through sequestration in a readiness status that allows them to get to me in time to be trained and ready.

Senator NELSON. Finally, Admiral, you have a lot of terrorist activity going on in your AOR and you've had some stunning successes over the years—catching the Bali bomber, the success that we've had in the southern Philippines, Zamboanga. But terrorism continues throughout the AOR, including Mumbai, et cetera.

If you would provide, in a classified setting for the committee, what you are doing with regard to an attack not only of the terrorism, but all of the other illicit activities that go along with terrorism, such as transfer of drugs, money laundering, and other terrorism-related activities, I would appreciate that for this committee in a classified process.

Admiral LOCKLEAR. All right, sir. I will take that and provide it.

Senator NELSON. Have that, of course, sent to the chairman, but make sure that part of it is directed to me.

Thank you.

[The information referred to follows:]

[Deleted.]

Chairman LEVIN. We will ask staff when this is received in a classified form to notify the members of the committee that it's available for members. Thank you for raising that, Senator Nelson.

Senator Shaheen.

Senator SHAHEEN. Thank you, Mr. Chairman.

Admiral Locklear, thank you very much for being here and for your stamina in responding to our questions.

I want to—forgive me if I re-cover some ground that you've already responded to. Assuming that we continue to operate on heightened alert with respect to North Korea, is there any indication that sequestration has limited your ability to respond to a crisis there?

Admiral LOCKLEAR. It has not limited my ability to date.

Senator SHAHEEN. That's really the question that I have, because you have indicated that sequestration will have an impact over time in the operational capability of PACOM and, obviously, other parts of our military. So at what point are we going to get to that tipping point where it is going to have an impact on our ability to respond, and how do we know that, and how can you convey to members of this committee and to Congress when we've reached that tipping point?

Admiral LOCKLEAR. We're continually looking at our readiness capabilities in the AOR, in my area, particularly of the forward-deployed forces. So I have certain priorities that I maintain as we go through any kind of budget decision process. One is, I have to be able to sense what's going on in my AOR. So there's a continuing high demand for intelligence and reconnaissance type of activity so we know what's going on. It gives me the ability to understand what's happening. It gives me the ability to coordinate with our allies. So we do that.

The second thing is I need to make sure that, at least in the near term right now, in fact in the long term too, that the forces on the Korean Peninsula, that they're ready to do what we call a "fight tonight," if something happens there that we're able to respond in ability to protect the interests of the alliance and the interests of the United States, as well as the soldiers, sailors, and airmen that are on the peninsula. So keeping those forces attuned and ready to be able to respond is something we're doing and that I've done now.

Then, finally, my concern is as those forces need to be replaced over time, are those forces that need to replace them, are they agile, are they trained, are they able to get there? Is there the money to do the training to keep those skill sets up? This is where I think the impacts of sequestration start to make the choices very difficult for the Services. The Services do have some leeway in where they make their decisions, but not a lot, particularly in the near term.

Now, as you go further down into the planning cycle into the out years, you might be able to start looking at different ways of doing it. But, in the near-term and the mid-term, it's going to have an impact on us.

Senator SHAHEEN. So, I missed the part where you said there was a mechanism to notify Congress when you get to that point.

Admiral LOCKLEAR. I didn't mean to skip over that part. We keep a very formatted reporting system that's monitored by the joint force. The Chairman then takes from me, about once a quarter, my assessment of the risk that we're assuming in the theater, and that risk then gets reported to the Secretary of Defense. My guess is that through the dialogue at that level that our readiness levels are well-reflected.

There's no secret here. We won't hide readiness that we don't have. We're very upfront about it. It's a matter of kind of a—I put it, like a math equation. What you put in is what you get out. When we can't meet those readiness requirements, then that becomes risk and that's risk that I have to manage as a combatant commander. When my risks get too high, where they go from risks to being potentially worse than risk, then my responsibility is to tell my leadership and you that those risks are too high.

Senator SHAHEEN. As chair of the Readiness and Management Support Subcommittee, I hope you feel like you have a direct line in to me when you get to that point. I certainly hope that we will have addressed sequestration before we get to that point. I think it's critical to our national security.

Let me follow up on a line of questioning that Senator Kaine was going after, relative to the potential for what's happening in North Korea to set off a nuclear arms race across Asia. I understand that India continues to develop nuclear-capable ballistic missile submarines, that Pakistan has indicated an interest in doing that because of India's capability. So, how do we combat the risk that, whether it's those nuclear ballistic missile technologies, whether it's the technology that North Korea now has and we know already has shared with other non-state actors in a way that is dangerous, how do we keep that from proliferating?

Can you also talk, if you would, the extent to which the effort to address arms control has an impact on the thinking of actors about this question?

Admiral LOCKLEAR. First, let me give you my position from the PACOM commander. First, I support the nuclear triad from where I sit.

Senator SHAHEEN. Right.

Admiral LOCKLEAR. I support, as long as there are nuclear weapons in the world, that we have a safe, reliable, and secure nuclear deterrent. But also the father in me says that I'd like to see a world that didn't have nuclear weapons, because—will we ever realize that? I don't know, but it would be nice some day if the world could see themselves to that. But I'm not predicting that that's going to happen any time soon.

So to the question of the proliferation among what I would call state actors that are building a nuclear deterrent, that's really not something—that has to be dealt with above my level. But when you talk about a North Korea that is potentially going to proliferate nuclear technology to irresponsible actors, and particularly maybe to transnational threats or to actors which you could extrapolate that to, this becomes a very real concern for me.

Now, so it gets to the issue of how do you monitor it, how do you interdict it, how does the international community enforce the U.N. Security Council resolutions that forbid all this, so it all fits together, my part of that is on kind of the monitoring and interdiction side of it.

Now, so the question then of how does the nuclear proliferation or a discussion of nuclear weapons in the theater, which I think is what you're kind of getting at, we have an extended deterrence policy for our allies in this part of the world, and it works. There are occasionally discussions about, well, would our actions here in this,

what we're doing here, would it create a desire by our allies or other partner nations to want to proliferate their own nuclear systems?

First of all, it would not be beneficial. It's unnecessary. I'm confident that the U.S. extended deterrence policies are adequate and substantial enough to do what's necessary. But deterrence isn't just about nuclear weapons. It's also about conventional capabilities and how those conventional capabilities are applied and how they're viewed.

So this is what makes it important for our forward presence, our exercises that were talked about here, that build that confidence in the alliances that we've had over the years, that make it—in any scenario, you want to handle a contingency through conventional means. You just don't want to go the other direction. So ensuring that the conventional side of our deterrent is strong deserves equally as much discussion as the other side of it, in my view.

Senator SHAHEEN. Thank you.

Chairman LEVIN. Thank you.

I just have one additional question. Then I'll call on others to see if they might for a second round just have an additional question or two.

Admiral, I think you've heard from this committee, to a person, some very strong feelings that China could, if it chose, put an end to the provocative, blustering kind of comments that are coming from North Korea and thereby help to avoid a miscalculation and a possible spinning out of control of military actions on the peninsula. We all, I think, have very strong feelings that China creates all kinds of problems for us in terms of what they do in cyber, in what they do in other areas. I mentioned some of those in my opening statement and others have mentioned them very powerfully as well.

But, in this interest, our interests are the same. It's clear to me that China, at least in their vote at the U.N., is indicating some willingness now to take some action to try to prevent the kind of spinning out of control that could lead to serious military confrontation on the Korean Peninsula.

I asked you whether or not we are ready to respond appropriately and proportionately should North Korea take some action against our ally South Korea or against us, and you indicated that we are ready. You also indicated that there is a hotline between you and your counterpart in China that you could use and that you at least are able to communicate with them should you choose.

I guess my question and my request would be the following: that the military-to-military contact sometimes is the best way to show a seriousness of purpose on our part with China, and their military has a major influence, obviously, in their government. Would you explore the possibility, after talking to the Secretary of Defense, the Chairman of the Joint Chiefs, and the, perhaps, Secretary of State—the Secretary of Defense could do that—would you explore the possibility as to whether it might be useful for you to contact your equivalent person in the Chinese defense establishment, your counterpart, and express to them, your counterpart, the great desirability of China weighing in with North Korea before this—these incidents grow in seriousness, and make it clear to the Chinese

that we and the South Koreans want them to act to put an end to the North Korean provocations, and that we and our South Korean allies are prepared to respond in an appropriate way should North Korea take any action against the South or against us.

Would you explore the possibility of that, whether you should, at this point, make that military-to-military connection with your counterpart in China, with your superiors at the civilian, at the Secretary of Defense level, and also with the Chairman of the Joint Chiefs? Could you explore that?

Admiral LOCKLEAR. Absolutely, Senator, I will explore it. We'll look at it in the context of the benefit, which I think there are—obviously, I have advocated for this with my counterparts in China. There is benefit to establishing those types of links. In this particular scenario, I think because of where we are it will have to be tied in with the other communications that are happening through other forms of our government, which I'm sure there are those that are going on with their Chinese counterparts as well.

Chairman LEVIN. I agree that all ought to be coordinated and linked. But it could add a very important element if this military-to-military communication occurred with your Chinese counterpart.

Admiral LOCKLEAR. Yes, sir.

Chairman LEVIN. So that's something you could take on?

Admiral LOCKLEAR. I will explore it, yes, sir.

Chairman LEVIN. That's what I mean. Thank you.

Any other question? I don't need to call in order. I'll just see if anyone raises their hands at this point. Senator Shaheen.

Senator SHAHEEN. I just had one follow-up to the question about should we need to respond to North Korea. What would China—can you suggest what you think China's reaction might be should the United States respond to an act of aggression by North Korea?

Admiral LOCKLEAR. Again I'd be making hypotheticals, but I would again go back to what are their enduring interests there. One is their own border security. I think they would be concerned about refugee flow, uncontrolled refugee flow. There's 25 million people there that will be affected by something like that, and how would that be controlled.

I think they will have a similar concern as we have about WMD, not only particularly fissile material but all other WMD that we know that he has the capability and the capacity to have in the country, and how that would be managed at the time. We're contemplating all that and are thinking through how that would be done with our allies in the South as well.

So I think—how would they respond beyond that and how they would do it, I can't speculate on that. But I think again they would move to secure their national interests, just like we would—will.

Senator SHAHEEN. Thank you.

Chairman LEVIN. Thank you.

If there's no other questions, then we thank you very much, Admiral. As always, you've been very direct and very helpful, and we greatly appreciate your presence here this morning and all the great work you and those who work with you are doing in PACOM.

Thanks again and we will stand adjourned.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR CLAIRE MCCASKILL

JAPAN

1. Senator MCCASKILL. Admiral Locklear, we have seen an enormous increase in our costs while host nations are paying less in spite of the agreements we have with them. For example, in Japan, U.S. nonpersonnel costs have doubled since 2008 while the Japanese have contributed less every year since 2000. Last week it was announced that the United States and Japan agreed on a new timetable for the return of Futenma and other military bases on Okinawa. In your prepared testimony you state that the Government of Japan (GoJ) has committed to providing $3.1 billion to support the strategic realignment. What measures are in place to ensure that the Japanese Government fulfills its share of this $3.1 billion commitment and what is being done to change the course of our increasing costs while theirs are decreasing?

Admiral LOCKLEAR. In support of the Defense Policy Review Initiative, the GoJ agreed to provide funding for the reposturing of U.S. forces throughout Japan, particularly the relocation of ~8,000 marines from Okinawa to Guam. Under the original terms of the agreement, the GoJ committed $3.1 billion to this effort. Unfortunately, continued congressional funding restrictions undermine the realignment of forces in the PACOM area of responsibility (AOR). This situation prevents the Department of Defense (DOD) from spending the nearly $1 billion in GoJ funding that has been transferred to the U.S. Government and hinders the further funding of projects by the GoJ.

Any concerns regarding the equity of cost sharing will be addressed during the next round of Department of State (DOS)-led Special Measures Agreement negotiations that will take place in 3 years.

2. Senator MCCASKILL. Admiral Locklear, in Europe we have seen numerous issues with in-kind payments being accepted instead of pursuing cash settlements associated with consolidation and relocation. As we conduct the Pacific Pivot, will all payments be in the form of cash settlements?

Admiral LOCKLEAR. No. The Status of Forces Agreements in Japan and Korea do not provide for the host nation to make residual value payments when we return facilities or areas. In turn, the United States is not responsible to cover the costs of the restoration for returned facilities.

3. Senator MCCASKILL. Admiral Locklear, will Congress receive advance notice and justification of any intent to accept in-kind payments?

Admiral LOCKLEAR. No. Since the host nation does not have an obligation to make residual value payments for the returned facilities or areas, we will not be in a position to accept either cash payments or in-kind payments for such returns.

JOINT STRIKE FIGHTER

4. Senator MCCASKILL. Admiral Locklear, the Navy is currently projecting a strike fighter shortfall due to continued delays in the Joint Strike Fighter (JSF) program. The Navy is attempting to mitigate this shortfall by extending the life of older aircraft. However, we don't yet know whether this effort will be successful. Currently, the Navy has no plans to procure the F/A–18 Super Hornet beyond fiscal year 2014. As a combatant commander, you depend on the Services to fulfill your mission requirement needs, and I imagine carrier-launched strike fighter aircraft play an important role in the Pacific Command (PACOM) AOR. So, the Navy's strike fighter shortfall becomes your strike fighter shortfall. As a commander, how does this shortfall and lack of reliability affect PACOM's ability to conduct operations?

Admiral LOCKLEAR. My expectation is that we will continue to maintain Forward Deployed Naval Forces (FDNF) and deployed carrier strike group strike/fighter squadrons at fully-equipped levels, thus supporting our operational requirements. However, continued operations in overseas contingencies has resulted in the Navy's F/A–18 Super Hornet fleet flying at a higher operational tempo than planned, aging the fleet faster than anticipated when the timeline for introduction of the follow-on F–35 JSF was established. In addition, as the total force Super Hornet numbers come down, operational tempo of individual units will increase, further exasperating the shortfall in the strike fighter community. While this will not directly affect my ability to operate on a day-to-day basis, it will impact nondeployed squadrons will likely reduce our surge capacity in the event of contingency operations.

NORTH KOREA

5. Senator MCCASKILL. Admiral Locklear, last month DOD publicly announced the participation of two B–2 stealth bombers in a practice bombing run over South Korea. While Secretary Hagel stated publicly that the use of the B–2s was not intended to provoke North Korea, this appears to be the first time B–2s have been used in this way on the Korean peninsula. Why was the decision made to publicly disclose the use of the nuclear-capable B–2 bomber at time when tensions with North Korea are so high?

Admiral LOCKLEAR. [Deleted.]

6. Senator MCCASKILL. Admiral Locklear, was the use of the B–2 in a practice bombing run requested by allies in the region, and did we inform our allies that the B–2s would be used in this way?

Admiral LOCKLEAR. The B–2 training sortie was not requested by our allies. However, the B–2 training sorties were routine in nature and coordinated with the host nation and appropriate regional allies and partners in a timely manner.

7. Senator MCCASKILL. Admiral Locklear, were our ambassadors in our allied nations in the region given notice that the B–2s would be used and publicly disclosed?

Admiral LOCKLEAR. Yes, the ambassadors in the region were notified of the participation of B–2s in Exercise Foal Eagle. Their participation was acknowledged in response to questions from the media after the B–2s had achieved their training objectives.

8. Senator MCCASKILL. Admiral Locklear, was the decision to use the B–2s in this manner coordinated with U.S. diplomatic efforts being led by DOS?

Admiral LOCKLEAR. Yes. The Office of the Secretary of Defense led the coordination between the DOS and the DOD.

9. Senator MCCASKILL. Admiral Locklear, how did our allies in the region react to the use of the B–2s?

Admiral LOCKLEAR. The response from our allies was generally very positive. These flights, along with our force posturing, reassured our allies and demonstrated our commitment to the defense of the Republic of Korea and Japan and to regional peace and stability. They also demonstrated our commitment to the nuclear deterrence umbrella.

10. Senator MCCASKILL. Admiral Locklear, I am aware that North Korea often acts aggressively when recognizing significant events, such as commemorating the assent to power of past leaders. Does PACOM have lessons-learned from past bellicosity of North Korean leaders during events like we are currently experiencing and, if so, how is it applying them?

Admiral LOCKLEAR. Yes, PACOM has lessons-learned from the past bellicosity of North Korean leaders during events like the tensions we are currently experiencing and is applying them. For example, prior provocation cycles have informed the timelines we use to deploy ballistic missile defense assets to the theater. We are currently monitoring Kim Jong Un's actions to evaluate whether he will continue the patterns of his father and grandfather or whether he will establish his own approach to confrontations with the United States and Republic of Korea.

11. Senator MCCASKILL. Admiral Locklear, you stated that our missile defenses have the ability, "to defend the Homeland, to defend Hawaii, defend Guam, to defend our forward-deployed forces, and defend our allies." I'm concerned about U.S. forces and their dependents living in South Korea and Japan. North Korea is reported to have more than 1,000 missiles. Do we have adequate early warning capabilities and missile defenses in the region to protect them?

Admiral LOCKLEAR. [Deleted.]

12. Senator MCCASKILL. Admiral Locklear, are there emergency action plans in place to safeguard and evacuate U.S. dependents located in the region?

Admiral LOCKLEAR. [Deleted.]

13. Senator MCCASKILL. Admiral Locklear, should we consider moving dependents from the region now?

Admiral LOCKLEAR. No. PACOM continuously consults with the DOS, U.S. Forces Korea, and U.S. Forces Japan regarding force protection posture. After weighing

historical trends and current intelligence, I do not assess that we should remove dependents from the region.

QUESTIONS SUBMITTED BY SENATOR JAMES M. INHOFE

CLIMATE CHANGE

14. Senator INHOFE. Admiral Locklear, following up on your response regarding your analysis of the long-term threats facing your region, you cite numbers from the U.S. Agency for International Development (USAID) on the impact of natural disasters on civilian populations, most of whom will live within 200 miles of a coast and the impact of climate change. Yes or no, do you believe climate change is the most urgent long-term threat facing your command?

Admiral LOCKLEAR. No, not the most urgent.

15. Senator INHOFE. Admiral Locklear, can you characterize which natural disasters you reviewed since 2008 were, in your opinion, the result of climate change?

Admiral LOCKLEAR. PACOM does not analyze or categorize the root cause of natural disasters. However, since 2008 humanitarian assistance and disaster response (HADR) events have increasingly consumed PACOM resources in terms of planning and operations.

16. Senator INHOFE. Admiral Locklear, is it your position that humanitarian assistance and disaster response operations should be the primary PACOM mission for long-term planning?

Admiral LOCKLEAR. The frequency and magnitude of extreme weather events and natural disasters around the world will continue to be a concern. Responding to these events is not a primary PACOM mission; however, when directed, and in coordination with U.S. lead agencies, PACOM has responsibility to support foreign government authorities when they request military support through the U.S. Ambassador. Additionally, PACOM plays an important role in assisting partner nations to build their capacity to respond.

Natural disasters also have second and third order impacts on security. These impacts include adversaries exploiting the instability created by a natural disaster, and internal unrest caused by food shortages and other domestic pressures. PACOM seeks to consistently shape the Asia-Pacific Theater and foster regional security cooperation. Therefore, we must continue to work closely with partner nation militaries and governments, U.N. agencies, and international nongovernment organizations (NGOs) to prepare for and respond to humanitarian assistance and disaster response operations.

17. Senator INHOFE. Admiral Locklear, how much of the PACOM budget is set aside for humanitarian assistance and disaster response operations?

Admiral LOCKLEAR. Humanitarian Assistance funding for PACOM is provided by the Defense Security Cooperation Agency (DSCA) as part of the Overseas Humanitarian, Disaster and Civic Aid (OHDACA) Program. OHDACA is 2-year funding and PACOM received $18.8 million in fiscal year 2012/fiscal year 2013 and $6.0 million in fiscal year 2013/fiscal year 2014.

Disaster-response funding is also provided by DSCA as needed for Office of Secretary of the Defense-approved relief operations in the PACOM AOR. PACOM received $10.0 million for disaster relief operations in Thailand in fiscal year 2012 and $5.0 million for disaster response operations in the Philippines in fiscal year 2013.

18. Senator INHOFE. Admiral Locklear, which U.S. agency do you consider to be the lead for humanitarian assistance and disaster response operations overseas?

Admiral LOCKLEAR. The USAID's Office of U.S. Foreign Disaster Assistance (USAID/OFDA) is the lead agency for humanitarian and disaster response operations overseas.

19. Senator INHOFE. Admiral Locklear, are you developing any plans to address climate change? If so, can you describe those plans?

Admiral LOCKLEAR. PACOM does not have any plans that specifically address climate change, but we do recognize the threats of extreme weather events, natural disasters, erosion of littoral areas, and other global effects associated with climate change as security challenges within the region. PACOM plays an important role in assisting allies and partners' capacity and capability to assess and address these threats and respond to HADR events. Building relationships with allies and part-

ners through HADR capacity building efforts is an integral part of PACOM Theater Strategy. Additionally, PACOM has and will continue to work by, through, and with interagency (e.g., DOS and USAID) international, and nongovernmental organization partners to improve regional resiliency, stability and security in confronting climate change challenges.

20. Senator INHOFE. Admiral Locklear, in your testimony you said " ... it is important that the countries in this region build the capabilities into their infrastructure to be able to deal with the [natural disaster] types of things ... " Is it PACOM's primary responsibility to ensure that partner nations build the proper infrastructure to deal with climate change?

Admiral LOCKLEAR. No, it is not PACOM's primary responsibility to ensure that partner nations build the proper infrastructure to deal with climate change. However, in the interest of underpinning regional stability, it is important for PACOM to engage in ways that build partner capacity (BPC), promote resiliency and set the theater for operations across the spectrum of military operations. Humanitarian assistance and disaster relief is one area where broad consensus drives increased cooperation. The second order effect of BPC, which is a powerful yet inexpensive engagement tool, is increased access and forward presence for U.S. forces. BPC across a variety of areas, from terrorism to human trafficking, maritime security to disaster response, is a key enabler of our forward military posture strategy in the theater.

RESOURCES FOR ASIA REBALANCING

21. Senator INHOFE. Admiral Locklear, in recent press coverage of a speech by the Deputy Secretary of Defense, Ash Carter, at the Center for Strategic and International Studies, reaffirmed that "the U.S. rebalance towards Asia is durable and will persist and grow regardless of automatic, widespread budget cuts this fiscal year and lower overall spending levels in future years." I know DOD is currently in the process of undergoing a Strategic Choices and Management Review to assess the impact of reduced budgets on the Defense Strategic Guidance issued in January 2012. In your testimony, you expressed concern about the impact of budget cuts on the Asia rebalancing. From your perspective, what items contained in the budget request for fiscal year 2014 are critical for you to carry out the rebalancing?

Admiral LOCKLEAR. All of them are critical at some level. Over the past decade, the United States has been focused on conflicts and challenges in the U.S. Central Command AOR. As the United States begins to transition out of Afghanistan, it is imperative that we follow through with the President's commitment to re-engage in the Indo-Asia-Pacific.

In order to deter and, if necessary, defeat aggression, we must have the capability and capacity to decisively defeat any opponent. This requires the correct mix of systems to counter both large-scale and high-end offensives. Additionally, we need to have the ability to move personnel and equipment, and protect them, across vast stretches of ocean.

All of the weapons systems, personnel, and transportation will mean nothing if we cannot maintain a high standard of training. Readiness is the glue that holds our forces together. An inadequately trained force is a liability, not an asset.

To single out a specific item in the budget as critical to carrying out the rebalance would be difficult as they are all linked together in support of our strategy.

22. Senator INHOFE. Admiral Locklear, what specific U.S. force posture changes, other than increased exercises, removing I Corps, the 25th Infantry Division, and the III Marine Expeditionary Force from the worldwide service rotation, elevating the Commander of U.S. Army Pacific to a four-star position, relocating 8,000 marines to Guam and Hawaii, and rotating marines through Australia and Littoral Combat Ships through Singapore are part of your rebalance plan over the next 5 years?

Admiral LOCKLEAR. PACOM's force posture efforts over the next 5 years aim to address rapidly-evolving threats to forces in the theater while encouraging partner nation contributions to their own defense and pursuing assured access to rotational and small footprint locations for engagement and crisis response.

We will continue to advocate for more investments in resiliency, including protecting critical defense infrastructure in Hawaii and forward operating locations. We will also seek to field new systems and capabilities, such as the F–35 JSF, to maintain a credible regional deterrence.

Additionally, we envision a significantly Increased Rotational Presence (IRP) in the Philippines. Increased access to Philippine ports, airfields, and training areas will be foundational to our rebalance to Asia. We intend to accomplish this IRP by partnering with the Armed Forces of the Philippines to determine host nation locations which are currently capable of supporting U.S. forces or require minimal infrastructure development.

Special Operations Command Pacific, in order to fill longstanding and critical capability gaps, anticipates gaining additional theater-assigned forces and continental U.S.-based rotational forces. These additional forces may include fixed wing, CV–22 tilt-rotor, rotary-wing aviation, Intelligence, Surveillance, and Reconnaissance assets, SEAL Platoon and boat detachment, military information support teams, civil-military support elements, and Marine Special Operations teams. Forces will utilize intra-theater lift platforms to move to specific operating locations to conduct activities.

We will also seek to increase amphibious lift capabilities and make infrastructure improvements in Japan, Guam, and Australia (pending access agreements) in support of the relocation of marines to Guam and Hawaii. Providing these supporting lift capabilities and infrastructure improvements is essential to ensure PACOM maximizes opportunities to exercise, train, and operate with partner nation militaries, while maintaining quality of life standards for our forward-deployed forces.

23. Senator INHOFE. Admiral Locklear, have you identified requirements for fiscal year 2014 that are not currently included in the budget request?

Admiral LOCKLEAR. No. The President's budget has supported efforts to begin a rebalance to the Indo-Asia-Pacific. Our immediate concern is the potential for further cuts due to sequestration which could negatively impact the rebalance. Continued sequestration, as well as yearly continuing resolutions, imposes significant uncertainty on our planning ability.

24. Senator INHOFE. Admiral Locklear, what is the impact of sequestration and budget cuts on your plan to increase exercises in the Pacific as part of the rebalance?

Admiral LOCKLEAR. The direct impact of sequestration on the PACOM fiscal year 2013 Joint Exercise Program (JEP) is a decrement of $13 million (approximately 20 percent) to joint exercises conducted through the remainder of fiscal year 2013. The realization of this fiscal decrement will be taken from a combination of the Joint Exercise Transportation Program used to provide Strategic Lift to components for unit participation in exercises as well in the Service Incremental Funds used to offset Service component costs for participation in Joint Exercises. The attached table outlines current impacts to the JEP. Two of three planned iterations of Commando Sling have been cancelled due to Service component cost mitigation measures and reduced flying hours. Northern Edge 13 was cancelled due to priorities of participating units and flying hours. Talisman Saber 13 and Ssang Yong 13 were rescoped to meet both JEP decrements as well as Service sequestration guidance. Terminal Fury 13 was rescoped partially due to internal reorganization and in part to sequestration cuts.

Our exercises are increasingly focused on strengthening our alliances and partnerships, enhancing our presence, building regional relationships, while simultaneously achieving the highest level of readiness for our forces. Training underpins and strengthens PACOM's military preeminence; it achieves and sustains force readiness, develops capabilities and confidence, fosters cooperation, both within PACOM forces and interoperability and capacity building with allies and partner nations. Exercises demonstrate PACOM's clear sustained commitment to a secure and peaceful Asia-Pacific region.

PACOM continues to adjust to the effects of sequestration on our JEP. In support of PACOM priorities, preliminary adjustments have been made to the JEP to enable us to execute our program in the AOR. Projected participation reductions are not expected to significantly impact the readiness of our forces or our obligations to our allies and partners. Our long-term effort will be adjusted based on funding availability and prioritized in accordance with readiness and rebalance goals. As part of our strategy, we recently introduced two new JEP exercises for fiscal year 2014: Association of Southeast Asian Nations (ASEAN) Defense Ministers Meeting/ASEAN Regional Forum Disaster Relief Exercise, and Proliferation Security Initiative. These events are not as large as some of our other exercises. However, their introduction highlights our expanded approach to promoting cooperation and understanding.

The strategy to rebalance to the Asia-Pacific has not changed, but what is affected in the near term is the tempo. The levying of both the sequestration and Continuing

Resolution bills so late in the fiscal year impacted the Services' ability to provide the assets and forces necessary to fully leverage in the rebalance strategy. For example, fiscal year 2013 exercise support, partnership activities, and engagements are reduced due to Service component cost mitigation measures. Limited flying hours, ship steaming days, and travel funding have reduced some of our engagement activities.

Event	Status	Notes
KEY RESOLVE/FOAL EAGLE (MAR-APR13) – ROK	No Impact	
SSANG YONG (MAR-MAY13) – ROK	Impact	30% cost reduction by MARFORPAC
BALIKATAN (APR13) - Philippines	No Impact	
NEA Vietnam (APR13) – Vietnam	No Impact	
5x CARATs – IDN, THA, MYS, PHL, SGP	No Impact	
COMMANDO SLING (3x Iterations) – Singapore	Cancelled	USAF canceled 2x iterations due to flying hours
PACIFIC PARTNERSHIP (MAY-JUL13) – Oceania	No Impact	
YUDH ABAS (MAY13) – India	No Impact	
TERMINAL FURY (MAY13) - Hawaii	Impact	Scope changed due to reorganization and sequestration cuts
MALABAR (JUN13) – India	No Impact	India may shift dates
3x ADMM+ Exercises	No Impact	
NORTHERN EDGE (JUN13) – Alaska	Cancelled	Canceled due to flying hours.
TALISMAN SABER (JUL13) – Australia	Impact	JETP decremented $4mil PACAF/MARFORPAC force reductions
ULCHI-FREEDOM GUARDIAN (AUG13) – ROK	No Impact	
TEMPEST WIND (SEP13) – Guam and Hawaii with FVEY	No Impact	
KEEN EDGE (NOV13) – Japan	No Impact	

25. Senator INHOFE. Admiral Locklear, you mentioned the lift requirements necessary to move the marines around your theater in testimony to Senator McCain and in what you have submitted within the last 2 weeks to the Senate Armed Services Committee. Can you identify which of these lift requirements are included in the budget request for fiscal year 2014? Given the possibility of defense budget cuts, are you concerned about having the strategic air and sealift to support the annual deployments?

Admiral LOCKLEAR. Yes. The presidential budget for fiscal year 2014 requests $24 million to continue the lease of High Speed Vessel, MV Westpac Express. Additionally, $3.5 million is requested for Joint High Speed Vessel steaming days in support of the Marine Rotational Force-Darwin. However, I am concerned that the net effect of sequestration will negatively impact the Indo-Asia-Pacific. Specifically, given the size of the PACOM AOR, the lift capabilities provided by the Air Force and Navy, which are critical to our engagement with our allies and partners, our presence and our ability to execute our plans must be preserved.

26. Senator INHOFE. Admiral Locklear, when do you expect to have submitted all of the necessary information to the Office of the Secretary of Defense for a master plan for the movement of marines from Okinawa?

Admiral LOCKLEAR. DOD is conducting a Supplemental Environmental Impact Study (SEIS) for the new Marine Corps main cantonment area and live-fire training area complex on Guam. We anticipate the draft SEIS being available in 2014, with a final record of decision in February 2015. This study will inform the master plan which we project will be submitted to DOD in 2015.

AUSTRALIA

27. Senator INHOFE. Admiral Locklear, in your written statement regarding Marine Corps deployments to Australia, you noted that: "We are working together to increase the Marine Corps rotational presence in Darwin to approximately 1,100. This increase will require infrastructure improvements and we are currently in the process of identifying the details of those requirements." What is the status of progress on the agreement with the Australian Government?

Admiral LOCKLEAR. We expect the Australian Government decision on approval of 1,100 USMC personnel sometime this summer. Once approved, we will commence negotiations on required arrangements, including infrastructure improvements, after we have secured Circular 175 authority through the DOS.

28. Senator INHOFE. Admiral Locklear, what is the total number of marines planned for annual deployments to Australia?

Admiral LOCKLEAR. We currently have about 200 Marine Corps personnel in Darwin from April to September 2013. We plan to increase to 1,100 in 2014, contingent on Australian Government approval that we expect this summer. Our overall goal is a fully-manned Marine Air Ground Task Force of 2,500 personnel by 2017–2018 timeframe, contingent on Australian Government approval.

29. Senator INHOFE. Admiral Locklear, when will the details of the infrastructure improvements required in Australia to support Marine Corps deployments be available for congressional review?

Admiral LOCKLEAR. Upon completion of negotiations with the Government of Australia projected to begin this summer, details of infrastructure improvements required will be available for congressional review.

30. Senator INHOFE. Admiral Locklear, from your interactions with counterparts and defense leaders of allies and partners in the region, what is their perception of the rebalance and if budget cuts prevent you from executing the strategy, what do we risk in terms of our relationships with them?

Admiral LOCKLEAR. Asia is a complex region that exhibits a wide range of opinions; nevertheless several themes have recurred during our engagements in the region.

The rebalance has generally been welcomed by ASEAN countries. Southeast Asian nations appreciate our enhanced regional focus and generally understand our rationale for the rebalance. Additionally, they are highly appreciative of increased U.S. support bilaterally and to the ASEAN organizations (e.g. ASEAN Defense Ministers Meeting Plus; ASEAN Regional Forum.)

Regional nations seek a more detailed understanding of what the rebalance means for them and how the United States will execute it. Some believe the rebalance has not been effectively communicated in regard to its specific purpose, strategy, and details. Most see the rebalance as focused on Northeast and Southeast Asia, and do not appreciate the South Asia and Oceania dimensions. Some believe there has been too much emphasis on the military dimension of the strategy. We must work across the U.S. Government to better communicate the rebalance strategy, particularly the nondefense aspects. This will help counter China's narrative that the rebalance is a military effort to contain their rise.

The rebalance is seen, at least partly, as a response to China's rapid rise in regional affairs. This is generally regarded as appropriate, though with significant reservations. Some leaders have opined the rebalance is an effort to contain China and express concern it could increase tension with China or place them uncomfortably in the middle of the United States and China. Continued messaging is necessary to emphasize that the rebalance is not containment, that we welcome China's rise, and that the region can enjoy good relations with both the United States and China simultaneously.

Countries are watching the U.S. budget process closely. ASEAN nations will weigh their relationships carefully in light of China's ascendance and questions regarding U.S. commitment. Allies and partners desire reassurance that the rebalance is sustainable. They insist the rebalance will be validated by actions, not narrative.

CHINA

31. Senator INHOFE. Admiral Locklear, how have your Chinese counterparts reacted to the concept of rebalance?
Admiral LOCKLEAR. [Deleted.]

32. Senator INHOFE. Admiral Locklear, you have said we are going to "pursue a lasting relationship" with China. What are the primary components of that pursuit and is this similar to the Russia reset?
Admiral LOCKLEAR. A "lasting relationship with China" is one in which the security component of our bilateral relationship grows into one that is healthy, stable, reliable, and mature enough to withstand the friction generated by policy disagreements that exist between our two countries. This relationship would exist in the context of our existing alliances and partnerships—not at their expense—and be based upon pragmatic cooperation in areas of shared interest, such as disaster response, counter-piracy, countering proliferation, peacekeeping, and military medicine. Our military relations with China develop from different pressures, motives, and imperatives than our relations with Russia. PACOM does not seek to "reset" relations with China, but rather seeks to mature the security component of an already robust, and largely cooperative, bilateral relationship. Therefore, I would not characterize it as similar to the Russia reset.

33. Senator INHOFE. Admiral Locklear, you have indicated we will invite the Chinese to our Rim of the Pacific exercise. Are you also going to invite the Taiwanese to participate? Why or why not?
Admiral LOCKLEAR. [Deleted.]

34. Senator INHOFE. Admiral Locklear, what effects are China's significant increases in defense spending, foreign military sales, and soft power having in the PACOM region?
Admiral LOCKLEAR. [Deleted.]

35. Senator INHOFE. Admiral Locklear, if we don't deliver on the rebalance due to budget constraints on the military, how much will that erode our influence in the region?
Admiral LOCKLEAR. [Deleted.]

36. Senator INHOFE. Admiral Locklear, given the expected growth in Chinese missile capabilities over the next 10 years, how do you envision the evolution of the Phased Adaptive Approach to missile defense in the Pacific?
Admiral LOCKLEAR. [Deleted.]

NORTH KOREA

37. Senator INHOFE. Admiral Locklear, do you think our current strategy of diplomatic isolation and economic sanctions will stop Kim Jong Un from acquiring nuclear weapons capability?
Admiral LOCKLEAR. No. The Democratic People's Republic of Korea has already demonstrated the ability to construct and detonate crude nuclear devices. However, PACOM is confident that our defense posture, military capabilities, deterrence, and counter-proliferation strategies can protect the U.S. Homeland, forward-deployed U.S. forces, and our regional allies and partners.

38. Senator INHOFE. Admiral Locklear, we know that missile defense is an important but expensive capability. What allies and partners are helping us with regional missile defense efforts and what capabilities are they developing?
Admiral LOCKLEAR. [Deleted.]

OPERATIONAL RESILIENCY

39. Senator INHOFE. Admiral Locklear, you mention in your written statement regarding Pacific military forces that "the United States requires a more geographi-

cally distributed, operationally resilient, and politically sustainable posture that allows persistent presence and, if needed, power projection." Can you explain the concept of operational resiliency and your plans to improve it?

Admiral LOCKLEAR. Operational resiliency refers to a force posture that has active and passive defenses as well as the offensive capacity and capability to meet warfighting requirements. A resilient posture assures access for U.S. forces in a contested environment. In short, an operationally resilient posture is the foundation of our ability to respond rapidly and prevail in crisis.

With regards to missile defense, the concept of resiliency includes dispersal, active missile defense capabilities, operational deception, and, when appropriate, hardening. This concept is a key tenant to safeguarding U.S. assets and critical defense infrastructure in the PACOM theater. The resiliency efforts already underway or planned for Guam (missile defense and hardening of critical infrastructure) remain a top priority.

Additionally, PACOM continues investments in dispersal initiatives to ensure we have a range of options for rapidly responding to crises across the Indo-Asia-Pacific. Areas where PACOM is looking to increase our presence include Northeast Asia, Australia, the Philippines, Southeast Asia, Micronesia, and the Marianas. In this way, operationally resilient posture underpins our persistent presence and power projection, essential tenets of the rebalance.

40. Senator INHOFE. Admiral Locklear, given the strategic importance of the military resources stationed in your command, including the aircraft carrier USS *George Washington* in Japan, what are your priorities to improve operational resiliency? Are the Marine Corps, Navy, and Army going to harden their facilities as well, in other words, will this resiliency concept be applied across PACOM?

Admiral LOCKLEAR. Operational resiliency goes beyond the hardening of critical defense infrastructure. It denotes a force posture that has the flexibility and depth to respond to a broad spectrum of crises, whether tsunamis, earthquakes, humanitarian crises, or major contingency operations. To this end, we seek a diverse mix of capabilities across the theater.

With regards to missile defense, the resiliency concept of hardening, dispersal, active defense capabilities, and deception is a key tenant to safeguarding U.S. assets and critical infrastructure throughout the PACOM theater. The resiliency efforts already underway or planned for Guam are a top priority.

As forward deployable forces, the Marine Corps, Navy, and Army have different and unique resiliency requirements, of which hardening is just one aspect. As the threat evolves we will continue to study and apply the appropriate resiliency pillar for specific facilities and services across PACOM.

41. Senator INHOFE. Admiral Locklear, given the recent provocations of North Korea, have you identified significant risk or vulnerabilities for our forces stationed in Korea and Japan? If so, can you describe them and what measures you are undertaking to mitigate those risks?

Admiral LOCKLEAR. [Deleted.]

42. Senator INHOFE. Admiral Locklear, last year you wrote a classified letter to the Senate Armed Services Committee advocating for the funding of a hardened aircraft fuel cell maintenance hangar on Guam and noting that "to reduce the operational vulnerabilities of our forces, we should selectively invest in force protection enhancement now." In an era of declining defense spending, is the construction of hardened facilities on Guam to protect certain assets during a contingency your highest priority for the operational resiliency of forces in your AOR? If not, what higher priorities do you have?

Admiral LOCKLEAR. [Deleted.]

43. Senator INHOFE. Admiral Locklear, do you support the hardening of facilities on Guam to preserve a second strike capability and increase the targeting complexity for adversaries?

Admiral LOCKLEAR. [Deleted.]

44. Senator INHOFE. Admiral Locklear, given the large numbers of Chinese missiles projected in 2020, what makes you believe that you can protect enough infrastructure to be able to launch a second strike?

Admiral LOCKLEAR. [Deleted.]

45. Senator INHOFE. Admiral Locklear, hardening approximately doubles the cost of a facility—can we afford that cost in this budget environment?

Admiral LOCKLEAR. [Deleted.]

ARTICLE 60 MODIFICATIONS

46. Senator INHOFE. Admiral Locklear, commanders in the military are given great responsibility, literally over life and death. Decisions they make send men and women into battle where they may die or be severely wounded. This special trust and confidence is given to no other position in our government. In line with this responsibility, commanders are given the autonomy to discipline, train, and reward their units so that they can establish a cohesive, mission-ready unit capable of fighting and winning the Nation's wars. While we trust you with our sons' and daughters' lives, the proposed modifications to Article 60 of the Uniform Code of Military Justice (UCMJ) seem to suggest that we do not trust your discretion when it comes to UCMJ offenses. Do you, as a commander, consider the UCMJ as it is currently structured, to be a viable tool to help you maintain and enhance the cohesiveness and fighting capabilities of your combat units?

Admiral LOCKLEAR. Yes.

47. Senator INHOFE. Admiral Locklear, have you seen any evidence that commanders are abusing their discretion as the convening authority to adjust sentencing?

Admiral LOCKLEAR. No.

48. Senator INHOFE. Admiral Locklear, the Secretary of Defense has announced that he intends to recommend changes to the UCMJ. How would the proposed changes to the UCMJ impact your effectiveness as a commander?

Admiral LOCKLEAR. I support the Secretary Defense's recommended changes to the UCMJ.

QUESTIONS SUBMITTED BY SENATOR KELLY AYOTTE

MISSILE DEFENSE

49. Senator AYOTTE. Admiral Locklear, from your perspective as the Commander of PACOM, what is the requirement for effective missile defense in your AOR?

Admiral LOCKLEAR. [Deleted.]

50. Senator AYOTTE. Admiral Locklear, what is the difference between our current missile defense posture in PACOM and the missile defense posture required to protect our interests in the region?

Admiral LOCKLEAR. [Deleted.]

F–35 JOINT STRIKE FIGHTER PROGRAM

51. Senator AYOTTE. Admiral Locklear, is China developing a fifth generation fighter?

Admiral LOCKLEAR. [Deleted.]

52. Senator AYOTTE. Admiral Locklear, how would these Chinese fifth generation fighters match up against our current fourth generation fighters?

Admiral LOCKLEAR. [Deleted.]

53. Senator AYOTTE. Admiral Locklear, in order to maintain U.S. air dominance, deter potential adversaries, and assure our allies, how important is it that the United States finalizes development of the JSF and begin to dramatically ramp up procurement of the F–35?

Admiral LOCKLEAR. In order to maintain air dominance, deter potential adversaries, and assure our allies, it is extremely important to procure the F–35. To this end, the President's fiscal year 2014 budget specifically requests $8.4 billion for the continued development of the JSF.

VIRGINIA-CLASS SUBMARINES

54. Senator AYOTTE. Admiral Locklear, what capabilities and what strategic value does the *Virginia*-class submarine provide you as the PACOM Commander?

Admiral LOCKLEAR. [Deleted.]

55. Senator AYOTTE. Admiral Locklear, from your perspective, how is the *Virginia*-class submarine performing?
Admiral LOCKLEAR. [Deleted.]

56. Senator AYOTTE. Admiral Locklear, what percentage of your combatant commander requirements for attack submarines were met in fiscal year 2012?
Admiral LOCKLEAR. [Deleted.]

57. Senator AYOTTE. Admiral Locklear, as *Los Angeles*-class submarines retire in the coming years and we fail to replace them quickly enough with *Virginia*-class submarines, our number of attack submarines will drop from 54 today to 43 in 2030. As a result, our undersea strike volume will decline. In order to at least partially address this decline in undersea strike volume, how important is it that we go forward with the Virginia payload module?
Admiral LOCKLEAR. [Deleted.]

JOINT POW/MIA ACCOUNTING COMMAND

58. Senator AYOTTE. Admiral Locklear, can you give an update on the Joint POW/MIA Accounting Command's (JPAC) operations?
Admiral LOCKLEAR. Thus far in fiscal year 2013, JPAC has identified 38 individuals: 4 from the Vietnam War, 27 from the Korean War, and 7 from World War II.
JPAC's plan to increase capacity and capability to fulfill the National Defense Authorization Act (NDAA) 2010 mandate continues to progress in some areas, but is hindered in others. We expect Full Operational Capability (FOC) of the JPAC Continental U.S. Annex (JCA) at Offutt Air Force Base, NE, in June 2013. Physically, this annex will significantly improve laboratory capacity to enable additional identification capabilities. However, the current civilian hiring freeze is preventing the proper scientific staffing of the JCA beyond the one anthropologist who relocated from Headquarters, JPAC. Construction of the JPAC Headquarters Building at Joint Base Pearl Harbor-Hickam has experienced a delay, but is projected to be construction-complete in spring 2014. However, the continued lack of funding for the communications and computer infrastructure will delay occupancy of the building to spring 2015. JPAC will be requesting reprogramming of available excess MILCON funding to fund this facility requirement.
Within the past year, additional challenges have manifested in JPAC's ability to contract and pay for services in austere locations which can negatively impact mission success. While a Joint Field Activities (JFA) in Cambodia had to be deferred and others adjusted, a country-by-country comprehensive review has ensured the proper fiscal authorities and contracting mechanisms are in place for JPAC teams to operate in these countries.

59. Senator AYOTTE. Admiral Locklear, how can Congress help support JPAC's mission?
Admiral LOCKLEAR. The recently-introduced POW/MIA Accounting and Recovery Support Act of 2013 (H.R. 1520), if passed, would help reduce disruptions to JPAC field operations, if civilian furloughs were to go into effect. It would allow JPAC's deployed civilian scientists a temporary exemption from the requirement to take 1 furlough day off each week. The bill would permit them to support the 4 to 6 week mission, otherwise lacking an anthropologist to deploy, the recovery missions would have to be cancelled. The deploying civilians would make up the accumulated furlough days upon their return to JPAC Headquarters.
JPAC would greatly benefit by having a dedicated, "fenced" funding line separate from PACOM. Currently JPAC's budget is embedded with PACOM's budget which means that every time the combatant commands (COCOM) are hit with a budget cut, JPAC assumes a large portion of the PACOM share since they have the largest budget that is not in direct support of our warfighting mission. With a "fenced" line item in the budget, JPAC would better weather the budget challenges and uncertainties we face, and in doing so build and sustain the capacity and capabilities to meet Congress' mandate in the NDAA for Fiscal Year 2010.

60. Senator AYOTTE. Admiral Locklear, can you provide more detail on the impact of sequestration and furloughs on the ability of JPAC to perform its important mission?
Admiral LOCKLEAR. The extended Continuing Resolution Authority (CRA) reduced JPAC's programmed budget by $21 million, thus lowering JPAC's fiscal year 2013

planned Joint Field Activities (JFAs) from 30 to 19. Sequestration forced PACOM to levy an additional $15 million mark against JPAC's already-diminished CRA budget line which further reduced JPAC's operational capacity from 19 to 14 JFAs, 6 of which were also reduced in scope. Total net loss to JPAC budget due to CRA and sequestration is $36 million. Total net loss in operational capacity was 16 JFAs. With the allocation of the fiscal year 2013 appropriations, JPAC hopes to buy back some cancelled JFAs (difficult this late in the fiscal year) or enhance some of the remaining scheduled JFAs.

CRA and sequestration also combined to result in a civilian hiring freeze. fiscal year 2013 was JPAC's high watermark in the Fiscal Year Defense Plan for programmed growth to increase capacity and capability to meet the NDAA for Fiscal Year 2010 mandate. However, the hiring freeze left JPAC unable to bring aboard 86 civilian hires, a large percentage of which had already been selected for the new positions. This impedes JPAC's requirement to add key anthropologists, historians, and other key personnel to its ranks.

NUCLEAR MODERNIZATION AND PROLIFERATION

61. Senator AYOTTE. Admiral Locklear, as North Korea has developed its nuclear weapons program, what are you and General Thurman hearing from our allies in Japan and South Korea?

Admiral LOCKLEAR. North Korea's rhetoric, recent nuclear tests, and missile launches have only strengthened our alliances with Japan and South Korea. We continue to conduct annually scheduled combined joint military exercises with South Korean Armed Forces and the Japanese Self Defense Force. Kim Jong Un's continued threats and provocations encourage more trilateral cooperation with Japan and South Korea, particularly with regards to regional Ballistic Missile Defense.

62. Senator AYOTTE. Admiral Locklear, do you believe North Korea's nuclear program could encourage some of our allies to move closer to a nuclear weapons capability?

Admiral LOCKLEAR. No. While elements in Japan and the Republic of Korea periodically advocate for independent nuclear weapon programs, both governments have a mature understanding of the diplomatic, political, and economic costs of developing nuclear weapons. Specifically, they recognize that the U.S. extended deterrence commitment comes with the understanding that they will forego their own nuclear weapons development and remain within the Nonproliferation Treaty. As long as our allies see our extended deterrence commitment as credible, PACOM is confident they will not pursue nuclear weapons.

63. Senator AYOTTE. Admiral Locklear, what role does a reliable and credible U.S. nuclear triad play in not only deterring North Korean aggression, but in also discouraging the proliferation of nuclear weapons programs among our allies?

Admiral LOCKLEAR. A reliable and credible U.S. nuclear triad assures a second strike capability and guarantees the capability for an overwhelming response in retaliation to any employment of nuclear weapons by North Korea. While Kim Jong Un may be young and bellicose, PACOM assesses that he is a rational actor and can be deterred.

The existence of a reliable U.S. nuclear triad is essential to maintaining the credibility of the United States' extended deterrence commitments. Extended deterrence is a key consideration for our allies, providing a credible defense without them having to develop their own nuclear programs.

SEA LEG OF OUR NUCLEAR TRIAD

64. Senator AYOTTE. Admiral Locklear, how important is the sea leg of our nuclear triad?

Admiral LOCKLEAR. The sea leg is the most survivable part of the U.S. Nuclear Triad and is thus an essential component of our strategic nuclear deterrence.

65. Senator AYOTTE. Admiral Locklear, what unique role do our *Ohio*-class submarines play in our Nation's nuclear deterrent?

Admiral LOCKLEAR. The *Ohio*-class ballistic missile submarines comprise the most survivable leg of the U.S. Nuclear Triad. Our ability to have a reliable, survivable second strike capability is crucial to our nuclear deterrence strategy because it interrupts the adversary decision cycle by the positive knowledge that any initial strike, no matter how massive, will result in an overwhelming second strike.

66. Senator AYOTTE. Admiral Locklear, do you believe any additional delay to the *Ohio*-class replacement program would undermine U.S. national security and our Nation's nuclear deterrent?

Admiral LOCKLEAR. A delay in the *Ohio*-class replacement program would complicate the Navy's ability to meet its nuclear deterrence patrol and presence requirements.

COMMERCIAL OFF-THE-SHELF BOATS

67. Senator AYOTTE. Admiral Locklear, given the number of nations with whom you would like to engage, as well as the long distances between them, how useful would long-range, high-speed, commercial off-the-shelf (COTS) boats be in helping you to bridge that gap?

Admiral LOCKLEAR. Current versions of COTS vessels do not adequately meet our engagement needs to move equipment, supplies, and personnel over the vast distances of the Indo-Asia-Pacific. These vessels lack the following necessary capabilities: helicopter landing deck capacity, onboard cranes, and adequate life support (berthing, feeding, showers, etc.) for personnel who use the ship as transportation or for in-port billeting. The military is currently contracting the Joint High Speed Vessel that meets all of the above requirements.

68. Senator AYOTTE. Admiral Locklear, do you believe that the export capability of COTS boats would help enhance partnership-building and interoperability?

Admiral LOCKLEAR. Potentially. Depending on the specific requirements of our allies and partners, exporting COTS boats could enhance partnership and increase their capability to quickly transport equipment.

69. Senator AYOTTE. Admiral Locklear, there is a growing need for low-cost, multi-role, and flexible platforms. What attributes of naval platforms are most critical to you in your AOR, either individually or as part of a broader force package?

Admiral LOCKLEAR. In the PACOM AOR, there is a need for a balanced portfolio of platforms that can deal with both high- and low-intensity conflicts, conduct humanitarian assistance and presence operations, as well as provide a sufficient, credible force to deter aggression.

With the rapidly increasing cost of fossil fuel, fuel-efficient ships that provide greater endurance and lower steaming costs are critical given the vast distances necessary to transit in the PACOM AOR.

Finally, ships must also possess a high degree of independent operational and maintenance capability, thus allowing them to operate forward for extended periods.

[Whereupon, at 12:03 p.m., the committee adjourned.]

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2014 AND THE FUTURE YEARS DEFENSE PROGRAM

WEDNESDAY, APRIL 17, 2013

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

MILITARY POSTURE

The committee met, pursuant to notice, at 9:34 a.m. in room SH–216, Hart Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Reed, Nelson, McCaskill, Udall, Hagan, Manchin, Gillibrand, Blumenthal, Donnelly, Hirono, Kaine, King, Inhofe, McCain, Sessions, Wicker, Ayotte, Fischer, Graham, Vitter, Blunt, Lee, and Cruz.

Committee staff members present: Peter K. Levine, staff director; Travis E. Smith, chief clerk; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Gabriella E. Fahrer, counsel; Richard W. Fieldhouse, professional staff member; Creighton Greene, professional staff member; Michael J. Kuiken, professional staff member; Gerald J. Leeling, general counsel; William G.P. Monahan, counsel; Michael J. Noblet, professional staff member; Roy F. Phillips, professional staff member; Russell L. Shaffer, counsel; and William K. Sutey, professional staff member.

Minority staff members present: John A. Bonsell, minority staff director; Thomas W. Goffus, professional staff member; Ambrose R. Hock, professional staff member; Anthony J. Lazarski, professional staff member; Daniel A. Lerner, professional staff member; and Lucian L. Niemeyer, professional staff member.

Staff assistants present: Kathleen A. Kulenkampff, Mariah K. McNamara, and John L. Principato.

Committee members' assistants present: Carolyn Chuhta, assistant to Senator Reed; Jeff Fatora, assistant to Senator Nelson; Jason Rauch, assistant to Senator McCaskill; Casey Howard, assistant to Senator Udall; Mara Boggs, assistant to Senator Manchin; Chad Kreikemeier, assistant to Senator Shaheen; Elana Broitman, assistant to Senator Gillibrand; Marta McLellan Ross, assistant to Senator Donnelly; Nick Ikeda, assistant to Senator Hirono; Karen Courington, assistant to Senator Kaine; Steve Smith, assistant to Senator King; Paul C. Hutton IV, assistant to

Senator McCain; Lenwood Landrum, assistant to Senator Sessions; Joseph Lai, assistant to Senator Wicker; Brad Bowman, assistant to Senator Ayotte; Peter Schirtzinger, assistant to Senator Fischer; Craig Abele, assistant to Senator Graham; Joshua Hodges, assistant to Senator Vitter; Charles Prosch, assistant to Senator Blunt; Robert Moore, assistant to Senator Lee; and Jeremy Hayes, assistant to Senator Cruz.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Good morning, everybody. Today the committee gives a warm welcome to Secretary of Defense Chuck Hagel; General Martin Dempsey, the Chairman of the Joint Chiefs of Staff; accompanied by the Department of Defense's (DOD) Comptroller, Under Secretary Robert Hale, for our hearing on the DOD's fiscal year 2014 budget request and the posture of the U.S. Armed Forces.

We welcome Secretary Hagel on his first appearance as Secretary of Defense before this committee. We thank all of our witnesses for their service to our Nation and to the soldiers, sailors, airmen, and marines at home and in harm's way. We can never say that enough.

Your testimony today is a key component of the committee's review of the fiscal year 2014 budget request for DOD. This year's request includes $526.6 billion for the base budget and $88.5 billion for overseas contingency operations (OCO), although as your testimony notes, the OCO number is simply a placeholder figure pending final force level and deployment decisions.

The future of the defense budget is in flux due to Congress' failure to enact legislation reducing the deficit by $1.2 trillion as required by the Budget Control Act (BCA). As a result of that, the DOD funding for fiscal year 2013 was reduced by sequestration in the amount of $41 billion, and unless Congress acts, the fiscal year 2014 DOD budget will be cut by an additional $52 billion below the funding level which is in the President's budget for fiscal year 2014 and also in the budgets passed by the Senate and the House of Representatives.

Congress can fix the budget problems by enacting legislation that reduces the deficit by $1.2 trillion over 10 years. That would take a grand bargain, including both spending cuts and additional revenues, that would turn off the automatic spending cuts of sequestration for those 10 years. I remain hopeful we can develop such a bipartisan plan. But absent a so-called "grand bargain", surely we can devise a balanced deficit reduction package for 1 year that avoids sequestration in fiscal year 2014. We simply cannot continue to ignore the effects of sequestration.

Sequestration will have a major impact on military personnel. Though the pay of military personnel has been exempted, the sequester will reduce military readiness and needed services for our troops, including schools for military children, family support programs, and transition assistance programs and mental health and other counseling programs.

The President's budget request continues the measured drawdown of Active Duty and Reserve end strength. We have, in recent years, given DOD numerous force-shaping authorities to allow it to

reduce its end strength in a responsible way, ensuring that the Services maintain the proper force mix and avoiding grade and occupational disparities, all of which have long-term effects. If sequestration continues, the result would be more precipitous reductions, leaving us with a force structure that is out of sync with the requirements of our defense strategy.

Sequestration has already affected military readiness. We have heard testimony that as a result of cuts to flying hours, steaming hours, and other training activities, that readiness will fall below acceptable levels for all three military Services by the end of this summer. The Army, for example, has informed us that by the end of September, only one-third of its Active Duty units will have acceptable readiness ratings far below the two-thirds level that the Army needs to achieve to meet national security requirements. These cuts are having an operational impact as well. For example, four of six fighter squadrons in Europe have been grounded and the deployment of the *Truman* carrier group to the Persian Gulf has been postponed indefinitely. It will cost us billions of dollars and months of effort to make up for these shortfalls in training and maintenance, and it will be nearly impossible for us to do so if we have a second round of sequestration in fiscal year 2014. Our men and women in the military and their families should not have to face both the pressure of military service and the uncertainty about future financial support from their Government.

DOD faces these budget shortfalls at a time when 68,000 U.S. troops remain in harm's way in Afghanistan. We must, above all, ensure that our troops in Afghanistan have what they need to carry out their mission. The campaign in Afghanistan is now on track to reach a major milestone later this spring, when the lead for security throughout Afghanistan will transition fully to Afghan security forces. As our commander in Afghanistan told us yesterday, there are clear signs that the Afghan security forces are capable of taking the fight to the Taliban and are doing so effectively. Operations by Afghan security forces are increasingly conducted by Afghan units on their own, that is, without international forces present. There are fewer Afghan civilian casualties in recent months and fewer U.S. and coalition casualties, including a 4-week stretch earlier this year with no U.S. or coalition fatalities.

DOD's budget challenges, which are the subject of today's hearing, are occurring in a world full of threats to U.S. security, including North Korea's reckless rhetoric and provocative behavior, and perhaps the greatest world threat, Iran's nuclear program and its support for international terrorism.

In the interest of time, I am going to submit the remainder of my statement relative to those and other matters for the record.

[The prepared statement of Senator Levin follows:]

PREPARED STATEMENT BY SENATOR CARL LEVIN

Good morning. Today, the committee welcomes Secretary of Defense Chuck Hagel and General Martin Dempsey, the Chairman of the Joint Chiefs of Staff, accompanied by the Department's Comptroller, Under Secretary Robert Hale, for our hearing on the Department of Defense's (DOD) fiscal year 2014 budget request and the posture of the U.S. Armed Forces.

This morning's hearing is Secretary Hagel's first appearance before this committee as Secretary of Defense and we welcome you back. We thank all of you for your service to the Nation and to the soldiers, sailors, airmen, and marines at home

and in harm's way. They and their families deserve our utmost support and appreciation for their willingness to serve our Nation.

BUDGET

Your testimony today is a key component of the committee's review of the fiscal year 2014 budget request for DOD. This year's request includes $526.6 billion for the base budget and $88.5 billion for overseas contingency operations (OCO) although, as your testimony notes, the OCO number is a placeholder figure pending final force level and deployment decisions.

The Defense Department's fiscal year 2013 budget and the budget request for fiscal year 2014 are both in flux due to Congress' failure to enact legislation reducing the deficit by $1.2 trillion as required by the Budget Control Act. As a result of this failure, DOD funding for fiscal year 2013 was reduced by sequestration in the amount of $41 billion and, unless Congress acts, the fiscal year 2014 DOD budget will be cut by an additional $52 billion below the funding level which is in the President's budget and also in the budgets passed by the Senate and the House of Representatives.

Congress can fix the budget problems by enacting legislation that reduces the deficit by $1.2 trillion over 10 years. That would take a "grand bargain"—including both spending cuts and additional revenues—that would turn off the automatic spending cuts of sequestration for those 10 years. I remain hopeful that we can develop such a bipartisan plan. But absent a so-called grand bargain, surely we can devise a balanced deficit reduction package for one year that avoids sequestration in fiscal year 2014. We simply cannot continue to ignore the effects of sequestration.

Personnel, both military and civilian, remain our top priority. Sequestration will have a major impact on military personnel. Though the pay of military personnel has been exempted, the sequester will reduce needed services for our troops, including schools for military children, family support programs, and transition assistance programs, and possibly mental health and other counseling programs, all of which are staffed significantly by civilian employees or contractors. The Department has also informed us that htere is a risk that it will be unable to pay its TRICARE bills before the end of the year, resulting in a reduction in the avilability of medical services.

The President's budget request continues the measured drawdown of active duty and Reserve end strength. We have in recent years given the Department numerous force shaping authorities to allow it to reduce its end strength in a responsible way, while ensuring that the Services maintain the proper force mix, and avoid grade and occupational disparities, which have long-term effects. I have been supportive of the Department's efforts, but I remain concerned that continued sequestration could require more precipitous reductions without adequate planning, leaving us with a force structure that does not match the requirements of our defense strategy.

The President's budget also contains numerous proposals affecting the pay and benefits of our servicemembers, retirees, and their families, including a 1 percent across-the-board pay raise for fiscal year 2014, for both military and civilian personnel. While the budget's pay raise is below the expected increase in the Employment Cost Index of 1.8 percent, I support modest but equal pay raises for our military and civilian personnel. The Department also proposes, as it has for a number of years, to establish or raise certain fees relating to health care coverage for military dependents and retirees. Congress has not fully supported these proposals in past years, but given the impact of sequestration and the continued pressure the personnel and health care accounts are exerting on other areas of the budget, these proposals may be considered in a different light this year.

For civilian personnel, the situation is even worse. As a result of sequestration, the Department plans to furlough most of its 800,000 civilian employees for up to 14 days beginning in June—a pay cut of 20 percent for the rest of the year. As a number of our combatant commanders have testified, the Department's civilian workforce is an important component of the total force. DOD civilian employees play a vital role in acquiring, sustaining, and repairing weapon systems, providing logistics support to our troops in the field, providing medical care for military members and their families, developing the next generation technologies we need to keep our military edge in the future, and maintaining the infrastructure of the Department of Defense. I am concerned that if we continue to target our civilian workforce for cuts, young people may no longer see public service as a viable career—a devastating result.

Another place where sequestration will have a deep impact is on military readiness. Sequestration will cut the Department's operation and maintenance accounts by several billion dollars in fiscal year 2013, requiring deep reductions in spending

for training and maintenance. We have heard testimony that as a result of cuts to flying hours, steaming hours, and other training activities, readiness will fall below acceptable levels for all three military Services by the end of this summer. These cuts are having an operational impact as well. For example: four of six fighter squadrons in Europe have been grounded, the deployment of the *Truman* carrier group to the Persian Gulf has been postponed indefinitely, and we are unable to deploy ships that would otherwise be expected to interdict 200 tons of cocaine per year in the U.S. Southern Command area of responsibility. It will cost us billions of dollars and months of effort to make up for these shortfalls in training and maintenance and it will be nearly impossible for us to do so if we have a second round of sequestration in fiscal year 2014.

I do not believe that Members of Congress have any interest in the new round of base closures proposed as a part of this budget—but if we are unable to address the sequestration problem, we may have no choice but to reconsider. It is difficult to see how the Department could cut another $500 billion from its budget over the next decade and still retain the same infrastructure.

SECURITY CHALLENGES

The Department faces these budget shortfalls at a time when 68,000 U.S. troops remain in harm's way in Afghanistan, and the Department must be prepared to address a myriad of other challenges on a moment's notice. This is not, in my view, a time when we can afford to be shortchanging the Department of Defense, or our men and women in uniform.

First and foremost, we must ensure that our troops in Afghanistan have what they need to carry out their mission. The campaign in Afghanistan is now on track to reach a major milestone later this spring, when the lead for security throughout Afghanistan will transition fully to the Afghan security forces. There are clear signs that the Afghan security forces are capable of taking the fight to the Taliban, and are doing so effectively. Operations by Afghan security forces are increasingly conducted unilaterally, that is, without international forces present. This has translated into fewer Afghans civilian casualties in 2012, and fewer U.S. and coalition casualties, including a 4-week stretch earlier this year with no U.S. or coalition fatalities.

Nonetheless, significant challenges remain in Afghanistan. Not least is the continuing presence of safe havens for the Afghan Taliban and associated extremist groups in Pakistan. Pakistan must do more to disrupt and degrade these deadly sanctuaries. The Government of Afghanistan needs to demonstrate its seriousness about improving governance and fighting corruption. And our bilateral relations are harmed by President Karzai's inflammatory remarks, which offend Americans and weaken U.S. support for Afghanistan. I remain hopeful that the campaign remains on the right track, but continued robust OCO funding will be necessary to ensure that we don't undermine our decades-long work as we transfer responsibility to the Afghans.

I've just outlined a daunting list of challenges for the department. It is a sign of the times that this lengthy list does not include major additional challenges: North Korea's continued belligerence; Iran's nuclear program and its support of international terrorism; or the ongoing bloodshed in Syria, about which we will hear more later today. In the interests of time I will submit the remainder of my statement for the record, but rest assured the committee remains concerned about each of those issues and more.

Before I turn to Senator Inhofe, I should also mention that this morning the committee released a report of our year-long review of Department of Defense spending overseas. The review focused on spending in Japan, South Korea and Germany, three critical allies. In order to better sustain our presence in these countries, we need to understand and manage our costs. Our review found construction projects lacking congressional or Pentagon oversight and allied contributions failing to keep up with rapidly rising U.S. costs. Every dollar spent on unnecessary or unsustainable projects is a dollar unavailable to care for our troops and their families, to maintain and modernize equipment, and to pay for necessary investments in base infrastructure. Our findings suggest that changes to how we manage spending are necessary and that closer scrutiny is warranted to avoid future commitments that may be inefficient or unaffordable.

NORTH KOREA

Over the last several months, the North Korean regime has elevated its reckless rhetoric and provocative behavior. Earlier this month, the North Korean regime announced its intention to re-start plutonium production at Yongbyon. In February,

it tested a nuclear device that appears to have a yield greater than that shown in previous North Korean tests. In December of last year, the regime put a satellite in orbit using technologies associated with long-range ballistic missiles. And last April, it displayed a road-mobile missile launcher, which may or may not be operational.

A series of United Nations Security Council resolutions—joined by China, despite its longstanding relationship with North Korea have condemned the regime's dangerous behavior and imposed new sanctions, including tighter financial restrictions and bans on luxury goods. A few weeks ago, Secretary Hagel announced a plan to enhance our ground-based interceptor capability in Alaska. And just last week, the Department announced the deployment of a Terminal High Altitude Area Defense (THAAD) ballistic missile defense system to Guam as a precautionary measure. I support the measured steps taken by the administration to date, but the situation in Korea remains volatile.

IRAN

Iran's continued pursuit of its nuclear program is one of the most significant challenges confronting our Nation today. There is unanimous agreement that our preferred outcome to this problem is a diplomatic arrangement that welcomes Iran back into the global community. However, I also believe most of the members of this committee share President Obama's view that all options—including additional sanctions and military options—need to remain on the table, and that preventing Iran from acquiring a nuclear weapon is our policy.

Further, Iran's ongoing expansion of its support to international terrorism and its capability to promote violence and instability in Syria, Yemen, Lebanon, Gaza, Sudan, Iraq, and elsewhere is also a source of great concern. It is critical that DOD map this network and build the capacity of our partners to counter it. In the case of Syria, Iran's support of President Assad's campaign to conquer his fellow Syrians is considered by many, including General Mattis—the former Commander of U.S. Central Command to be a key reason the Assad regime continues to operate.

COUNTERTERRORISM

The declaration of allegiance of the al Nusrah Front in Syria to al Qaeda's senior leadership recently was a keen reminder that despite the successful operations against many of al Qaeda's senior leaders, the United States must continue to pursue al Qaeda and its affiliates. Al Qaeda's ability to mutate and identify emerging safe havens, such as North Africa, and its ongoing activities in the Horn of Africa and Yemen demonstrate its willingness to continue the fight. These threats remain a source of great concern, and we must ensure that DOD can continue to conduct operations that increase pressure on al Qaeda and its affiliates.

Both former Defense Secretary Leon Panetta and new Director of Central Intelligence John Brennan have expressed support for a shift of counterterrorism operations from title 50 authorities to title 10 authorities. I will be interested to hear the views of our witnesses on this issue as well.

MISSILE DEFENSE

The decision announced by Secretary Hagel on March 15 to increase the number of ground-based missile defense interceptors by nearly 50 percent in Alaska—after they have demonstrated success in realistic flight testing—is a prudent step that has several benefits. It will enhance future protection of the entire homeland to help stay ahead of the evolving North Korean and Iranian missile threats. It will also allow us to maintain our missile defense commitment to our North Atlantic Treaty Organization (NATO) allies while avoiding the cost of the expensive and delayed Phase 4 of the Phased Adaptive Approach to missile defense in Europe. And if an East Coast missile defense site proves unnecessary in the future- as our U.S. Northern Command Commander, General Jacoby, acknowledged may be the case the Secretary's decision will allow us to enhance our Homeland missile defense against future threats from North Korea and Iran while avoiding the multi-billion dollar expense of developing and deploying such a site.

At our hearing on March 19, General Jacoby testified that all of the United States, including the east coast, is currently defended from missile threats from both North Korea and Iran. He also reiterated his strong support for continuing our "fly before you buy" approach to making sure our missile defense interceptors are realistically tested and demonstrated to work as intended before being deployed. Admiral Stavridis, our European Command and NATO Commander, told the committee that Phases 1–3 of the European Phased Adaptive Approach to missile defense remain on track to protect all of NATO Europe, including force protection of

our forward deployed forces, against Iran's current and emerging regional missiles by 2018, including interceptor sites in Romania and Poland.

In addition to the steps announced on March 15, the Department has since taken additional prudent steps to enhance our missile defense capabilities in response to North Korea's bellicose threats to launch missiles at the United States and our allies in the region. These include deployment of a THAAD battery to Guam, deployment of additional Aegis missile defense-capable destroyers in the waters off the Korean Peninsula, and deployment of the Sea-Based X-band radar to the Pacific. Last week, Admiral Locklear, our Pacific Commander, told the committee that the United States is capable of shooting down any North Korean missile, and can defend the areas threatened by North Korea, namely the United States, Hawaii, Guam, South Korea, and Japan.

ASIA-PACIFIC

Recent events on the Korean Peninsula remind us that the relative stability and prosperity that we have enjoyed in the Asia-Pacific region must not be taken for granted. The rogue North Korean regime's relentless pursuit of dangerous nuclear and missile capabilities and its callous oppression of its own people demand the continued attention of the international community, and the United States, our allies, and partners must remain vigilant and steadfast in the face of North Korea's continuous cycle of provocations and bluster.

Other challenges in the region, such as the emergence of new and ambiguous military capabilities, the uncertainties surrounding simmering territorial disputes, and the continuing threat of transnational violent extremism, underscore the need for the United States to stay actively engaged and present in this important part of the world.

CYBERSECURITY

The cybersecurity threat continues to grow and diversify. It is essential to sustain the recent momentum towards maturing Cyber Command and the broad policy framework necessary to guide its operations. This includes finalizing standing rules of engagement, operational doctrine, emergency action procedures, command relationships, and plans to establish the first genuine operational military cyber units with the mission to actively defend DOD networks, to support the war plans of the combatant commands, and to defend the Nation against a major attack in cyberspace.

There is a proposal before the Secretary of Defense to elevate Cyber Command from a sub-unified command under U.S. Strategic Command to a full-fledged unified command. The Senate and House Armed Services Committees, through the National Defense Authorization Act for Fiscal Year 2013, expressed concern and raised questions about this proposal, given the immaturity of the command and the cyber policy framework, as well as concerns about sustaining the dual-hatting of the Commander of Cyber Command as the Director of the National Security Agency.

It bears emphasizing that even when Cyber Command stands up its national cyber defense units, critical infrastructure is going to remain vulnerable to cyber attack, requiring owners and operators to work with the government pursuant to the President's recent Executive order to improve defenses, increase resiliency and redundancy, and share threat information.

With regard to China's unrelenting campaign to steal American intellectual property, I believe the time has come to act to impose costs on China for this serious threat to economic well-being and national security. It is also time to consider measures to start controlling the proliferation and trafficking of cyber tools that can be used as weapons, just as we have done for all other dangerous weapons.

Secretary Hagel, General Dempsey, and Under Secretary Hale we look forward to your testimony.

Senator Inhofe.

Chairman LEVIN. As each of us were notified, we will have a separate hearing on the growing bloodshed in Syria after the conclusion of this morning's session. We will take a half-hour break and then we will return to hear from our witnesses about the situation in Syria.

Secretary Hagel, General Dempsey, Under Secretary Hale, we look forward to your testimony. I now call on Senator Inhofe.

STATEMENT OF SENATOR JAMES M. INHOFE

Senator INHOFE. Thank you, Mr. Chairman.

First, I want to join you in welcoming our guests and especially my friend, former Senator Hagel. We worked together for a long period of time, had some differences of opinion. We will always remain good friends.

The request comes at a time when our military is facing unprecedented challenges categorized by escalating threats abroad and a growing budget crisis here at home. Unfortunately, the budget before us today is symbolic for its lack of presidential leadership necessary to overcome the unprecedented challenges facing our military. Most troubling, the budget does not even acknowledge the mandatory cuts associated with sequestration in fiscal year 2014, much less propose a plan to replace the cuts that can actually pass Congress.

This is not a new phenomenon. The defense budget cuts and fiscal uncertainty have become a hallmark of this administration. If you want to get into a lot more detail, I have an op-ed piece in this morning's The Hill that gets into a lot more detail.

Since entering office over 4 years ago, the President has already cut over $600 billion from our military at a time—and this is significant—non-security-related domestic spending has increased by nearly 30 percent.

The Chairman of the Joint Chiefs of Staff recently testified that after absorbing over $400 billion in cuts, the military cannot afford to give another dollar if they are to maintain current capabilities.

Our military leaders are warning that we are on the brink of creating a hollow force, unprepared to respond to contingencies around the world. Yet, according to the fiscal year 2014 budget request, the White House now feels that we can slice another $120 billion out of DOD.

We are at the point in our Nation's history where our National Military Strategy is no longer guided by the threats we face or an honest assessment of the resources needed to protect our critical interests. Instead, the discussion in Washington has centered around how deeply we can cut defense. Our forces are now being asked to do more with less training, less equipment, less capability; no one's assessing the increased risk on the battlefield and increased risk of our service men and women ultimately making the sacrifice. This is unacceptable and the fiscal year 2014 budget does little to reverse this.

I think that Chairman Levin said it very well in talking about the dilemma that we are facing in our Services, the flying hours, the steaming hours. At a time our intelligence experts tell us that we face the most diverse, complex, and damaging threats to our national security in recent history, we are poised to slash defense budgets by over $1 trillion over that period of time.

We have made this mistake before in the military drawdowns in the 1970s and 1990s which left this country with a military too small to meet the instability and the rising threats of a changing world. We need to stop this stupid argument that runaway defense spending is what is driving our country's unsustainable debt. It is disingenuous and, more important, it is just wrong.

Defense spending accounts for approximately 18 percent of Federal spending annually while non-security mandatory spending accounts for 60 percent. We are on a path where an insatiable appetite to protect domestic spending and mandatory programs is consuming our defense budget and will soon result in a hollow military.

The Commander in Chief must take a lead in restoring certainty to our budgeting process and ensure that our military leaders have appropriate resources to develop and execute plans and manage DOD efficiently. I have repeated the warnings of Admiral Sandy Winnefeld, the Vice Chairman of the Joint Chiefs, many times over the last 3 months, and this quote is an accurate quote which he has reaffirmed. "I know of no other time in history when we have come potentially down this far, this fast in the defense budget. There could be, for the first time in my career, instances where we may be asked to respond to a crisis and we will have to say we cannot do it."

We have to correct this, Mr. Chairman.

Thank you.

Chairman LEVIN. Thank you very much, Senator Inhofe.

Secretary Hagel, welcome.

Secretary HAGEL. Mr. Chairman, thank you, and to Ranking Member Inhofe and to all members of the committee, thank you for an opportunity to appear before you this morning.

Chairman LEVIN. I am going to interrupt you before you get started because we have a quorum. That means that we can now consider a list of pending military nominations. I know you would want us to do that.

So I will now ask our committee to consider 549 pending military nominations. Included in the list is the nomination of General Breedlove to be Commander, U.S. European Command and Supreme Allied Commander, Europe. Now, of these nominations, 311 are 1 day short of the committee's requirement that nominations be in the committee for 7 days before we report them out. No objection has been raised to these nominations. I recommend that we waive the 7-day rule in order to permit the confirmation of the nominations of these 311 officers, as well as the others.

Is there a motion to report?

VOICE. So moved.

Chairman LEVIN. Is there a second?

Senator INHOFE. I second the motion.

Chairman LEVIN. All in favor, say aye. [Chorus of ayes.]

Opposed, nay? [No response.]

The ayes carry.

Thank you very much.

[The list of nominations considered and approved by the committee follows:]

MILITARY NOMINATIONS PENDING WITH THE SENATE ARMED SERVICES COMMITTEE WHICH ARE PROPOSED FOR THE COMMITTEE'S CONSIDERATION ON APRIL 17, 2013.

1. LTG John W. Hesterman III, USAF, to be lieutenant general and Commander, U.S. Air Forces, Central Command, Air Combat Command (Reference No. 54).

2. Col. Richard M. Murphy, USAF, to be brigadier general (Reference No. 56).

3. In the Marine Corps, there are 98 appointments to the grade of colonel (list begins with Christopher C. Abrams) (Reference No. 112).

4. Col. Dorothy A. Hogg, USAF, to be major general (Reference No. 139).
5. MG James M. Holmes, USAF, to be lieutenant general and Vice Commander, Air Education and Training Command (Reference No. 140).
6. MG Michelle D. Johnson, USAF, to be lieutenant general and Superintendent, U.S. Air Force Academy (Reference No. 180).
7. In the Marine Corps Reserve, there are 57 appointments to the grade of colonel (list begins with Timothy L. Adams) (Reference No. 187).
8. LTG Susan J. Helms, USAF, to be lieutenant general and Vice Commander, Air Force Space Command (Reference No. 207).
9. Col. Erik C. Peterson, USA, to be brigadier general (Reference No. 209).
10. Col. Brently F. White, USAR, to be brigadier general (Reference No. 210).
11. Col. Christie L. Nixon, USAR, to be brigadier general (Reference No. 211).
12. In the Army, there are 24 appointments to the grade of major general (list begins with Jeffrey L. Bannister) (Reference No. 212).
13. LTG John E. Wissler, USMC, to be lieutenant general and Commanding General, III Marine Expeditionary Force; Commander, Marine Forces Japan (Reference No. 214).
14. MG Ronald L. Bailey, USMC, to be lieutenant general and Deputy Commandant for Plans, Policies, and Operations, Headquarters, U.S. Marine Corps (Reference No. 215).
15. LTG Steven A. Hummer, USMC, to be lieutenant general and Deputy for Military Operations, U.S. Africa Command (Reference No. 216).
16. LTG Kenneth J. Glueck, Jr., USMC, to be lieutenant general and Deputy Commandant for Combat Development and Integration; Commanding General, Marine Corps Combat Development Command; Commander, U.S. Marine Corps Forces Strategic Command; Commanding General, Marine Corps National Capital Region Command; and Commander, U.S. Marine Corps Forces Cyber Command (Reference No. 217).
17. In the Army, there is one appointment to the grade of lieutenant colonel (Jonathan F. Potter) (Reference No. 220).
18. In the Army, there are two appointments to the grade of major (list begins with Hilario A. Pascua) (Reference No. 221).
19. In the Army Reserve there are two appointments to the grade of colonel (list begins with James D. Peake) (Reference No. 222).
20. In the Army, there are six appointments to the grade of colonel and below (list begins with John D. Pitcher) (Reference No. 223).
21. In the Army Reserve, there are six appointments to the grade of colonel (list begins with Mark L. Allison) (Reference No. 224).
22. In the Army Reserve, there are seven appointments to the grade of colonel (list begins with Phillip E. Appleton) (Reference No. 225).
23. In the Navy, there is one appointment to the grade of commander (Joseph R. Primeaux, Jr.) (Reference No. 229).
24. In the Navy, there is one appointment to the grade of captain (Gary S. Phillips) (Reference No. 232).
25. In the Navy, there is one appointment to the grade of lieutenant commander (Genevieve Buenaflor) (Reference No. 233).
26. In the Navy, there is one appointment to the grade of lieutenant commander (Freddie R. Harmon) (Reference No. 234).
27. In the Navy, there is one appointment to the grade of lieutenant commander (Catherine W. Boehme) (Reference No. 235).
28. In the Navy, there are two appointments to the grade of lieutenant commander (list begins with Todd W. Mills) (Reference No. 236).
29. Capt. Bret J. Muilenburg, USN, to be rear admiral (lower half) (Reference No. 249).
30. Capt. Adrian J. Jansen, USN, to be rear admiral (lower half) (Reference No. 254).
31. Gen. Philip M. Breedlove, USAF, to be general and Commander, U.S. European Command and Supreme Allied Commander, Europe (Reference No. 263).
32. MG Mark O. Schissler, USAF, to be lieutenant general and Deputy Chairman, North Atlantic Treaty Organization Military Committee (Reference No. 267).
33. MG Robert P. Otto, USAF, to be lieutenant general and Deputy Chief of Staff for Intelligence, Surveillance, and Reconnaissance, Headquarters, Air Force (Reference No. 268).
34. BG Scott W. Jansson, USAF, to be major general (Reference No. 269).
35. LTG Daniel B. Allyn, USA, to be general and Commanding General, U.S. Army Forces Command (Reference No. 270).
36. LTG James L. Terry, USA, to be lieutenant general and Commanding General, U.S. Army Central Command/Third U.S. Army (Reference No. 271).

37. MG Perry L. Wiggins, USA, to be lieutenant general and Commanding General, U.S. Army North/Fifth U.S. Army (Reference No. 272).
38. LTG Richard P. Mills, USMC, to be lieutenant general and Commander, Marine Forces Reserve and Commander, Marine Forces North (Reference No. 276).
39. In the Air Force, there is one appointment to the grade of major (Lou Rose Malamug) (Reference No. 279).
40. In the Air Force, there is one appointment to the grade of major (Kelly A. Halligan) (Reference No. 280).
41. In the Army, there is one appointment to the grade of major (Andrew W. Beach) (Reference No. 281).
42. In the Army, there is one appointment to the grade of major (Donald V. Wood) (Reference No. 282).
43. In the Navy, there is one appointment to the grade of lieutenant commander (Richard J. Witt) (Reference No. 285).
44. In the Air Force, there are three appointments to the grade of major (list begins with Christopher E. Curtis) (Reference No. 300).
45. In the Air Force, there are four appointments to the grade of colonel (list begins with Timothy A. Butler) (Reference No. 301).
46. In the Air Force, there are nine appointments to the grade of colonel and below (list begins with John T. Grivakis) (Reference No. 302).
47. In the Air Force, there are 11 appointments to the grade of colonel (list begins with Danny L. Blake) (Reference No. 303).
48. In the Air Force, there are 14 appointments to the grade of lieutenant colonel (list begins with Richard G. Anderson) (Reference No. 304).
49. In the Air Force, there are 17 appointments to the grade of colonel (list begins with Jeffrey R. Alder) (Reference No. 305).
50. In the Air Force, there are 20 appointments to the grade of major (list begins with Ronnelle Armstrong) (Reference No. 306).
51. In the Air Force, there are 51 appointments to the grade of lieutenant colonel (list begins with Maiya D. Anderson) (Reference No. 307).
52. In the Air Force, there are 126 appointments to the grade of major (list begins with Matthew G. Adkins) (Reference No. 308).
53. In the Army, there is one appointment to the grade of colonel (Suzanne C. Nielsen) (Reference No. 310).
54. In the Army, there is one appointment to the grade of major (Ann M. Rudick) (Reference No. 311).
55. In the Army, there is one appointment to the grade of major (Matthew P. Weberg) (Reference No. 312).
56. In the Army, there is one appointment to the grade of major (Grady L. Gentry) (Reference No. 313).
57. In the Navy Reserve, there is one appointment to the grade of captain (Oleh Haluszka) (Reference No. 316).
58. In the Navy, there are three appointments to the grade of lieutenant commander (list begins with Stephen S. Cho) (Reference No. 317).
59. In the Navy, there are 48 appointments to the grade of lieutenant commander (list begins with Timothy R. Anderson) (Reference No. 318).
Total: 549.

Chairman LEVIN. Mr. Secretary?

Secretary HAGEL. Is the hearing over?

Chairman LEVIN. It is. [Laughter.]

At least for the 549 nominees, it is over. [Laughter.]

Secretary HAGEL. It is a damn efficient committee. [Laughter.]

Thank you. I know General Dempsey and all of us are very pleased with that action, as will be other members of our team. So we appreciate your deliberation and your action.

Mr. Chairman, before I begin my formal presentation, which you have noted, I have a longer version that has been distributed, I believe, last night to the committee and committee members on the fiscal year 2014 budget.

Let me say on behalf of the men and women that represent our Armed Forces both in uniform and civilians that our prayers and hearts go out to the people in Boston, the families who lost loved ones, those who were injured, wounded by this despicable act. We

are very proud of how our leaders and those responsible for assisting and dealing with the tragedy in Boston, how they have responded. We are particularly proud of our National Guard who are still working with local officials. I wanted to put that on the record, Mr. Chairman, and make that of considerable note. Thank you.

Chairman LEVIN. We thank you very much for that. Our sympathies were reflected yesterday at a hearing that we had here, and we surely join you in your sentiments.

STATEMENT OF HON. CHARLES T. HAGEL, SECRETARY OF DEFENSE; ACCOMPANIED BY ROBERT HALE, COMPTROLLER, DEPARTMENT OF DEFENSE

Secretary HAGEL. Thank you.

Allow me first to express my appreciation and that of DOD to this committee and each of its members for its continued support of our men and women in uniform and our civilian workforce. They are doing tremendous work, Mr. Chairman and Senator Inhofe, as you have both noted, and they are making great sacrifices, along with their families, as they have for more than 11 years of our Nation being at war. Their dedication and professionalism are the foundation of our military strength. As we discuss numbers, budgets, and strategic priorities this morning, we will not lose sight of those men and women serving across the globe. As you all know, their well-being depends on the decisions we make here in Washington.

Today, DOD faces the significant challenge of conducting long-term planning and budgeting at a time of considerable uncertainty, both in terms of the security challenges we face around the globe and the levels of defense spending we can expect here at home.

Even as the military emerges and recovers from more than a decade of sustained conflict in Iraq and Afghanistan, it confronts an array of complex threats of varying vintage and degree of risk to the United States, to include: the persistence of violent extremism throughout weak states and ungoverned spaces in the Middle East and North Africa; the proliferation of dangerous weapons and materials; the rise of new powers competing for influence; the risk of regional conflicts which could draw in the United States; faceless, nameless, silent, and destructive cyber attacks; the debilitating dangerous curse of human despair and poverty; and the uncertain implications of environmental degradation.

Meanwhile, the frenetic pace of technological change and the spread of advanced military technology to state and non-state actors pose an increasing challenge to America's military.

This is the strategic environment facing DOD as it enters a third year of flat or declining budgets. The onset of these resource constraints has already led to significant and ongoing belt-tightening in military modernization, force structure, personnel costs, and overhead expenditures. You have noted some of those, Mr. Chairman. It has also given us an opportunity to reshape the military and reform defense institutions to better reflect 21st century realities, flexibility, and agility.

The process began under the leadership of Secretary Gates who canceled or curtailed more than 30 modernization programs and

trimmed overhead costs within the military Services and across the defense enterprise.

The realignment continued under Secretary Panetta who worked closely with the President and the Joint Chiefs of Staff to craft new defense strategic guidance and a fiscal year 2013 defense budget plan which reduced DOD's top line by $487 billion over the course of a decade.

The President's request of $526.6 billion for DOD's base budget for fiscal year 2014 continues to implement the President's defense strategic guidance and enhances DOD's efforts at institutional reform. Most critically, it sustains the quality of the All-Volunteer Force and the care we provide our servicemembers and their families, which underpins everything we do as an organization.

Before discussing the particulars of this budget request, however, allow me to address the profound budget problems facing DOD in fiscal year 2013 and beyond as a result of sequester. Congress and DOD have a responsibility to find answers to these problems together because we have a shared responsibility. We have a shared responsibility to protect our national security. DOD is going to need the help of this committee. We are going to need the help of Congress to manage through this uncertainty.

The fiscal year 2013 DOD appropriations bill enacted by Congress last month addressed many urgent problems by allocating DOD funding more closely in line with the President's budget request, giving DOD authorities to start new programs and allowing us to proceed with important military construction (MILCON) projects. Nonetheless, the bill still left in place the deep and abrupt cuts associated with sequester, as much as $41 billion in spending reductions over the next 6 months. Military pay and benefits are exempt, as you have noted, Mr. Chairman, they are exempt from the sequester. We made a decision to shift the impact of sequester from those serving in harm's way.

Furthermore, the military is experiencing higher operating tempos and higher transportation costs than expected when the budget request was formulated more than a year ago. As a result of all these factors, DOD is now facing a shortfall in our operation and maintenance accounts for fiscal year 2013 of at least $22 billion in our base budget for Active Forces.

In response, DOD has reduced official travel, cut back sharply on facilities maintenance, imposed hiring freezes, and halted many other important but lower priority activities. However, we will have to do more. We will have to do much more. We will soon send to Congress a large reprogramming request designed to offset some of our shortfalls, especially shortfalls in wartime funding, and we ask your help with its speedy review and approval. This reprogramming will be limited by ceilings on transfer authority and so can only solve some of our problem.

We will have to continue to consider furloughing civilian personnel in the months ahead. There will also be significant cuts in maintenance and training, which further erodes the readiness of the force and will be costly to regain in the future. As the Service Chiefs have said, we are consuming our readiness. Meanwhile, our investment accounts and the defense industrial base are not spared damage as we also take indiscriminate cuts across these areas of

the budget. We will continue to need the strong partnership of this committee to help us address these shortfalls.

If the sequester-related provisions of the BCA of 2011 are not changed, fiscal year 2014 funding for national defense programs will be subject to a steeply reduced cap, which would further cut DOD funding by roughly $52 billion. If there is no action by Congress and the President, roughly $500 billion in reductions to defense spending would be required over the next 9 years.

As an alternative, the President's budget proposes some $150 billion in additional defense savings over the next decade. These cuts are part of a balanced package of deficit reduction. Unlike sequester, these cuts are largely back-loaded, occurring mainly in the years beyond fiscal year 2018. That gives DOD time to implement these reductions wisely, carefully, responsibly, and anchored by the President's defense strategic guidance.

Now, let me turn to the details of the President's budget request for fiscal year 2014.

The $526.6 billion fiscal year 2014 budget request continues to balance the compelling demands of supporting our troops still at war in Afghanistan, protecting readiness, modernizing the military's aging weapons inventory in keeping with the President's strategic guidance, and sustaining the quality of the All-Volunteer Force.

Today's budget request also contains a placeholder request, which you have noted, Mr. Chairman, for OCO at the fiscal year 2013 level, $88.5 billion. The submission does not include a formal OCO request because Afghanistan force level and deployment decisions for this year were delayed in order to provide commanders enough time to fully assess responsibilities and requirements. We will soon be submitting an OCO budget amendment with a revised spending level and account-level detail.

The base budget being presented today continues DOD's approach of the last several years to first target growing costs in the areas of support, acquisition, and pay and benefits before cutting military capabilities and force structure. This budget identifies new savings of about $34 billion in fiscal year 2014 through 2018, including $5.5 billion in fiscal year 2014 from these areas.

In order to maintain balance and readiness, DOD must be able to eliminate excess infrastructure as it reduces force structure. DOD has been shedding infrastructure in Europe. We have been shedding infrastructure in Europe for several years and consolidating that infrastructure and are undertaking a review of our European footprint this year. But we also need to look at our domestic footprint. Therefore, the President's fiscal year 2014 budget request authorizes one round of base realignment and closure (BRAC) in 2015.

BRAC is a comprehensive and fair tool that allows communities to have a role in the reuse decisions for their property and provides development assistance. BRAC, as we all know, is imperfect and there are upfront costs for BRAC. The Future Years Defense Program (FYDP) adds $2.4 billion to pay for those costs, but in the long term there are significant savings. The previous five rounds of BRAC are saving $12 billion annually, and those savings will continue.

DOD continues to streamline its acquisition programs and processes and, over the past 4 years, we have realized significant cost savings as a result of reforms implemented by the Weapons System and Acquisition Reform Act of 2009, sponsored by Chairman Levin and Senator McCain. In this budget, DOD has also achieved $8.2 billion in savings from weapons program terminations and restructuring.

For example, by revising the acquisition strategy for the Army's ground combat vehicle, DOD will save over $2 billion in development costs. In other cases, DOD used evolutionary approaches to develop new capabilities instead of relying on leap-ahead gains in technology.

The cost of military pay and benefits are another significant driver of spending growth that must be addressed in the current fiscal environment. In this budget, DOD is substituting a new package of military compensation proposals that take into consideration congressional concerns associated with those from fiscal year 2013. These changes save about $1.4 billion in fiscal year 2014 and a total of $12.8 billion in fiscal years 2014 through 2018.

This package includes a modest slowing of the growth of military pay by implementing a 1 percent pay raise for servicemembers in 2014. DOD is also seeking additional changes to the TRICARE program in the fiscal year 2014 budget to bring the beneficiaries' costs closer to levels envisioned when the program was implemented, particularly for working-age retirees. Survivors of military members who died on Active Duty or medically retired members would be excluded from all TRICARE increases. Even after the proposed changes in fees, TRICARE will still remain a very substantial benefit.

These adjustments to pay and benefits were among the most carefully considered and most difficult choices in the budget. They were made with strong support of the Joint Chiefs of Staff and the senior enlisted leadership in recognition that in order to sustain these benefits over the long term, without dramatically reducing the size or readiness of the force, these rising costs will need to be brought under control.

Nevertheless, spending reductions on the scale of the current drawdown cannot be implemented through improving efficiency and reducing overhead alone. Cuts and changes to capabilities, force structure, and modernization programs will all be required. The strategic guidance issued in January 2012 set the priorities and the parameters and informed those choices, and the fiscal year 2014 budget submission further implements and deepens program alignment to this strategic guidance.

The new strategy calls for a smaller, leaner, more agile, more flexible force. Last year, we proposed reductions of about 100,000 in military end strength between 2012 and 2017. Most of those reductions occur in the ground forces and are consistent with the decision not to size U.S. ground forces to accomplish prolonged stability operations, while maintaining adequate capability should such activities again be required. By the end of 2014, we will have completed almost two-thirds of the drawdown of our ground forces, and the drawdown should be fully complete by fiscal year 2017.

Increased emphasis on the Asia-Pacific and the Middle East represents another key tenet of the new defense strategic guidance. This budget continues to put a premium on rapidly deployable, self-sustaining forces such as submarines, long-range bombers, and carrier strike groups. They all can project force over great distance and carry out a variety of complicated missions.

This new strategy leverages new concepts of operation enabled by advances in space, cyberspace, special operations, global mobility, precision-strike, missile defense, and other capabilities. By making difficult tradeoffs in lower priority areas, the fiscal year 2014 budget protects or increases key investments in these critical capabilities.

Another area of focus in this budget request is sustaining the readiness and quality of the All-Volunteer Force. The high quality of our All-Volunteer Force continues to be the foundation of our military strength. The fiscal year 2014 budget request includes $137.1 billion for military personnel, as well as $49.4 billion for military medical care. Together, these make up roughly one-third of our base budget. This budget seeks to ensure that our troops receive the training and the equipment they need for military readiness and the world-class support programs they and their families have earned and deserve.

DOD continues to support key provisions and programs in fiscal year 2014 that support servicemembers and their families, spending $8.5 billion on initiatives that include transition assistance and veterans employment assurance, behavioral health, family readiness, suicide prevention, and sexual assault prevention and response. The fiscal year 2014 budget is a reflection of DOD's best efforts to match ends, ways, and means during a period of intense fiscal uncertainty.

It is obvious that significant changes, Mr. Chairman, to DOD's top-line spending would require changes to this budget plan. DOD must plan for any additional reductions to the defense budget that might result in Congress and the administration agreeing on a deficit reduction plan. It must be prepared in the event that sequester-level cuts persist for another year or over the long term.

Consequently, I directed a Strategic Choices and Management Review in order to assess the potential impact of further reductions up to the level of full sequester. The purpose of this review is to reassess the basic assumptions that drive DOD's investment and force structure decisions.

The review will identify strategic choices and further institutional reforms that may be required, including those reforms which should be pursued regardless of fiscal pressures. It is designed to help understand the challenges, articulate the risks, and look for opportunities for reform and efficiencies presented by resource constraints. Everything will be on the table during this review: roles and missions, planning, business practices, force structure, personnel, compensation, acquisition and modernization investments, how we operate, and how we measure and maintain readiness.

This review is being conducted by Deputy Secretary of Defense Carter working with General Dempsey. The Service Secretaries, Service Chiefs, Office of the Secretary of Defense principals, and combatant commanders will serve as essential participants. Our

aim is to include this review which is now underway by May 31. The results will inform our fiscal year 2015 budget request and will be the foundation for the Quadrennial Defense Review due in Congress in February of next year.

It is already clear to me, Mr. Chairman, that achieving significant additional budget savings without unacceptable risk to national security will require not just tweaking or chipping away at existing structures and practices but, if necessary, fashioning entirely new ones that better reflect 21st century realities. That will require the partnership of Congress.

The fiscal year 2014 budget and the ones before it have made hard choices. In many cases, modest reforms to personnel and benefits, along with efforts to reduce infrastructure and restructure acquisition programs, met fierce political resistance and were not implemented.

We are now in a completely different fiscal environment dealing with new realities that will force us to more fully confront these tough and painful choices and to make the reforms we need to put DOD on a path to sustain or maintain our military strength for the 21st century. But in order to do that, we will need flexibility, time, and some budget certainty.

We will also need to fund the military capabilities that are necessary for the complex security threats of the 21st century. I believe the President's budget does that. With the partnership of Congress, DOD can continue to find new ways to operate more affordably, efficiently, and effectively. However, multiple reviews and analyses show that additional major cuts, especially those on the scale and timelines of sequestration, would require dramatic reductions in core military capabilities or the scope of our activities around the world.

Mr. Chairman, that completes my formal remarks. As I said, I have a more detailed report that I have submitted for the record. I appreciate the time of the committee and look forward to your questions.

Now I know you would like to hear from Chairman Dempsey.

Thank you.

[The prepared statement of Secretary Hagel follows:]

PREPARED STATEMENT BY HON. CHARLES T. HAGEL

Chairman Levin, Senator Inhofe, members of the committee, thank you for this opportunity to discuss the President's fiscal year 2014 budget request for the Department of Defense (DOD).

Allow me to express my appreciation to this committee for its continued support of our men and women in uniform and our civilian workforce. They are doing tremendous work and making great sacrifices, along with their families, as they have for the more than 11 years our Nation has been at war. Whether fighting in Afghanistan, patrolling the world's sea lanes, standing vigilant on the Korean Peninsula, supplying our troops around the world, or supporting civil authorities when natural disasters strike, they are advancing America's interests at home and abroad. Their dedication and professionalism are the foundation of our military strength.

As we discuss numbers, budgets, and strategic priorities, we will not lose sight of these men and women serving across the globe. As you all know, their well-being depends on the decisions we make here in Washington.

FISCAL AND STRATEGIC CONTEXT

Today, DOD faces the significant challenge of conducting long-term planning and budgeting at a time of considerable uncertainty—both in terms of the security chal-

lenges we face around the world and the levels of defense spending we can expect here at home.

Even as the military emerges—and recovers—from more than a decade of sustained conflict in Iraq and Afghanistan, it confronts an array of complex threats of varying vintage and degrees of risk to the United States, to include:

- the persistence of violent extremism throughout weak states and ungoverned spaces in the Middle East and North Africa;
- the proliferation of dangerous weapons and materials;
- the rise of new powers competing for influence;
- the risk of regional conflicts which could draw in the United States;
- faceless, nameless, silent and destructive cyberattacks;
- the debilitating and dangerous curse of human despair and poverty, as well as the uncertain implications of environmental degradation.

Meanwhile, the frenetic pace of technological change and the spread of advanced military technology to state and non-state actors pose an increasing challenge to America's military.

This is the strategic environment facing DOD as it enters a third year of flat or declining budgets. The onset of these resource constraints has already led to significant and ongoing belt-tightening in military modernization, force structure, personnel costs, and overhead expenditures. It has also given us an opportunity to reshape the military and reform defense institutions to better reflect 21st century realities.

The process began under the leadership of Secretary Gates, who canceled or curtailed more than 30 modernization programs and trimmed overhead costs within the military services and across the defense enterprise. These efforts reduced the Department's topline by $78 billion over a 5-year period, as detailed in the Department's fiscal year 2012 budget plan.

The realignment continued under Secretary Panetta, who worked closely with the President and the Joint Chiefs of Staff to craft new defense strategic guidance and a fiscal year 2013 defense budget plan which reduced the Department's topline by $487 billion over the course of a decade. Even while restructuring the force to become smaller and leaner and once again targeting overhead savings, this budget made important investments in the new strategy—including rebalancing to Asia and increasing funding for critical capabilities such as cyber, special operations, global mobility, and unmanned systems.

The President's request of $526.6 billion for DOD's base budget for fiscal year 2014 continues to implement the President's defense strategic guidance and enhances the Department's efforts at institutional reform. Most critically, it sustains the quality of the All-Volunteer Force and the care we provide our servicemembers and their families, which underpins everything we do as an organization.

CHALLENGES IN FISCAL YEAR 2013

Before discussing the particulars of this budget request, however, allow me to address the profound budget problems facing the Department in fiscal year 2013 and beyond as a result of sequester—because they have significantly disrupted operations for the current fiscal year and greatly complicated efforts to plan for the future. Congress and DOD have a responsibility to find answers to these problems together—because we have a shared responsibility to protect our national security. DOD is going to need the help of Congress to manage through this uncertainty.

The fiscal year 2013 DOD Appropriations bill enacted by Congress last month addressed many urgent problems by allocating DOD funding more closely in line with the President's budget request than a continuing resolution would have, giving the Department authorities to start new programs, and allowing us to proceed with important military construction projects. Nonetheless, the bill still left in place the deep and abrupt cuts associated with sequester—as much as $41 billion in spending reductions over the next 6 months. With military pay and benefits exempt from the sequester, and our internal decision to shift the impact of sequestration away from those serving in harm's way and spread them to the rest of the force where possible, the cuts fall heavily on DOD's operations, maintenance, and modernization accounts that we use to train and equip those who will deploy in the future.

Furthermore, the military is experiencing higher operating tempos and higher transportation costs than expected when the budget request was formulated more than a year ago. As a result of all these factors, the Department is now facing a shortfall in our operation and maintenance (O&M) accounts for fiscal year 2013 of at least $22 billion in our base budget for Active Forces.

In response, the Department has reduced official travel, cut back sharply on facilities maintenance, imposed hiring freezes, and halted many other important but

lower-priority activities. However, we will have to do more. We will soon send to Congress a large reprogramming request designed to offset some of our shortfalls, especially shortfalls in wartime funding, and we ask your help with its speedy review and approval. This reprogramming will be limited by ceilings on transfer authority and so can only solve part of our problem.

We will have to continue to consider furloughing civilian personnel in the months ahead. There will also be significant cuts in maintenance and training, which further erodes the readiness of the force and will be costly to regain in the future. As the Service Chiefs have said, we are consuming our readiness. Meanwhile, our investment accounts and the defense industrial base are not spared damage as we also take indiscriminate cuts across these areas of the budget. We will continue to need the strong partnership of this committee to help us address these shortfalls.

If the sequester-related provisions of the Budget Control Act of 2011 are not changed, fiscal year 2014 funding for national defense programs will be subject to a steeply reduced cap, which would cut DOD funding by roughly $52 billion further. If there is no action by Congress, roughly $500 billion in reductions to defense spending would be required over the next 9 years.

As an alternative, the President's budget proposes some $150 billion in additional defense savings (measured in terms of budget authority) over the next decade when compared with the budget plan submitted last year. These cuts are part of a balanced package of deficit reduction. Unlike sequester, these cuts are largely backloaded—occurring mainly in the years beyond fiscal year 2018—which gives the Department time to plan and implement the reductions wisely, and responsibly, anchored by the President's defense strategic guidance.

FISCAL YEAR 2014 BUDGET REQUEST

The President's fiscal year 2014 request continues to balance the compelling demands of supporting troops still very much at war in Afghanistan, protecting readiness, modernizing the military's aging weapons inventory in keeping with the president's strategic guidance, and sustaining the quality of the All-Volunteer Force.

The top-line budget request of $526.6 billion for fiscal year 2014 is essentially flat compared to the President's request for fiscal year 2013, and roughly in line with what both the House and Senate have passed in their fiscal year 2014 budget resolutions.

Today's budget request also contains a placeholder request for overseas contingency operations (OCO) at the fiscal year 2013 level ($88.5 billion). The submission does not include a formal OCO request because Afghanistan force level and deployment decisions for this year were delayed in order to provide commanders enough time to fully assess requirements. We will soon be submitting an OCO budget amendment with a revised level and account-level detail.

The following are the major components of the $526.6 billion fiscal year 2014 base budget request:

- Military pay and benefits (including TRICARE and retirement costs)—$170.2 billion (32 percent of the total base budget);
- Operating costs (including $77.3 billion for civilian pay)—$180.1 billion (34 percent);
- Acquisitions and other investments (procurement, research, development, test and evaluation, and new facilities construction)—$176.3 billion (33 percent)

The budget presented today, at its most basic level, consists of a series of choices that reinforce each of the following complementary goals:

- making more disciplined use of defense resources;
- implementing the President's defense strategic guidance;
- seeking to sustain the readiness and quality of the All-Volunteer Force;
- supporting troops deployed and fighting in Afghanistan.

Many of the reductions we are being forced to make in fiscal year 2013 as a result of sequester run counter to these goals.

1. Making more disciplined use of defense resources

In developing the fiscal year 2014 budget, the Department identified about $34 billion in savings over the current Future Years Defense Program (FYDP), which covers fiscal year 2014 to fiscal year 2018. These savings were used to help pay the costs of implementing the new defense strategy and to accommodate budget reductions.

These efforts continue the Department's approach of the last several years to first target growing costs in areas of support, acquisition, and pay and benefits, before cutting military capabilities and force structure.

Reducing Support Costs

In order to maintain balance and readiness, DOD must be able to eliminate excess infrastructure as it reduces force structure. DOD has been shedding infrastructure in Europe for several years and we are undertaking a review of our European footprint this year, but we also need to look at our domestic footprint. Therefore, the President's fiscal year 2014 budget requests authorization for one round of Base Realignment and Closure (BRAC) in 2015. While the commission would meet in 2015, the actual closing of any bases would involve a multiyear process that would not begin until 2016.

BRAC is a comprehensive and fair tool that allows communities a role in reuse decisions for the property and provides redevelopment assistance. There are upfront costs for BRAC, and this FYDP adds $2.4 billion to pay them, but in the long term, there are significant savings. The previous five rounds of BRAC are now saving a total of $12 billion annually.

We are also taking other important steps to cut back on support costs. We will institute a study of our Military Treatment Facilities, including many hospitals and clinics that are currently underutilized. By the end of this year we will have a plan in place that suggests how to reduce that underutilization while still providing high-quality medical care. This restructuring, coupled with a BRAC round and other changes, would permits us to plan on a cut in our civilian workforce that will comply with congressional direction.

We are also continuing our successful efforts to hold down military health system costs. With the Department's proposed TRICARE benefit changes, our projected costs for fiscal year 2014 are about 4 percent lower than those costs in fiscal year 2012, a significant turnaround compared to health care trends over the past decade. We continue efforts to slow the growth of medical care costs through actions such as rephasing military construction, making full use of past changes in provider costs, and taking advantage of the slowing of growth in medical costs in the private sector.

Another important initiative is our effort to improve the Department's financial management and achieve auditable financial statements. We need auditable statements, both to improve the quality of our financial information and to reassure the public, and Congress, that we are good stewards of public funds. We have a focused plan and are making progress. Our next goal is audit-ready budget statements by the end of 2014. We are working hard to achieve this goal, though the current budget turmoil is hampering our efforts. I strongly support this initiative and will do everything I can to fulfill this commitment.

These and many other changes led to total savings of about $34 billion in fiscal year 2014–2018, including $5.5 billion in fiscal year 2014. However, we are concerned that these savings from more disciplined use of resources could be eroded by sequester, as we are forced to make inefficient choices that drive up costs. Today, for example, we are being forced to engage in shorter and less efficient contracts and sharp cuts in unit buy sizes that will increase the unit costs of weapons.

Restructuring and Terminations of Weapons Programs

The Department continues to streamline its acquisition programs and processes, and over the past 4 years we have realized significant cost savings as a result of reforms implemented by the Weapon Systems and Acquisition Reform Act of 2009 sponsored by Senators Levin and McCain. In this budget, the Department has shifted priorities within its modernization portfolios and achieved $8.2 billion in savings from weapons program terminations and restructuring.

For example, by revising the acquisition strategy for the Army's Ground Combat Vehicle program, the Department will save over $2 billion in development costs.

In other cases the Department used evolutionary approaches to develop new capabilities instead of relying on leap-ahead gains in technology.

For example, the Department:

- Realigned investment funding and restructured the SM–3 IIB interceptor—a high-risk, high-cost system—to improve the capabilities of existing missile defense systems, resulting in savings of about $2.1 billion during the Future Year Defense Program (FYDP);
- Cancelled the Precision Tracking Space Satellite system—another high-risk project—saving $1.9 billion during the FYDP; the Department invested a portion of these savings in technology upgrades to existing ground-based radars and sensors.

To lessen the potential impact on local communities from the reductions in defense procurement, the Department is requesting an additional $36 million in support of the Defense Industry Adjustment program.

The Department is continuing to take steps to tighten the contract terms and reduce risk in our largest acquisition program, the F–35 Joint Strike Fighter. The fiscal year 2014 budget request includes $8.4 billion for the Joint Strike Fighter.

Military Pay and Benefits

The costs of military pay and benefits are another significant driver of spending growth that must be addressed in the current fiscal environment. In this budget, the Department is submitting a new package of military compensation proposals that take into consideration congressional concerns associated with those from fiscal year 2013. These changes save about $1.4 billion in fiscal year 2014 and a total of $12.8 billion in fiscal year 2014–2018.

This package includes a modest slowing of the growth of military pay by implementing a 1 percent pay raise for servicemembers in 2014. The Department is also seeking additional changes to the TRICARE program in the fiscal year 2014 budget to bring the beneficiary's cost share closer to the levels envisioned when the program was implemented—particularly for working-age retirees. Today military retirees contribute less than 11 percent of their total health care costs, compared to an average of 27 percent when TRICARE was first fully implemented in 1996.

The proposed TRICARE changes include:

- For retirees, modest increases in TRICARE Prime enrollment fees, instituting an enrollment fee for TRICARE Standard/Extra, and increasing Standard/Extra deductibles;
- Implementation of an enrollment fee for new TRICARE-for-Life beneficiaries, while grandfathering in those already Medicare-eligible at enactment;
- Increases in pharmacy co-pays and, where appropriate, mandatory use of mail order delivery of pharmaceuticals; and
- Indexing of fees, deductibles, co-pays, and the catastrophic cap to the growth in annual retiree cost-of-living adjustment.

Survivors of military members who died on active duty or medically retired members would be excluded from all TRICARE increases. Even after the proposed changes in fees, TRICARE will remain a substantial benefit.

These adjustments to pay and benefits were among the most carefully considered and difficult choices in the budget. They were made with the strong support of the Joint Chiefs of Staff and Senior Enlisted Leadership, in recognition that in order to sustain these benefits over the long term without dramatically reducing the size or readiness of the force, these rising costs need to be brought under control.

2. Implementing and deepening our commitment to the President's defense strategic guidance

Spending reductions on the scale of the current drawdown cannot be implemented through improving efficiency and reducing overhead alone. Cuts and changes to capabilities—force structure and modernization programs—will also be required. The strategic guidance issued in January 2012 set the priorities and parameters that informed those choices, and the fiscal year 2014 budget submission further implements and deepens program alignment to this strategic guidance.

The new strategy calls for a smaller and leaner force. Last year we proposed reductions of about 100,000 in military end strength between fiscal year 2012 and fiscal year 2017. Most of those reductions occur in the ground forces and are consistent with a decision not to size U.S. ground forces to accomplish prolonged stability operations, while maintaining adequate capability should such activities again be required. By the end of fiscal year 2014 we will have completed almost two thirds of the drawdown of our ground forces, and the drawdown should be fully complete by fiscal year 2017.

Last year DOD submitted proposals for changes in Air Force and Navy force structure; some were rejected by Congress. We continue to believe, however, that these reductions are consistent with our defense strategy and the need to hold down costs. Therefore, DOD is resubmitting several proposals from its fiscal year 2013 budget submission that were not supported by Congress, including the retirement of seven Aegis cruisers and two amphibious ships at the beginning of fiscal year 2015. Despite the growing importance of the Asia-Pacific—a mostly maritime theater—the high costs of maintaining these older ships relative to their capabilities argues strongly for their retirement.

The fiscal year 2014 budget continues implementation of the Air Force total force proposal included in the National Defense Authorization Act for Fiscal Year 2013. In response to state and congressional concerns about proposed reductions to the Air National Guard that DOD made in the original fiscal year 2013 budget, the Depart-

ment added back 44 aircraft to the Guard, 30 aircraft to the Air Force Reserve, and is taking away 31 aircraft from the Active Air Force.

These shifts were forced primarily by political realities, not strategy or analysis. While this Active-Reserve compromise allows the Air Force to move forward with prior year retirements and transfers, and approved mission changes for many Reserve units, it does requires the Department to retain excess aircraft capacity. The Department's position continues to be that retaining excess air capacity in the Reserve component is an unnecessary expenditure of government funds that detracts from more pressing military priorities outlined in the defense strategic guidance.

Increased emphasis on the Asia-Pacific and Middle East represents another key tenet of the new defense strategic guidance. This budget continues to put a premium on rapidly deployable, self-sustaining forces—such as submarines, long-range bombers, and carrier strike groups—that can project power over great distance and carry out a variety of missions.

As part of the rebalance to the Asia-Pacific, the Department is expanding the Marine Corps presence in the region, including rotational deployments of Marine units to Australia. We continue to develop Guam as a strategic hub where we maintain a rotational bomber presence among other capabilities. The Department will stage its most capable forces in the region, including an F–22 squadron at Kadena Air Force Base in Japan. The Navy has deployed a Littoral Combat Ship to Singapore and is increasing and more widely distributing port visits in the Western Pacific.

Additional enhancements and key capabilities supporting the Asia-Pacific rebalance in the fiscal year 2014 budget include:

- Protecting investments for new ship construction, enabling the Navy to procure eight new ships in fiscal year 2014—including two *Virginia*-class submarines ($10.9 billion);
- Continuing investments to develop a new penetrating bomber ($379 million);
- Investing in new maritime patrol aircraft ($3.8 billion);
- Continuing investments to maintain and expand undersea dominance, including increasing the cruise missile capacity of the future *Virginia*-class subs and developing new unmanned undersea vehicles ($223.9 million);
- Continuing to fund development of an unmanned carrier launched UAV ($427 million);
- Adding electronic attack EA–18Gs to offset the loss of retired Marine Corps EA–6B (Prowler) squadrons ($2.0 billion);
- Investing in a new suite of anti-surface warfare weapons ($160 million);
- Increasing the number of attack submarines forward deployed to Guam to four ($78 million);
- Funding airfield resiliency measures such as dispersal, rapid runway repair, and hardening in the Western Pacific ($440 million);
- The Army is investing in upgraded missile defense capabilities in the region ($40 million);
- Increasing funding for joint exercises in the PACOM region ($14 million).

Another tenet of the strategy is to support efforts to build partner capacity through innovative mechanisms based on lessons learned over the past decade of war. To that end, the fiscal year 2014 request builds on our section 1206 program by including $75 million in dedicated funding for the new Global Security Contingency Fund, a pooled resource between DOD and Department of State that supports common efforts to boost the security capacity of partners in regions like Africa. This represents the first time dedicated funds have been requested for this new authority.

This new strategy not only recognizes the changing character of the conflicts in which the United States must prevail, but also leverages new concepts of operation enabled by advances in space, cyberspace, special operations, global mobility, precision-strike, missile defense, and other capabilities. By making difficult trade-offs in lower priority areas, the fiscal year 2014 budget protects or increases key investments in these critical capabilities, including:

- Cyberspace operations, including the recruitment and retention of world-class cyber personnel ($4.7 billion for fiscal year 2014, an increase of $800 million over fiscal year 2013 enacted levels).
- Space operations—to maintain our superiority in space, the Air Force continues to modernize the GPS program and is investing in improved space surveillance capabilities and a new generation of communications satellites ($10.1 billion).

• Airborne intelligence, surveillance, and reconnaissance (ISR)—the Department is investing in both sea-based and extended range, land-based ISR platforms ($2.5 billion).
• Rapid Global Mobility—to maintain our ability to rapidly deliver and sustain our forces around the globe, the Air Force is upgrading its C–5, C–17, and C–130 transport aircraft—replacing the oldest aircraft and modernizing the fleet—and building the new KC–46 aerial refueling tanker ($5.0 billion);
• Missile Defense—to protect against ballistic missile threats from Asia-Pacific and the Middle East, the Department is increasing its fleet of Ground Based Interceptors (GBI), continuing the conversion of Aegis ships to provide ballistic missile defense capability, and procuring additional Terminal High Altitude Area Defense (THAAD) interceptors and Patriot PAC–3 missiles ($9.2 billion);
• Special Operations/counterterrorism—to ensure our Special Operations Forces maintain the highest levels of readiness and to expand the global Special Operations Force network ($7.7 billion).

3. Seeking to sustain the readiness and quality of the All-Volunteer Force

The high-quality of our All-Volunteer Force continues to be the foundation of our military strength. This budget seeks to ensure that our troops receive the training and equipment they need for military readiness, and the world-class support programs they and their families have earned. However, as in other areas of the budget, the steep and abrupt cuts of sequester would harm these programs. The remainder of this discussion outlines the goals of the fiscal year 2014 budget, but they would be significantly impacted by the persistence of sequester-level cuts.

Readiness Investments

Even with flat and declining defense budgets, this budget seeks to press ahead with the transition from a counterinsurgency-focused force to a force ready and capable of operating across a full range of operations across the globe. The service budgets all fund initiatives that seek to return to full-spectrum training and preparation for missions beyond current operations in Afghanistan:

• The Army would prepare for a rotational presence in multiple regions and has begun training in "decisive action" scenarios and is transitioning to training in combined arms conventional warfare;
• The Marine Corps would return to a sea-going posture, its traditional role in between major conflicts;
• The Navy would invest in ship maintenance and measures to alleviate the stress on personnel from prolonged and extended deployments required by current operations;
• The Air Force would re-focus on high-end capabilities required to confront the advanced air forces and air defense systems of other nations.

The Department continues its work to understand and quantify readiness activities as we seek to maximize our preparedness for real-world missions. We do not yet know the costs of fixing the readiness of the force following the 6 months of sequester cuts to training in this fiscal year. Therefore these costs are not included in the fiscal year 2014 budget. However, the President's budget includes balanced deficit reduction proposals that are more than sufficient to allow Congress to replace and repeal the sequester-related reductions required by the Budget Control Act.

Family Support Programs

The Department's budget submission makes clear that people are central to everything we do. While sequester cuts would unfortunately counter many of these initiatives, especially for our civilian workforce, the initiatives remain important statements of the intent in this budget.

The Department continues to support key programs in fiscal year 2014 that support servicemembers and their families, spending $8.5 billion on initiatives that include:

• Transition Assistance and Veteran's Employment Assurance—the Department continues to support the Transition Assistance Program to ensure every servicemember receives training, education, and credentials needed to successfully transition to the civilian workforce.
• Family Readiness—the Department continues to ensure that family support is a high priority by redesigning and boosting family support in a number of ways.

The Department is also providing support to our people with a number of other important initiatives, including:

• Behavioral Health—the Department maintains funding for psychological health programs and expands those programs that are most effective, such as Embedded Behavioral Health, to provide improved access to care, improved continuity of care, and enhanced behavioral health provider communication.

• Suicide Prevention—the Department continues to implement recommendations from the Suicide Prevention Task Force and act on other findings from think tanks, the National Action Alliance's National Suicide Prevention Strategy, and DOD and Department of Veteran's Affairs Integrated Mental Health Strategy.

Another area of focus has been Sexual Assault Prevention and Response. The Department has implemented a number of initiatives to change the way it prevents and responds to the crime of sexual assault, along five lines of effort:

• Prevention—the military services have launched a wide range of enhanced training programs, which are now being taught in multiple professional military education and training courses, to include DOD-wide precommand and senior noncommissioned officer training courses.

• Investigation—Consistent with the National Defense Authorization Acts for Fiscal Year 2012 and Fiscal Year 2013, DOD has established new policies to retain investigative documentation for 50 years for unrestricted reports, and is developing policy for Special Victim Capability.

• Advocacy—DOD has implemented a Safe helpline to give victims 24/7 global access to crisis support staff, implemented an expedited transfer policy for victims requesting transfer to a new unit, and expanded emergency care and services to DOD civilians stationed abroad.

• Assessment—DOD has added sexual assault questions to DOD Command Climate Surveys and implemented policy to conduct assessments within 120 days for new commanders and annually thereafter, consistent with the National Defense Authorization Act for Fiscal Year 2013.

• Accountability—on April 8, I directed DOD's Acting General Counsel to propose to Congress changes to Article 60 of the Uniform Code of Military Justice (UCMJ) that would eliminate the ability of a convening authority to change findings in courts-martial, except for certain minor offenses. These changes would also require the convening authority to explain in writing any changes made to court-martial sentences, as well as any changes to findings involving minor offenses. These changes, if enacted, would help ensure that our military justice system works fairly, ensures due process, and is accountable.

I am currently reviewing other options and actions to strengthen the Department's prevention and response efforts, and will announce those decisions and actions soon. Consistent with the 2013 National Defense Authorization Act, I will soon be naming individuals to sit on independent panels to review and assess the systems used to investigate, prosecute, and adjudicate crimes involving sexual assault, and judicial proceedings of sexual assault cases. I will closely review their recommendations when complete.

4. Supporting troops deployed and fighting overseas

As I said earlier, this budget request includes a placeholder request for OCO funding at the fiscal year 2013 level ($88.5 billion)—we expect to submit an OCO budget amendment with a revised level and account-level detail later this spring. I would note that OCO funding is essential in fiscal year 2014 to support troops deployed and fighting in, and coming home from, Afghanistan, and the cost of transporting and resetting equipment returning from theater. OCO costs should decrease as our military presence in Afghanistan decreases, but even after the conclusion of combat operations we will face war-related costs that must be addressed.

THE WAY AHEAD: STRATEGIC CHOICES AND MANAGEMENT REVIEW

The fiscal year 2014 budget is a reflection of DOD's best efforts to match ends, ways, and means during a period of intense fiscal uncertainty. It is a balanced plan that would address some of the Department's structural costs and internal budget imbalances while implementing the President's defense strategic guidance and keeping faith with our men and women in uniform and their families.

It is obvious that significant changes to the Department's top-line spending would require changes to this budget plan. The Department must plan for any additional reductions to the defense budget that might result from Congress and the administration agreeing on a deficit reduction plan, and it must be prepared in the event that sequester-level cuts persist for another year or over the long term.

Consequently, I directed a Strategic Choices and Management Review in order to assess the potential impact of further reductions up to the level of full sequester. The purpose of this Strategic Choices and Management Review is to reassess the basic assumptions that drive the Department's investment and force structure decisions.

The review will identify the strategic choices and further institutional reforms that may be required—including those reforms which should be pursued regardless of fiscal pressures. It is designed to help understand the challenges, articulate the risks, and look for opportunities for reform and efficiencies presented by resource constraints. Everything will be on the table during this review—roles and missions, planning, business practices, force structure, personnel and compensation, acquisition and modernization investments, how we operate, and how we measure and maintain readiness.

This review is being conducted by Deputy Secretary Carter working with General Dempsey. The Service Secretaries and Service Chiefs, Office of the Secretary of Defense Principals, and combatant commanders will serve as essential participants. Our aim is to conclude this review by May 31, 2013. The results will inform our fiscal year 2015 budget request and will be the foundation for the Quadrennial Defense Review due to Congress in February 2014.

It is already clear to me that achieving significant additional budget savings without unacceptable risk to national security will require not just tweaking or chipping away at existing structures and practices but, if necessary, fashioning entirely new ones that better reflect 21st century realities. That will require the partnership of Congress.

The fiscal year 2014 budget and the ones before it have made hard choices. In many cases, modest reforms to personnel and benefits, along with efforts to reduce infrastructure and restructure acquisition programs, met fierce political resistance and were not implemented.

We are now in a different fiscal environment dealing with new realities that will force us to more fully confront these tough and painful choices, and to make the reforms we need to put this Department on a path to sustain our military strength for the 21st century. But in order to do that we will need flexibility, time, and some budget certainty.

We will also need to fund the military capabilities that are necessary for the complex security threats of the 21st century. I believe the President's budget does that. With the partnership of Congress, the Defense Department can continue to find new ways to operate more affordably, efficiently, and effectively. However, multiple reviews and analyses show that additional major cuts—especially those on the scale and timeline of sequestration—would require dramatic reductions in core military capabilities or the scope of our activities around the world.

As the executive and legislative branches of government, we have a shared responsibility to ensure that we protect national security and America's strategic interests. Doing so requires that we make every decision on the basis of enduring national interests and make sure every policy is worthy of the service and sacrifice of our servicemembers and their families.

Chairman LEVIN. Thank you very much, Secretary Hagel. Your full statement will, of course, be made part of the record.

General Dempsey.

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

General DEMPSEY. Thank you, Chairman Levin, Ranking Member Inhofe.

I would like to add my thoughts and prayers, as the Secretary mentioned, to those affected by the terror attack in Boston and also tell you how proud we are of our guardsmen who were among the first responders. Of course, we will stand ready, all of us, to provide whatever support they need as this issue evolves.

I welcome this opportunity to update you on the U.S. Armed Forces and to comment on the budget proposal for fiscal year 2014.

This hearing comes at a time of extraordinary uncertainty. As resources are declining, the risks to our national security are rising.

It is in this context that I offer my perspective on how we can work together to sustain a balanced and a peerless joint force.

One thing you should be certain of is that our men and women are steadfast in their courage and in their devotion to duty. I saw it recently in their eyes as I had the honor of reenlisting some of them at Bagram Airfield. In Afghanistan, our forces are simultaneously fighting, transitioning, and redeploying. The Afghan military, as the Secretary said, will soon take operational lead for security across the country. As they gain confidence, so too do the Afghan people.

The coalition will remain in support as we transition to a sustainable presence beyond 2014, and at every point along the way we must make sure that our force levels match the mission that we ask of our men and women in uniform.

Our joint force has been vigilant elsewhere as well. We are deterring aggression and assuring our allies in the face of provocation by North Korea and by Iran. We are working with our interagency partners to defend against cyber attack. We are acting directly and with partners to defeat al Qaeda. We are rebalancing to the Asia-Pacific region and adapting our force posture to a new normal of combustible violence in North Africa and the Middle East. As we will discuss more later today, we are also working with others to keep Syria's complex conflict from destabilizing the region. We are prepared with options if military force is called for and if it can be used effectively to secure our interests without making the situation worse.

We must also be ready with options for an uncertain and dangerous future, and this budget was purpose-built to keep our Nation immune from coercion. It aims to restore versatility to a more affordable joint force in support of our defense strategy.

But let me also be clear about what this budget does not do. This budget does not reflect the full sequestration amount. It does impose less reduction and give us more time.

However, uncertainty does persist about what the top line will be for this or for any other budget. Nor does this budget include funds to restore lost readiness. We do not yet know the full impact or the cost to recover from the readiness shortfalls we are experiencing this year.

As expected, we have already curtailed or canceled training for many units across all forces, those not preparing to deploy. We all know it is more expensive to get ready than it is to stay ready. Recovery costs, therefore, will compete with the costs of us building the joint force towards 2020.

This budget does, however, invest in our priorities. It keeps the force in balance. It supports our forward-deployed operations. It upholds funding for emerging capabilities, notably cyber. It funds those conventional and nuclear capabilities that have proven so essential to our defense. It also lowers manpower costs, reduces excess infrastructure, and makes health care more sustainable. Most importantly, it protects our investment in our real decisive edge, which is our people. It treats being the best-led, the best-trained, and the best-equipped military as non-negotiable and as an imperative.

Never has our Nation sustained such a lengthy war solely through the service of an All-Volunteer Force. We must honor our commitments to them and to their families. For many veterans, returning home is a new front line in the struggle with wounds seen and unseen. We must continue to invest in world-class treatment for mental health issues, traumatic brain injury, and combat stress. We also have a shared responsibility to address the urgent issue of suicide with the same devotion we have shown to protecting the lives of those in combat.

The risks inherent to military service must never include the risk of sexual assault. Sexual assault betrays the trust on which our profession is founded. We will pursue every option to drive this crime from our ranks.

This is a defining moment for our military. Our warriors' will to win is undaunted, but the means to prepare to win are becoming uncertain. We, therefore, have an opportunity and an obligation with this and any future budget to restore confidence. We have it within us to stay strong as a global leader and as a reliable partner. The joint force is looking to us to lead through this period of historic fiscal correction, but we cannot do it alone.

As I have said before, we need budget certainty, we need time, and we need flexibility. That means a predictable funding stream. It means the time to deliberately evaluate tradeoffs in force structure, modernization, compensation, and readiness. It means the full flexibility to keep the force in balance.

Thank you for all you have done to support our men and women in uniform. I only ask that you continue to support a responsible investment in our Nation's defense.

I look forward to your questions.

[The prepared statement of General Dempsey follows:]

PREPARED STATEMENT BY GEN. MARTIN E. DEMPSEY, USA

I. INTRODUCTION

Chairman, Ranking Member, and distinguished committee members, it is my privilege to update you on the state of the U.S. Armed Forces and to comment on the President's budget proposal for fiscal year 2014.

This year's posture testimony comes in the context of extraordinary uncertainty. Our Nation is going through an historic fiscal correction to restore the economic foundation of our power. As resources decline, risks to our national security interests rise. A more competitive security environment compounds these risks, increasing the probability and consequences of aggression.

This context calls out for our leadership. We can and must find it within ourselves to stay strong as a global leader and reliable partner. We must restore lost readiness and continue to make responsible investments in our Nation's defense.

II. STRATEGIC DIRECTION TO THE JOINT FORCE

A year ago, I established four priorities to help guide our Joint Force through this period of uncertainty. Our way forward must be rooted in a renewed commitment to the Profession of Arms. This means preserving an uncommon profession that is without equal in both its competence and its character. Along the way, we must keep faith with our military family. This means honoring the commitments we have made to our servicemembers and their families. They deserve the future they sacrificed so much to secure.

These two priorities serve as a source of strength for the Joint Force as it achieves our national objectives in current conflicts. This means achieving our campaign objectives in Afghanistan while confronting aggression toward America and its allies in all its forms wherever and whenever it arises. It also means helping to secure

the flow of commerce in the global commons, building the capacity of our partners, providing humanitarian assistance, and maintaining a credible nuclear deterrent.

These three priorities enable us to understand and develop the Joint Force of 2020. Our ability to build the force we will need tomorrow depends on the decisions we make today. This is a defining moment in a defining year. Ensuring our future military is unrivaled and sustainable requires the right mix between current capacity and new capabilities. We must recapitalize current equipment where possible and modernize capabilities that preserve our decisive advantages.

III. JOINT FORCE OPERATIONS

One thing has been certain over the last year—the Joint Force stood strong and responded to the Nation's call. After more than a decade of continual deployments and tough fighting, I remain humbled by the resilience and determination of our warriors.

In the past year, our service men and women have simultaneously fought, transitioned, and redeployed from Afghanistan. Never before have we retrograded so much combat power and equipment while continuing combat operations. Our forces performed superbly, transitioning to Afghan security lead in areas comprising over 85 percent of the population. In the process, we redeployed over 30,000 U.S. troops, closed over 600 bases, and preserved coalition cohesion. We were challenged by "insider attacks," but responded the way professional militaries do. We assessed and adapted. We reaffirmed our partnerships and moved forward jointly with more stringent force protection and vetting procedures.

Transition continues. In the weeks ahead, the Afghanistan National Security Forces will assume operational lead across all of Afghanistan. This milestone represents an important achievement on the Lisbon roadmap, reaffirmed at the Chicago Summit in 2012. At the same time, the International Security Assistance Force will transition primarily to training and advising. We are also working with the North Atlantic Treaty Organization and the Afghan Government on options for an enduring presence beyond 2014 to reinforce Afghan security and maintain pressure on transnational terrorists.

When I testified last year, the effects of the November 2011 border incident with Pakistan were still fresh, and tensions were as high as any time since the Osama bin Laden raid. Measured, but steady civilian-military engagement with Pakistani leadership led to the reopening of the Ground Lines of Communication in July 2012. We are gradually rebuilding our relationship with Pakistan as reflected in the recent signing of a tripartite border document to standardize complementary cross-border operations.

The Joint Force has been vigilant well beyond South Asia and around the world. We continue to help deter aggression and counter the increasingly bold provocations from North Korea and Iran. We are supporting Syria's neighbors in their efforts to contain spillover violence while providing assistance to help with refugees. We are postured to support additional options for dealing with any threats to our national interests that may emerge from the Syrian conflict.

Along with our interagency partners, we are also postured to detect, deter, and defeat cyber-attacks against government and critical infrastructure targets. We are part of interagency and multinational efforts to counter transnational crime. We remain relentless in our pursuit of al Qaeda and other violent extremist organizations, directly and through our partners. This includes al Qaeda in the Arabian Peninsula in Yemen and, working with French and African partners, al Qaeda in the Islamic Magreb.

Finally, in the context of a "new normal"—where the diffusion of power fuels insecurity and unrest—we continue to support reform across the Middle East and North Africa through military-to-military exercises, exchanges, and security assistance. We are also adjusting global force posture to reflect these risks in the context of our rebalance to the Asia-Pacific region.

IV. OUR JOINT FORCE TODAY

We have an experienced, combat-tested force. Never has our Nation sustained such a lengthy period of war solely through the service of an All-Volunteer military. Our warriors' will to win is undaunted, but the means to prepare to win are becoming uncertain. Military readiness is at risk due to the convergence of several budget factors. These same factors compound risk to the wellness of the Joint Force and our military family. We need the help of our elected leaders to gain budget certainty, time, and flexibility.

Few have borne more of war's burden than our military family. For 12 relentless years, our service men and women have answered our Nation's call with unsur-

passed courage and skill. Many have fallen or been grievously wounded in the service of our country. We honor them most by caring for their families and for those who have come home with wounds seen and unseen.

We are unfailing in our praise for the sacrifices of our warriors in battle. But for so many of our veterans, returning home is a new type of frontline in their struggle. We cannot cut corners on their healthcare. We must continue to invest in world-class treatments for mental health issues, traumatic brain injury, and combat stress. Stigma and barriers to seeking mental health services must be reduced.

Suicide is a tragic consequence for far too many. As a Nation, we have a shared responsibility to address this urgent issue with the same devotion we have shown to protecting the lives of our forces while in combat. The Department is working closely with our interagency partners and the White House to increase our understanding of the factors leading to suicide and how to best leverage care networks to keep our veterans alive.

The risks inherent to military service must not include the risk of sexual assault. We cannot shrink from our obligations to treat each other with dignity. We cannot allow sexual assault to undermine the cohesion, discipline, and respect that gives us strength. Therefore, we are examining the best ways to leverage additional education, training, and the Uniform Code of Military Justice. We are exploring every option, and we are open to every idea, that could help eliminate this crime from our ranks.

Future success relies on opening our ranks to all of America's talent. Accordingly, the Joint Chiefs and I have supported the expansion of service opportunities for women. This decision better aligns our policies with our experience in war, and it serves to strengthen the Joint Force. Consistent with the law, we also extended some benefits to the same-sex domestic partners of servicemembers. We are implementing both initiatives deliberately across all Services to ensure we uphold essential standards and avoid creating new inequities for other members of the Joint Force.

Keeping faith with our military family will take a mutual commitment from fellow veterans and a grateful Nation. The next few years will define how we, as a Nation, view the September 11 generation of veterans. America's future All-Volunteer Force is watching.

They are also watching as we inflict risk on ourselves. With $487 billion in planned reductions already reflected in the Department's fiscal year 2013 budget, sequestration's additional cuts jeopardize readiness not only this year, but also for many years to come. We cannot fail to resource the war we are still fighting. At the same time, we cannot compromise on readiness in the face of an uncertain and dangerous future. Our Joint Force must begin to reconnect with family while resetting and refitting war-torn equipment. It must retrain on the full-spectrum skills that have atrophied while developing new skills required for emerging threats. There are no shortcuts to a strong national defense.

When budget uncertainty is combined with the mechanism and magnitude of sequestration, the consequences could lead to a security gap—vulnerability against future threats to our national security interests. Our military power could become less credible because it is less sustainable. We could break commitments to our partners and allies, our defense industrial base, and our men and women in uniform and their families.

This outcome is not inevitable. We can maintain the readiness and health of the force at an affordable cost. But, we need help from our elected leaders to keep the force in balance and avert the strategic errors of past drawdowns. To this end, the Joint Chiefs and I have requested your support for certainty, time, and flexibility.

Most importantly, we need long-term budget certainty—a steady, predictable funding stream. While the passage of the fiscal year 2013 Appropriations Act provided relief from the Continuing Resolution, uncertainty over the fiscal year 2014 topline budget and the full effects of fiscal year 2013 sequestration remains.

Second, we need the time to deliberately evaluate trade-offs in force structure, modernization, compensation, and readiness. Finally, we need the full flexibility to keep the force in balance. Budget reductions of this magnitude require more than just transfer authority and follow-on reprogramming authority. Everything must be on the table—military and civilian force reductions; basing and facilities; pay and compensation; and the mix among Active, Reserve, and National Guard units.

The fiscal year 2014 budget proposal helps us rebalance and strengthen readiness through hard choices. It enables us to lower manpower costs, reduce unneeded infrastructure, and shed ineffective acquisition programs while maintaining support for the responsible drawdown of our military presence in Afghanistan. It provides a 2014 military pay raise of 1 percent while protecting important education, counseling, and wounded warrior programs. Proposed infrastructure reductions include

a request for BRAC authorization in fiscal year 2015, although any closures would take multiple years and not begin until 2016. We simply cannot afford to keep infrastructure and weapons we do not need without getting the reforms we do need.

V. A JOINT FORCE FOR 2020

The budget decisions we are making now will indicate whether we view our future Joint Force as an investment or an expense.

America is unmatched in its ability to employ power in defense of national interests, but we have little margin for error. We are able to deter threats, assure partners, and defeat adversaries because we act from a position of strength.

We are strong—and our Nation is secure—because we treat being the best led, trained, and equipped force as a non-negotiable imperative. The secret to sustaining our strength with this or any future budget is simple—preserve investment in readiness, prioritize investment in people, and protect investment in decisive capabilities.

It is our people that make us the most capable military in the world. They are our best hedge against threats to our homeland and interests abroad. By 2020, we will require even greater technical talent in our ranks. But, developing technological skill must occur in concert with leader and character development. We must resist the temptation to scale back on education, including languages and cultural knowledge. Military service must continue to be our Nation's preeminent leadership experience. It is more important than ever to get the most from the potential and performance of every servicemember.

Investing in people is not just about their development and readiness. It is also about the commitment we make to their families. Unsustainable costs and smaller budgets mean we must examine every warrior and family support program to make sure we are getting the best return on our investment.

We need to reform pay and compensation to reduce costs while making sure we recruit and retain the best America has to offer. We must also balance our commitment to provide quality, accessible health care with better management and essential reform to get escalating costs under control. The fiscal year 2014 budget would help control rising health care costs by initiating a restructuring of medical facilities to make them more efficient, without sacrificing quality or continuity of care, and by proposing fee adjustments that exempt disabled retirees, survivors of servicemembers who died on active duty, and their family members. The Department of Defense is also working with Veterans Affairs to find efficiencies across health care systems.

As we work to get the people right, we must also sustain our investment in decisive capabilities. The fiscal year 2014 budget continues to fund long-term capabilities that sustain our edge against resourceful and innovative enemies, while maintaining critical investments in science and technology, and research and development programs.

Emerging capabilities, once on the margins, must move to the forefront and be fully integrated with our general purpose forces. Special Operations Forces, for example, have played an increasingly consequential role over the past 10 years. We have expanded their ranks considerably during this timeframe, and now we must continue to improve the quality of their personnel and capabilities.

Closely linked are our intelligence, surveillance, and reconnaissance capabilities—from sensors to analysts. We will continue to rely on proven systems designed for the low threat environments of Iraq and Afghanistan. At the same time, we must also develop and field sensors designed to penetrate and survive in high-threat areas. They will expand our ability to access and assess hard-to-reach targets.

This budget also sustains our investment in cyber, in part by expanding the cyber forces led by the U.S. Cyber Command. Despite significant investment and progress in the past year, the threat continues to outpace us, placing the Nation at risk. The fiscal year 2014 budget increases funding for cyber security information sharing, but we need legislation to allow the private sector and U.S. interagency to share real-time cyber threat information—within a framework of privacy and civil liberty safeguards. In parallel, we must establish and adopt standards for protecting critical infrastructure.

The development and integration of these emerging capabilities will by no means amount to all that is new in Joint Force 2020. They must be integrated with our foundational and impressive conventional force capabilities. The fiscal year 2014 budget protects several areas where reinvestment in existing systems—such as the C–130, F–16, and the Army's Stryker combat vehicle—sustains our competitive advantage. All are backed by our asymmetric advantages in long-range strike, global mobility, logistics, space, and undersea warfare. They must be connected with a secure, mobile, and collaborative command and control network.

This combination of increasingly powerful network capabilities and agile units at the tactical edge is a powerful complement to leadership at every echelon. It provides the basis to project both discrete and overwhelming power across multiple domains. It gives policymakers and commanders alike a greater degree of flexibility in how they pursue objectives.

As we set priorities and implement reductions, we need to pay attention to the important relationship among defense, development, and diplomacy. Fewer defense dollars means we must rely more on—and invest more in—our other instruments of power to help underwrite global security. Our international partners will have to work with us on accepting a greater share of the risk. Some are more ready and willing to do that than others.

VI. CONCLUSION

Although I am confident the Joint Force today can marshal resources for any specific contingency, our goal is to be able to offer military options that put U.S. national security on a sustainable path to 2020 and beyond. To do this, we must recruit and retain the most talented people. We must invest in their competence and character so they can leverage emerging and existing capabilities in our defense. It is an investment our predecessors made in decades past. We must do the same.

Our consistent first line of defense has been and always will be our people. They are our greatest strength. We will rely on our war-tested leaders to think and innovate as we navigate the challenges and opportunities that lie ahead. We need to seize the moment to think differently and to be different. But, we cannot do it alone. We need the help of our elected officials to give us the certainty, time, and flexibility to make change.

We can and must stay strong in the face of declining budgets and rising risk. We must have the courage to make the difficult choices about our investments, about our people, and about our way of war. The Secretary's Strategic Choices and Management Review will us help us identify options and opportunities.

We have been down this road before. We can lead through this uncertainty and manage the transition to a more secure and prosperous future. I know your Nation's military leaders are ready—as is every single soldier, sailor, airman, marine, and coastguardsman—to give their last breath to defend America and her allies.

Please accept my thanks to this committee and Congress for all you have done to support our men and women in uniform. Together, we serve our Nation.

Chairman LEVIN. General, thank you so much.

We are going to have a 7-minute first round, and that may likely be the only round here, given the large number of Senators that are here today.

Let me start first with you, General Dempsey. Do you personally support the request for the DOD budget for fiscal year 2014?

General DEMPSEY. I do.

Chairman LEVIN. Do you know whether the Chiefs share in your view?

General DEMPSEY. They do.

Chairman LEVIN. We heard yesterday, General, quite an optimistic assessment of the security situation in Afghanistan, more optimistic than in previous years, and we heard that from our commander there, General Dunford. I am wondering whether you share the generally optimistic assessment that we heard.

General DEMPSEY. Yes. I was with General Dunford and his subordinate commanders about 2 weeks ago. I will say that my impression after visiting some of the operational coordination centers, where for the first time I have seen the Afghan Government actually applying some of their instruments and some governance and economic factors into security, does lead me to be more optimistic than I have been in the past where I felt like we have been doing a good job but not necessarily that they have been shouldering as much of the burden as I think they need to shoulder.

Chairman LEVIN. Have you reached a conclusion as to the troop level which you are going to recommend to the President for the post-2014 period?

General DEMPSEY. No, we have not, Senator. I have said at a previous hearing that the target that the North Atlantic Treaty Organization (NATO) has established for the range, let us call it, that NATO has established, 8,000 to 12,000, seems to me to be a reasonable target. But we have not selected a specific number.

Chairman LEVIN. Is that a target for U.S. Forces?

General DEMPSEY. No. That would be the International Security Assistance Force and it would be that part of the mission related to training, advising, and assisting.

Chairman LEVIN. So the President has not made a decision yet on that either then. Is that correct?

General DEMPSEY. That is correct.

Chairman LEVIN. In terms of the reduction between now and 2014, the President announced plans to draw down 34,000 of the 66,000 troops in Afghanistan by February 2014. Is it true that the pace of that drawdown will affect the OCO funds that are needed and when they are needed?

General DEMPSEY. I am sure it will, and that is the reason, I think, Mr. Hale would agree that the OCO budget has not been submitted yet. What we have done is given the commander in the field the flexibility to plan that reduction which, by the way, I think is very important to allow him to plan the pace and manage the equilibrium between fighting, transitioning, and redeploying. But I think that is why the OCO budget is delayed.

Chairman LEVIN. If the commander has that flexibility, then as soon as we presumably learn from the commander how they are going to exercise that flexibility, then we are going to determine the OCO?

General DEMPSEY. That would be my understanding of the sequence.

Chairman LEVIN. For the record, Secretary Hale—not now because of my time limit—would you tell us how the pace, as it is determined by the commander, if the commander has that flexibility, will affect the OCO needs, for the record?

[The information referred to follows:]

SECRETARY OF DEFENSE
1000 DEFENSE PENTAGON
WASHINGTON, DC 20301-1000S

13 MAY -2 PM 1:51

MAY 0 1 2013

The Honorable Carl Levin
Chairman
Committee on Armed Services
United States Senate
Washington, DC 20510

Dear Chairman Levin:

Thank you for the opportunity to testify before the Senate Committee on Armed Services regarding the President's Fiscal Year 2014 budget request for the Department of Defense. The Department faces many national security challenges around the world and must address those challenges at a time of profound budget uncertainty. As I stated at the hearing, Congress and the Department of Defense must work together to find solutions to these problems, and I look forward to working with the Committee to that end.

During the hearing you asked me questions about how the pace of the Afghanistan drawdown might affect the Overseas Contingency Operations budget. I expect the drawdown, as announced by the President, will eventually lead to much lower OCO budgets. However, especially during FY14, the reduction associated with fewer troops will be substantially offset by other factors. Additional information on this issue is attached.

You also asked about the Department's request for an additional BRAC round and more details on BRAC savings as well as any differences the Department may have with the GAO report on BRAC. Details of BRAC savings and the Department's views on the GAO report are included on the attached sheet.

Again, I look forward to working closely with you as the Committee considers the FY14 National Defense Authorization bill. Thank you for your continued support of our men and women in uniform and our entire civilian workforce.

Sincerely,

Chuck H-

Attachment:
As stated.

OCO budget

Question: How is the pace of the Afghanistan drawdown affecting the Overseas Contingency Operations (OCO) budget?

Answer: I expect the drawdown, as announced by the President, will eventually lead to much lower OCO budgets. However, especially during FY 2014, the reduction associated with fewer troops will be substantially offset by other factors such as:

- Costs to prepare facilities for closure
- Costs to bring equipment home (retrograde costs)
- Costs for contractor personnel, which tend to lag reductions in troop costs because contractors are heavily involved in closure activities
- Costs to fix or replace equipment (reset costs), which will remain high for several years after most combat activities end

We anticipate the Administration submitting the Department's FY 2014 OCO submission to Congress in May, which will contain greater cost estimating detail. We will be available to discuss particular aspects once the work is complete.

BRAC Costs & Savings

Question: What are the cost and savings from each round of BRAC; in reference to the $12B in annual savings that is repeatedly cited?

Answer: The five previous BRAC rounds are saving a total of $12B annually; the cost and savings by round are as follows:

	Costs ($B)	Annual Recurring Savings[3] ($B)
BRAC 88	2.7[1]	1.0
BRAC 91	5.2[1]	2.3
BRAC 93	7.5[1]	2.7
BRAC 95	6.6[1]	1.9
BRAC 05	35.1[2]	4.0
Total	**57.1**	**12.0[4]**

Note 1: Then Year dollars through FY2001
Note 2: Then Year dollars through FY2011
Note 3: Annual recurring savings (ARS) begin in the year following each round's 6-year implementation period
Note 4: Does not add due to rounding.

The savings estimate is in FY08 constant dollars, if inflated to FY14 constant dollars it would total $13.2B. These numbers are reflected in our annual budget documents provided to Congress, including our most recent FY14 submission. The savings are comprised of personnel eliminations, reduced base operating costs, facilities sustainment, and other cost avoidances.

Annual recurring savings are developed by DUSD(I&E) Basing Office utilizing data from the FY 2014 President's Budget justification material dated April 2013.

GAO Report on BRAC

Question: What differences do you have with the recent GAO report regarding BRAC 2005?

Answer: The recently published GAO report on BRAC 2005 indicated that 1) savings goals should drive the BRAC process rather than military value, and 2) the difference between the actual and projected costs are a fault of modeling rather than the imposition of subsequent requirements.

I am concerned with the report's emphasis on establishing goals, measurements of effectiveness, and capacity reduction targets. The premise that we should be required to close a particular number of bases or eliminate a particular number of civilian jobs is arbitrary, counterproductive, and would undermine military capability. While the overall rationale for BRAC is driven by the presence of excess infrastructure and the need to optimize the allocation of infrastructure to support military forces, individual recommendations should be based primarily on optimizing military value. Goals or targets would subvert that process.

The implication of the report is that the mismatch between the actual cost and initial estimates reflects flaws in the cost estimating model rather than the impact of subsequent decisions. While any process could benefit from improvement, the GAO has indicated in previous reports that the drivers of this increased cost were dominated by new military construction requirements within a small subset of the recommendations. That recent (2012) GAO report found that most of the cost increase could be tied to only 14 of 182 recommendations. These increases are attributable to new requirements imposed after the initial estimates (e.g. requiring all medical facilities to meet "world class" standards), and are specific rather than systemic.

Mr. HALE. We are making assumptions, though, because we have to go ahead.

Chairman LEVIN. All right.

We, in this budget, Mr. Secretary, have certain amounts that are going to be utilized for our missile defense. There has been an announcement—I believe that you were the one who made it—that we are going to deploy 14 additional ground-based interceptors (GBI) in Alaska. We have made a decision relative to the final phase of the Phased Adaptive Approach (PAA), which has been adopted for NATO. I am wondering, let me ask you, General, do you personally support the missile defense approach that has been decided upon by the administration?

General DEMPSEY. I do. It is in response to what we perceive to be an increasing threat, in particular from North Korea.

Chairman LEVIN. That includes both parts of the missile defense approach that I have just identified. One is the modification to the PAA in Europe but also the additional GBIs in Alaska. Both pieces? Do you approve of both parts?

General DEMPSEY. I do.

Chairman LEVIN. On the BRAC issue, as I understand your testimony and your budget, Mr. Secretary, there is a short-term cost if

there were an additional BRAC approved, but that cost is not in the 2014 budget request. You put it in the 2015 budget request. Is that correct?

Mr. HALE. The money is actually in 2016 through 2018. It is $2.4 billion of additional funds.

Chairman LEVIN. Okay, but the additional upfront funding, the cost of the BRAC is not provided for in the 2014 budget request. You made a provision or you say you are going to make a provision in 2015. Is that correct?

Mr. HALE. 2016, 2017, and 2018.

Secretary HAGEL. We are not requesting it until 2015. So we put the money in the out-years.

Chairman LEVIN. So there is no money impact for this year.

Now, when we met at the Pentagon a few days ago, and there were a number of us that were there, we discussed the point that you made about alleged savings from the last BRAC round. You today indicated that previous rounds or perhaps the previous round, you testified, saved $12 billion annually. Was that the savings that you say exists, created from the last round or from all of the previous rounds?

Secretary HAGEL. From all the rounds.

Chairman LEVIN. All the rounds.

Secretary HAGEL. If you would like more detail, maybe Mr. Hale could break that out. But it would be for all the rounds.

Chairman LEVIN. Can you give us that for the record? I think that is the detail that we would need for the record, round by round.

[The information referred to follows:]

Please refer to my letter to you, signed on May 1, 2013. [Inserted previously]

Chairman LEVIN. I think that is my time. So we will call on Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

Since you are on the subject of BRAC, I think you might remember, Secretary Hagel, that you were in the Senate at the time in 2005. You might remember that I led the opposition to that BRAC round unsuccessfully, I might say. The irony of that was that my senior Senator Don Nickles was on the other side, and we lost by two votes. So it is contentious.

Secretary HAGEL. You are not going to hold that against me, are you?

Senator INHOFE. No. I do not even remember how you voted on that, but I will not get into that.

Secretary HAGEL. I support BRAC.

Senator INHOFE. Okay.

Yes, I came in with the first BRAC round of the five BRAC rounds. I supported some of them in the past. I opposed the one in 2005 for two reasons. One is that it was bringing down our infrastructure to an artificially low size to meet what I thought was an unacceptable force size. Now, that was just one reason at that time. I think that reason is good today.

But the other reason is what the chairman touched on here, and that is that there is a cost to BRAC. It is in two different areas. One is in the initial cost and the other is the recurring cost.

Now, the Government Accountability Office (GAO) released a report last year. That is 7 years after the 2005 BRAC round, noting that the one-time implementation cost of 2005 grew from $21 billion to $35 billion, an increase of $14 billion, or 67 percent.

As a result of the 20-year value—now we will get into the recurring costs—DOD expected to achieve from the 2005 round, it decreased by 72 percent. In addition, GAO determined that 75 out of the 182 recommendations, about 41 percent, are now expected to result in a negative 20-year value. That means they will cost more to implement than any projected savings over a 20-year period. Now, that is pretty bad. I have seen this.

I know there are different ways of projecting figures. Those are the figures, and this came from GAO just last year, 7 years after this. So keep that in mind, recognizing, as you pointed out, you may not feel this until 2015. I have no reason to believe we are going to be in a lot better shape in 2015 than we are today.

Have you considered that in your support of this BRAC round?

Secretary HAGEL. I have not seen the actual figures or the study you referred to, Senator. I do not know if it was the same GAO report or another one that noted on that 2005 BRAC round, it clearly reflected—I think the number was almost a 25 percent over-capacity in infrastructure at the time in our facilities.

Now, I am going to ask Mr. Hale to respond here very quickly.

But to answer your question, we have looked at all the factors, upfront costs, continuing costs, do we need it.

Senator INHOFE. Yes. We do not need to hear from Mr. Hale now.

I know you have read the report I referred to, and I would ask that you share that with Secretary Hagel, which I am sure he will want to look at. I would only ask that you consider that because I think those reasons for my opposition 7 years ago—8 years ago now, are probably more true today.

When the chairman talked about the missile defense thing, I was very pleased when you made the decision to increase, back up to 44, the number of GBI sites on the west coast. I think that was good.

Where I do not agree, as has been pointed out, that is probably a good thing to do in light of all the things that are happening in North Korea. I was over there recently. In fact, I talked to you from over there, and I realize that this is something that we need to protect against.

I am satisfied. I may not be in the majority up here, but I am satisfied that anything coming from North Korea or coming from that way we have the capability to shoot, look, and shoot. I feel comfortable we could knock down anything coming.

Where I probably disagree, General Dempsey, with you is on our capacity to knock one down coming from the other side, from the east. That is the reason, of course, that we were initially building the GBI in Poland.

Now we are talking about a third site, and I could quote several generals here. General Jacoby, for example, had said we are not in the most optimum posture to defend against an Iranian threat, in spite of the fact that our intelligence has told us since 2007 that Iran is going to have the capability of a weapon and a delivery system by 2015.

Secretary Hagel, do you disagree with my concern over the threat that would come from the east as opposed to the west?

Secretary HAGEL. No, I do not disagree. It is something that DOD and all those responsible for our missile defense capabilities and our strategies and the tactics to match those and the weapons to match those strategies are concerned with as well. So it is a very real issue. It is one that we are dealing with. We are going to have to continue to deal with it. So it is like all of these issues. How do you deal with it? What should we be doing? What are we doing?

Senator INHOFE. One way to deal with it is on the third site everyone is talking about. I do not know whether you have taken a position on that or not. But if you have, would you let us know what that is?

Secretary HAGEL. We were instructed through the National Defense Authorization Act (NDAA) to conduct environmental impact statements (EIS) looking at the possibility of putting a site on the east coast. That investigation, that study, is underway. We should have it complete by the end of this year. We will obviously share that with Congress.

Senator INHOFE. Okay.

The last question I would have, Mr. Secretary, is having to do with the New Strategic Arms Reduction Treaty (START), a commitment that was made by the President in order to get the votes necessary for that. Those commitments have not been met. What I would like to get from you for the record, since there would not be time now, is will you support the products that the President talked about in order to get the votes that he got for the New START treaty, in other words, noting our nuclear capability.

Secretary HAGEL. Whatever commitment the President made, I, of course, would support and carry forward my responsibilities in order to comply with those commitments and the Treaty.

Senator INHOFE. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Inhofe.

Secretary Hale, on that GAO report, would you give us any differences that you have—not now but for the record—with that GAO report, in addition to the request of Senator Inhofe?

Mr. HALE. I will. May I just say quickly we do not intend to repeat the 2005 round? It was very different than we would do in 2015.

Chairman LEVIN. You can just give us your criticisms or disagreements with that report.

Senator Reed?

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

Secretary Hagel, General Dempsey, Secretary Hale, the Secretary mentioned in his comments that we are facing a lot of short-run constraints, sequestration, other issues, but longer-term there are financial issues that have to be dealt with regardless of the present dilemma with sequestration and the BCA. One of those is growing personnel costs and particularly health care costs. I know you have made some proposals in the budget in that regard, and I just want to direct the question to General Dempsey and ask the Secretary if he wants to comment also.

But it would seem to me that in order to effectively carry out any reforms, there has to be an ongoing dialogue with both uniformed

Active Duty personnel and Reserve personnel. That dialogue is probably best conducted by the uniformed military because you have shared the service and the sacrifice of these individuals more so than anyone else. Is that dialogue going on? Are there constructive ways organizationally to begin to save costs? Is there any sort of path forward that could be agreed upon and then giving us more of an opportunity to deal with a solution that has buy-in on all sides?

General DEMPSEY. There has to be, Senator. We have to find a way forward. The manpower costs are truly unsustainable when we project them out to 2020, which is where I am trying to look.

We have reached out. We have actually had several sessions now with veteran support organizations on this budget submission and more broadly on the issue of, let us call it, compensation reform. I would not suggest that we have made much progress, but I assure you we are working toward that.

Senator REED. I think it is something that you constantly have to do, and also, obviously, it is a two-way process, listening as well as explaining.

I think the other issue too that must concern you is that at some point you crowd out operations training, maintenance, procurement. For the Active Force, training, good equipment, well-motivated, well-schooled leaders are more of a factor than other benefits.

General DEMPSEY. Yes. If I could just reinforce that point.

What gets crowded out, by the way, is training and readiness. There are plenty of constituents for infrastructure, for compensation, and for weapons systems, but there are not so many constituents for readiness. So when I talk to the force about this, I explain to them that you do not want to be the best compensated force on the planet, but sitting at Fort Hood, TX, or Beaufort or Langley Air Force Base. We have to keep this thing in balance.

Senator REED. I appreciate that very much.

Last year, we were able to work through a process where we were able to reduce co-pays on pharmaceuticals by adopting a new technique of mail order, and that was a more efficient approach. I think those are the types of smart adjustments that might be more palatable and more acceptable and more achievable, frankly.

Mr. Secretary, just quickly changing, you initiated, as you indicated, a strategic review indicating that Secretary Carter and the Chairman should look at it. Can you update us on any insights you have at this point? Also, it obviously begs the obvious question: Is that strategy going to drive the budget or is the budget going to drive the strategy?

Secretary HAGEL. As I noted in my statement, the budget, obviously, is affecting all of this, not just fiscal year 2013, which we are living through, which you all understand what we are going through. I noted this and the Chairman did. But as we look out into the future, where are we going? How are we going to get there? What are our strategic priorities? How do we defend the interests of our country? When you look through that, obviously resources are critical to that.

When I initiated the Strategic Choices and Management Review, it was, yes, influenced by the budget, the uncertainty of that budg-

et. But also more than that, the world is a different kind of world today, as everyone on this committee knows. You all travel. You go everywhere. We have new threats. We have some of the same old threats. There is an alignment going on in global affairs that we have not seen certainly since World War II and maybe never quite seen it the way it is.

So the question I have to ask as Secretary of Defense is: are we prepared, not just today, but are we going to be prepared within the constraints of budget realities, but bigger than that? How are we using our assets? Are they smart? Are we doing wise things, capable things? You mentioned personnel costs, TRICARE. That has to be examined within and is being examined within the framework of our examination of everything.

You asked for a status. It is ongoing. As I noted in my remarks, we brought everybody into this not just to have a committee, but we have to hear from the combatant commanders. We have to hear from the senior enlisted. We have to hear from the men and women who actually have the responsibility of implementing whatever policies we decide. They are part of that. We should have it, at least initial report on this, by the end of May.

I get reports on this weekly. Ash Carter and I talk about it the end of every week. We will talk about it on Friday. It is a result of his collaboration with General Dempsey and what has been done that week and how it is all factoring in.

That is a general, broad brush of it. If you want to go deeper, I will be glad to.

Senator REED. No, Mr. Secretary. Thank you.

I just have a few seconds left which I would cede back to the chairman.

Chairman LEVIN. Thank you very much, Senator Reed.

Senator McCain.

Senator MCCAIN. Thank you, Mr. Chairman.

I thank the witnesses.

We are going to talk about Syria after this hearing, but I just have one question initially about it.

Secretary Hagel, General Dempsey, and your predecessor, Secretary Panetta, and Secretary of State Clinton and General Clapper, all have openly stated they favor providing weapons to the resistance in Syria. Have you reached an opinion on that issue?

Secretary HAGEL. I have not made a recommendation to the President that we should militarily intervene.

Senator MCCAIN. No. I am asking about providing weapons to the resistance.

Secretary HAGEL. We are constantly reviewing every policy, every option.

Senator MCCAIN. Have you reached a conclusion yet?

Secretary HAGEL. No.

Senator MCCAIN. Thank you.

General Dempsey, there are persistent rumors the North Koreans are going to launch a missile sometime in the next days or weeks to coincide with certain events. Do we have the capability to intercept a launch?

General DEMPSEY. We do.

Senator MCCAIN. Would you recommend if that missile left North Korean airspace, that we intercept it?

General DEMPSEY. If it threatened any of our facilities or any of our personnel.

Senator MCCAIN. So the criteria would not be whether it left North Korean airspace. It would be whether we viewed it as a threat.

General DEMPSEY. That would be my advice at this point. Yes, sir.

Senator MCCAIN. Is there any doubt in your mind that over time, the North Koreans are on the path to having a combination of a missile and a weapon on it?

General DEMPSEY. No doubt at all.

Senator MCCAIN. In the case of the Iranians, the latest round of talks have, obviously, been unsuccessful. We hear reports about increased capabilities that the Iranians have even announced. How serious do you think this is getting?

General DEMPSEY. I have said before, Senator, I think the Iranian threat is not limited to its nuclear aspirations. I think they are proliferating weapons of all kinds. They have surrogates and proxies all over the globe, and I think they aspire to control the Gulf.

Senator MCCAIN. Secretary Hagel, the defense budget for the 2014 request is $52 billion over the spending cap imposed by the BCA. Have you made any plans? Are you going to share with Congress the plans that you will have to make if the BCA and sequestration is not repealed?

Secretary HAGEL. We are underway with those options right now, Senator. One of the parts of the Strategic Choices and Management Review is part of that. Every day that is what we are about, that reality.

Senator MCCAIN. Would it be appropriate to share with Congress, since it can only be Congress that repeals, and a signature from the President that repeals, the BCA? Would it not be appropriate for us to know what measures have to be taken in case existing law continues to prevail?

Secretary HAGEL. Yes, it is and we do. For example, I noted in my testimony that we will be coming up to Congress with a significant package of reprogramming requests, which we have been working with Congress on.

Senator MCCAIN. It is one thing to have reprogramming requests. It is another thing to submit an overall budget that reflects the realities of the law as it is today rather than sending us a budget that has restoration of cuts. So far, there has been no movement or action to repeal. I am saying that because I think we need to know what happens if we do not repeal. It is in your interests, in my view, to give us that information as to what would happen if we just simply complied with existing law.

Secretary HAGEL. I want to address both points.

One is we are continuing to do that, Senator, as part of Marty's testimony, part of my testimony on what we are doing, and explaining and working with the committees here in the House and the Senate if we do not make these changes, what is going to be requested. For example, is a supplemental appropriation within the

realm of what is going to be required? We do not know. We are trying to internally adjust now.

The second part of that is I would just add on the budget—and I noted one of the points made here this morning on this—the Senate and the House budget resolutions for defense for 2014 essentially were the same, basically the same numbers as our budget for defense.

The other part of this is, not at all dismissing your questions that are real and legitimate on the reality of this, but as well as anyone, this is a $600 billion enterprise. This budget was put together over a year. To try to readjust that and come back with new numbers in a budget was difficult as well.

But make no mistake, Senator, we are dealing with the realities of everything that you just talked about.

Senator MCCAIN. But you need to share those with Congress, Mr. Secretary. I appreciate the fact that you put together a budget that ignores the realities of the law today. It would be very helpful in adjusting for those realities if you would share with Congress what the budget would be if the existing law is implemented.

Secretary HAGEL. We will.

Senator MCCAIN. When?

Secretary HAGEL. We are doing that now. As I said——

Senator MCCAIN. You will submit it to Congress.

Secretary HAGEL. I am sorry?

Senator MCCAIN. You will submit to Congress——

Secretary HAGEL. We have been informing Congress, working with Congress.

Senator MCCAIN.—a budget that reflects the $52 billion less than the budget that has been submitted by the President?

Secretary HAGEL. As I said in my statement, if there is no balanced budget agreement, then that is the law, as you have noted, as I noted in my statement, that we are going to be facing the reality of a $51 billion to $52 billion cut. We are preparing for that reality.

Senator MCCAIN. I am just saying you need to inform Congress and work with Congress so that we can also explain to our constituents the realities of what would happen if the BCA were fully implemented. I do not think that is too——

Secretary HAGEL. No. I agree.

Senator MCCAIN. General Dempsey, the Commandant of the Marine Corps says the sequester's impact on marines constitutes excessive risk. Do you agree? Does that apply to all our Services?

General DEMPSEY. It does apply to all our Services. Full sequestration, particularly in the mechanism, would destroy readiness in a way that I think none of us would be very pleased with.

Senator MCCAIN. I thank you. My time has expired. I thank the witnesses.

Chairman LEVIN. Secretary Hagel, let me just agree with what Senator McCain was driving at. If you will let us know when you know what the impact would be of a $52 billion reduction in the budget you have submitted, it will help us, I believe, avoid that outcome. I think that is what Senator McCain was pointing to, and I would just agree with that.

Secretary HAGEL. I agree with it. We will.

Chairman LEVIN. Okay, thank you very much.

Senator McCaskill?

Senator MCCASKILL. Thank you, Mr. Chairman.

I first want to thank Secretary Hagel and General Dempsey for responding to concerns that we have expressed. Senator Gillibrand had a hearing on this and many of us have been working on this issue for a number of years, and that is making sure that the military is doing everything it can to catch the perpetrators of sexual assault and make sure that the system is respecting the victims and is not arbitrary or capricious. I know that it is unusual for the Joint Chiefs to come together with a recommendation to change the Uniform Code of Military Justice (UCMJ) and for the Secretary of Defense to endorse that and embrace it in such a quick fashion as this occurred, and I just want you to know how grateful all of us are that are working on this issue. We will continue to work with you as we codify some of these changes hopefully in the NDAA this year. I appreciate your mentioning it in your statement and look forward to working with both of you to make sure that we are doing everything we can to focus the system on the act that occurred and the facts surrounding that act and take the focus off the victim and what she did or did not do or what he did or did not do and get us into this century as it relates to the way this crime is being handled within the UCMJ.

It will not surprise you I want to talk about contracting. I noticed that U.S. Transportation Command recently put out a solicitation for airevac, medevac, airlift in Africa. So my question to you is, was there an analysis done as to why our current capability on medevac and all of the different commands that deal with—I think you all just canceled—the Air Force just decided to cancel the C–27J, which is hard for me to figure if we are going to turn around and contract with Blackwater, which it appears from the solicitation that you are looking for CASA C–212 as the only aircraft that would qualify under the solicitation. Of course, that is the aircraft that is used by Academia, the new name for Blackwater.

I am not against contracting logistical support, but I need to know what the analysis was as to why we cannot do this and why this is cheaper.

Secretary HAGEL. I do not know. Marty, do you?

General DEMPSEY. No. I know that our lift is stretched. It is a stretched resource, and in particular, most of what is coming out of Afghanistan these days comes out by lift.

Second, the threat environment in Africa is different than it is in other parts of the world, and I am sure that was a factor. Some of the aircraft you are referring to are actually—we do not want them in the inventory because of their sustainability and their capability.

So I know the analysis was done and I am sure that it followed the rules of competition by the Federal acquisition regulations. But we owe you an answer. I do not know the specifics.

Senator MCCASKILL. I think the answer I am looking for here is before we do contracting as a default position on logistics—what I worry about in this shrinking budget environment, that there is going to be even more of a tendency to just assume that we should contract it out because it is cheaper. If Afghanistan and Iraq have

taught us anything is that that is not always true. If you do not have adequate contracting oversight, it is not, and especially when it is inherently a governmental function. We could spend a whole hearing and we have many on that. But I just want to make sure that it is a new day, and as we begin to do new solicitations for new logistics support contracts in any threat environment, there has to be a really detailed analysis done as to why this is going to save you money and why we cannot do this within the existing command.

So I will be anxious to see that analysis that was done, and as you are probably aware, I will spend some time on it.

Secretary HAGEL. Senator, we will provide that for you.

[The information referred to follows:]

SECRETARY OF DEFENSE
1000 DEFENSE PENTAGON
WASHINGTON, DC 20301-1000

APR 29 2013

14 APR 29 AM 3:31

The Honorable Carl Levin
Chairman
Committee on Armed Services
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

In accordance with section 1213(a) of the National Defense Authorization Act for Fiscal Year 2013, this letter serves as notification of the President's decision to reduce the force level of U.S. Armed Forces deployed to Afghanistan by 34,000 by February 2014. Additionally, the Joint Staff is currently working to complete the section 1213(b) requirement, and I expect to deliver the final product to the congressional defense committees by the end of the month.

The Department of Defense and our commanders in the field will continue to work closely with other U.S. Government agencies and departments to achieve our objectives in Afghanistan, as we complete the transition to Afghan security lead. In the future, the Department of Defense intends to provide a timely response to Congress regarding future Presidential decisions on force levels in Afghanistan.

A similar letter is being sent to the other congressional defense committees.

Sincerely,

Chuck Hagel

cc:
The Honorable James M. Inhofe
Ranking Member

Secretary HAGEL. But let me address just very briefly your general question and concern. You are right. That is part of what we are doing in the review. You have been, as much as anyone, engaged in this overall procurement/acquisition issue and been very helpful. That is an area that we need to do more, obviously.

There have been some successes. A recent GAO report that came out reflected rather positively on what we have been doing. We will

continue to stay at it for the reasons you mentioned and work with you on it.

Thank you.

Senator MCCASKILL. Thank you.

As we are drawing out of Afghanistan, I think it is really time to measure the effects of large-scale infrastructure spending as being part of the counter-insurgency. I continue to harp on this, and I am going to keep harping on it until you all do the work. I need some kind of analysis as to how large-scale infrastructure spending contributed to a successful fight in the area of counter-insurgency. You have the ability because you have done small-scale projects and you have done large-scale projects. So I am confident that you can do the analysis as to the impact of what the Commander's Emergency Response Program was originally intended for versus water systems, electrical grid, highway systems, all of that that we have spent billions and billions and billions of Americans' dollars on.

If we do not do it now, there will be a tendency in the next conflict to say, okay, let us start building big stuff. I especially want the analysis to do the overlay of the security environment and whether or not the small-scale makes sense because you have to pay off less to security people and therefore risk getting the money into the wrong hands versus the large-scale payments we have had to make many times to the bad guys. So if you would get back to me on that analysis and when it is planned or how it is planned, that would be very helpful.

[The information referred to follows:]

Please refer to my letter to you, signed on April 29, 2013. [Inserted previously]

Secretary HAGEL. We will, and just one brief comment.

I believe about five of six of those large-scale infrastructure projects are directly related to energy or in some way the lifestyle and the well-being of the people of Afghanistan, which is obviously important for us and the importance of the government in bringing together some nationalism to promote a cohesiveness of society that actually makes their life better. We want to do that.

But your points about accountability, the whole question of can they maintain it, is this a wise investment, should we be doing smaller projects, all appropriate. They are being analyzed. They are being questioned, and we have spent a lot of money. Inspector General reports come out almost monthly on every one of these. We are looking very carefully at every one of them, and you are exactly right. So we will continue to work with you on it and get you the analysis your requested.

Senator MCCASKILL. Thank you, Secretary Hagel. In isolation, the theory sounds absolutely sound, but now we have the data and we can figure out if it actually works or not.

Secretary HAGEL. We have made mistakes.

Senator MCCASKILL. That would be terrific.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator McCaskill.

Senator Sessions.

Senator SESSIONS. Thank you.

Congratulations, Secretary Hagel. I look forward to working with you. I know you love the country and know a lot about the military. So we have some real opportunities, I think, in the years to come and some real challenges.

One thing that you need to fully understand—it happened before you came—was in August 2011 that this Nation reached the debt ceiling, and there was a national discussion about that. An agreement was reached and passed in the law. It was signed by the President of the United States. It said we will reduce the growth in spending by the amount we raise the debt ceiling, $2.1 trillion. $1.1 trillion of that was a sequester if an agreement was not reached by this committee, and the committee did not reach an agreement.

There was no provision in the BCA agreement to raise taxes. The President did succeed in January of this year raising taxes $600 billion, but there was never an agreement as part of the sequester or the BCA to raise taxes. So that is where we have loggerheads. This is the problem.

So at the end of debate, I remember sitting bolt up when the President guaranteed the American people that sequester would not happen. But it is happening. It is happening right now. It is in the law.

Now, the House has proposed a budget that eliminates the cuts on DOD but finds other cuts in the government to replace them with. The President is saying he wants to eliminate the sequester, or he apparently indicates he does, but he wants to do it raising taxes. That is a non-starter.

Under our current debt path, we are increasing spending every year. The difficulty, as I pointed out before our committee so many times, is half of the reductions in spending in the sequester fall on DOD, which only makes up one-sixth of the entire spending in our government. So that is a disproportionate cut.

So as you talk to Congress about the difficulties, I suggest that you go to 1600 Pennsylvania Avenue and talk to the President, the Commander in Chief, because I am very worried. I am very worried because Congress is not going to raise taxes to eliminate the sequester.

It has been deeply disappointing, DOD has delayed telling us what those cuts might be. Senator McCain raised it a long time ago. I have talked about it. We passed legislation, as I recall, requiring you to lay out a spending plan if the sequester was not fixed. It is a big deal. I just want to tell you that you are in a tough spot. But I really do believe that the way to handle this is to look for other reductions in spending. Big agencies like Medicaid or food stamps and other programs got no reductions in spending at all. Zero. So there is an opportunity to spread some of these reductions around and not have this burden fall on DOD.

So as the ranking guy on the Senate Budget Committee, I have been wrestling with these issues. I am worried. I do not see an easy solution right now. Hopefully, something will happen, but you need to be prepared for the worst.

I am the ranking member on the Strategic Forces Subommittee that has nuclear and missile defense forces. I just want to share some concerns with you, really, about the commitment we have as

a Nation—and this administration does—to the nuclear arsenal, our nuclear infrastructure, our nuclear modernization that we have said we are committed to and its understanding for our nuclear forces as they serve as the ultimate guarantor of the security of our country and the assurance it provides to our allies and our partners. These are big issues right now.

President Obama identified nuclear proliferation as a key danger to the United States and its allies, and it is a danger. Yet, the response we have seen from this threat of proliferation has been self-defeating, I am afraid. The President had hoped to set a disarmament example for others to follow by emphasizing nuclear arms reductions with Russia over nuclear deterrence, striking that balance. But the disarmament provision and the President's policies are undermined by our inability—the international community's inability—to keep regimes such as North Korea and Iran from developing nuclear weapons and long-range missiles. So this will cause proliferation not only in those rogue nations but people who feel threatened by them may well feel compelled to develop nuclear weapons.

I am sure you know, Defense Secretary Ash Carter, in an attempt to reassure our Asian allies in the face of North Korean missile threats, said on April 8, "we will continue to provide the extended deterrence offered by the U.S. nuclear umbrella."

But the President in March in South Korea—March 2012, March last year—said as President, "I changed our nuclear posture to reduce the number and role of nuclear weapons in our national security strategy. I made it clear the United States will not develop new nuclear warheads and we will not pursue new military missions for nuclear weapons. We have narrowed the range of contingencies under which we would ever use or threaten to use nuclear weapons."

So there is no wonder, I think, our allies are getting nervous here, and it has the danger of proliferation and danger of instability, I am afraid, in the world. We do not like to talk about nuclear weapons. This is a grim subject, indeed, but I want to raise these issues with you.

It looks like in November 2010, the White House issued the statement noting the administration had added $4.1 billion to the 5-year plan for weapons, but according to my accounting, over the years 2012, 2013, and proposed 2014, assuming the sequester were to occur, we would have $1.4 billion, 34 percent short of what the promised increases were.

We were informed last year that the replacement for the *Ohio*-class ballistic missile submarine and the air-launched cruise missile were both 2 years behind schedule. It has yet to be made clear about the follow-on for the Intercontinental Ballistic Missile (ICBM) program. The Life Extension Program (LEP) for the B–61 bomb was 2 years behind schedule, as was the planned LEP for the W–78 and W–88 nuclear warheads.

So, I think this is a dangerous trend that we have to reverse and stop.

I think what we need to hear from you, and the world needs to hear from you, is a commitment to maintain the strategic triad and modernizing U.S. nuclear forces and the nuclear weapons complex,

as I understand, the President has agreed to. I understand you support the agreement.

But just would you repeat that here today? I think it would be important for the world, our allies, and our adversaries. General Dempsey, you have your commitment that you will preserve our nuclear arsenal and pursue the nuclear modernization efforts that President Obama, our Commander in Chief, has committed to. Specifically, will you commit to increases in the fiscal year 2015 budget and FYDP to help get these capabilities on track or to, at least, prevent further delays?

General DEMPSEY. Senator, I am committed. My advice has been and will continue to be to maintain the triad to include extended deterrence in our capability and to maintain a safe and secure and reliable stockpile.

Chairman LEVIN. Thank you.

Senator SESSIONS. Secretary Hagel, you had a comment.

Secretary HAGEL. I have said that in my confirmation hearing, would say it again, and am absolutely committed to it.

Senator SESSIONS. Thank you very much.

Chairman LEVIN. Thank you, Senator Sessions.

Senator Nelson?

Senator NELSON. Mr. Secretary, it is good to see you.

There is talk around as a result of us passing the defense appropriations for the rest of the fiscal year. There is now talk around that you can reduce the furlough days for defense civilians from 14 to 7. Is that true?

Secretary HAGEL. Senator, we sent out notification to Congress, to comply with the law, that we were considering furloughing. Our initial take—and I will let our Comptroller respond more fully to this, but our initial take on it was maybe as much as 21 days were going to be required. We now have that down to 14. We are still reviewing, Senator, what actions we may have to take. I think we are probably a couple of weeks away from coming to a determination on what that furlough would be. Congress, of course, will be fully informed, kept informed on any decisions we think we need to make to comply with our budget restraints.

With that, let me ask the Comptroller if he has anything further.

Mr. HALE. I think you said it well, Mr. Secretary. We have not made a decision beyond the 14 days—beyond saying up to 14 days.

Senator NELSON. If it stays at 14, that would start to go into effect at what time? Either 14 or 7—when would it go into effect?

Mr. HALE. We also have not made specific timing decisions, but it would probably be in late June, perhaps at the 14-day level. I want to preserve the Secretary's options for looking at this.

Senator NELSON. Mr. Secretary, President Karzai has said that we are in cahoots with the Taliban. Why would he say such a thing?

Secretary HAGEL. I was welcomed with that comment as I was arriving in Afghanistan. We had an opportunity to expand on that privately, and he has since, I think, readjusted his thinking on what he said publicly. Secretary Kerry was there soon after my visit. I did not go into any great depth as to what led him to that conclusion, but I think he said something to the effect that he was misinterpreted or there was some confusion in what he said.

I spoke to President Karzai 2 days ago. I called him and I think it is important that we stay in touch with leaders. We had a conversation, in particular, about a bilateral security agreement, and I wanted to also get his sense of the handover at the detention center, which I know General Dunford was here yesterday and addressed that.

You know that that is an area of the world and its leaders are under a lot of pressure all the time. I think we need to stay engaged wisely and carefully and reach out, make it very clear what our guidelines are. We have a big challenge ahead of us, which has already been noted here this morning. We will probably get into a little more detail this afternoon on post-2014 activities and how many troops. What will be our mission? Why should we stay there? Should we stay there? So the only way we can, I think, responsibly transition out is to continue to work with the leaders.

But I guess only President Karzai would be able to answer that question.

Senator NELSON. Are the leaders over there beginning to accept the fact that we are not going to remain as an occupying force?

Secretary HAGEL. I think so, Senator. I think it is pretty clear, as we are consolidating our bases and handing over responsibilities. General Dempsey noted in some of his testimony this morning what the Afghan army has taken responsibility for, what their police force has. There is some good news. It is imperfect. It is, in places, raggedy, but that is reality. I think we have to recognize that this is the first time that we have ever seen any kind of a national government with a national unity of a national force and all that goes with it. We need to continue to assist where we can, but not occupy. But I do think, to answer your question, it is clear to the leadership in Afghanistan and the people that we are not there to occupy.

Senator NELSON. Mr. Chairman, I have some questions on Syria. Do you want me to wait until the afternoon session?

Chairman LEVIN. That is the plan, but you have a minute and 35 seconds left and I am not about to tell you how to answer. But we will have a——

Senator NELSON. I can yield back the same amount of time that Senator Sessions went over, and then we would be even. [Laughter.]

Chairman LEVIN. I think I am going to stay out of this conversation. You are free to ask a question.

Senator NELSON. I would just like to get it on the table, and if you want to discuss it later this afternoon, that will be fine.

If we are faced with having to go in and secure the chemical weapons in Syria, it has been bandied about that that would take 75,000 troops, boots-on-the-ground, American troops in Syria. Is that an accurate assessment?

Secretary HAGEL. I am going to defer that question to General Dempsey because we are looking at all options for all contingencies. But let me ask General Dempsey if he would take it.

General DEMPSEY. In the time remaining—and we can follow up this afternoon. We have looked at alternative futures. The answer to your question would be whether we are entering a hostile environment, a non-permissive environment, a permissive environment,

or an environment of collaboration. We know how that number changes based on the environment. But it is a resource-intensive task to be sure.

Senator NELSON. Thank you.

Chairman LEVIN. Thank you very much, Senator Nelson.

Senator Wicker.

Senator WICKER. Thank you very much.

First, Mr. Secretary, welcome back from your travels.

Let me quote from the Stars and Stripes dated April 16 regarding the sharing of medical records. It starts off, "Faced with tough questions from legislators, Defense Secretary Chuck Hagel on Tuesday said he would decide on a plan within 30 days to work through the tangled process to seamlessly share medical records between DOD and the Department of Veterans Affairs (VA)."

Mr. Secretary, it goes on to say you are doing this at the urging of members of the Veterans Affairs Committee. They have asked you to institute electronic transfer capabilities by December 31.

It mentions that Secretary Panetta, your predecessor, had instead taken another approach of filesharing rather than building a single, integrated system from scratch. He said he could not defend DOD's past performance on record sharing. In recent days he said he stopped further spending on the process and has restructured the program oversight.

I was in the U.S. House of Representatives before I came over here. I have been here 5 years, and I was on the appropriations subcommittee dealing with veterans for some time over there, Mr. Secretary.

We did not even have iPads 4 years ago, and this whole technology has been developed in 4 short years. It just seems to me that the fact that we have been talking in 2013 about filesharing only and not thinking big about a new system that our most talented people in America could certainly do, to just start over and have a system that starts within DOD and moves seamlessly with you when leave and need the system is something we ought to go to.

So tell us what we can expect from you in 30 days and elaborate, if you will, on your plans there.

Secretary HAGEL. I think, Senator, you have said it. Why can we not expect exactly what you just said? We should expect it. We owe that to our veterans.

I also said in my response yesterday that there have been a lot of positive things done too. There has been a lot of good things, and there has been a lot of progress. But we are still not where we need to be, where the President committed us to be in 2009, and Members of Congress expected us to be.

Now, with that said, there is no point in going back and blaming anybody for anything. We are where we are. Now, how do we fix it? That is the only thing that matters.

When I came in—and I am not an expert on any of this, but I have some background on this, Senator. 30 years ago, I was Ronald Reagan's Deputy Administrator of the VA, 1981 and 1982, and I had some ability at the time to start to actually computerize systems. Now, I do not take credit for that happening, but I pushed that pretty hard.

In some ways, we are still in a state of limbo in accomplishing what needs to be done. You used the iPad example as why can we not do this. We will do it. We will get to it. But I always start with who is in charge, who is accountable, how does it happen, theory, policy, strategy. You need it, but how does it get implemented. What I have done is I have asked to stop everything as far as request for proposals going out until I can understand what it is that our objective is. How are we spending our money? Why? What is it that we can do that is most helpful to the VA? What is our obligation to our people? We invent the veteran. The person starts with us. The seamless network, the interoperability that you refer to is where we need to be in everything. So we are going to continue to do it.

Senator WICKER. Have you had a chance to sit down with VA Secretary Shinseki about this?

Secretary HAGEL. I sat down with Secretary Shinseki in the second week I was on the job. We have talked a number of times on the phone. We talk once a week. We are very closely connected. It is a tough assignment that he has. But I am absolutely committed, as my predecessors have been—you noted Secretary Panetta's involvement—to make this work and to have these two agencies cooperate and work together.

Senator WICKER. What can we expect to receive from you? What can we on the committee expect to receive from you after the 30-day period you alluded to?

Secretary HAGEL. What I said is that I am assessing it all now, and what we will do is we will restructure the accountability chain as to how we are going to go forward, who is going to be in charge, and who will have that responsibility, what kind of resources we will have.

Senator WICKER. Is there something you can get back to us with, say, by the end of May?

Secretary HAGEL. Once I make a decision, we will, of course, share it with the committee.

Senator WICKER. Do you think that might be by the end of May?

Secretary HAGEL. As I said, my goal is to try to have something together structurally within 30 days.

Senator WICKER. Okay, thank you very much.

[The information referred to follows:]

Please find my memorandum dated May 21, 2013, to the Under Secretary of Defense for Acquisition, Technology, and Logistics and the Acting Under Secretary of Defense for Personnel and Readiness attached.

SECRETARY OF DEFENSE
1000 DEFENSE PENTAGON
WASHINGTON, DC 20301-1000

MAY 21 2013

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE FOR ACQUISITION, TECHNOLOGY, AND LOGISTICS
ACTING UNDER SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS

SUBJECT: Integrated Electronic Health Records

Providing high-quality healthcare for current service members, their dependents, and veterans is among our Nation's highest priorities. Continuity of care is a key component of quality healthcare, and interoperability between Department of Defense (DoD) and Department of Veterans Affairs (VA) electronic health records is essential to enabling this continuity. DoD is committed to the seamless transfer of electronic health care records (EHR) between DoD and VA.

More interoperable EHR in the near term and a modernized EHR system in the mid term will create an environment in which clinicians and patients from both departments are able to share current and future healthcare information for continuity of care and improved treatment. As we move forward with these efforts, I recognize that only 4% of the current VA backlog is associated with the transfer or completeness of DoD records -- and that these EHR efforts should not be conflated with the present VA disability claim backlog -- which we have been working with VA aggressively to address. Nevertheless, improvements in interoperability and EHR modernization will impact the timely processing of future claims and will provide better continuity of care to our people.

Thank you for leading a group of senior DoD officials in conducting a 30-day review of the Integrated Electronic Health Record program to determine the best approach to ensuring we meet our commitment. Based on the findings of your review, I am convinced that a competitive process is the optimal way to ensure we select the best value solution for DoD.

A competitive process will allow DoD to consider commercial alternatives that may offer reduced cost, reduced schedule and technical risk, and access to increased current capability and future growth in capability by leveraging ongoing advances in the commercial marketplace. There are good reasons for VA to have selected its legacy system, the Veterans Health Information Systems and Technology Architecture (VistA), as the basis for its EHR core. However, many of these reasons do not apply to DoD. Also, based on DoD's market research, a VistA-based solution will likely be part of one or more competitive offerings that DoD receives.

We must work expeditiously to achieve our goal. To this end, I direct the following:

- DoD shall continue near-term coordinated efforts with VA to develop data federation, presentation, and interoperability. This near-term goal shall be pursued as a first

priority separately from the longer-term goal of health record information technology (IT) modernization;

- DoD shall pursue a full and open competition for a core set of capabilities for EHR modernization;
- The Assistant Secretary of Defense for Health Affairs will continue to serve as the functional sponsor for this capability and the Under Secretary of Defense for Personnel and Readiness will remain the overall lead for coordination on health care with VA.
- The Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(AT&L)) shall immediately assume direct responsibility for DoD healthcare records interoperability and related modernization programs. USD(AT&L) shall lead DoD coordination with VA on the technical and acquisition aspects of this issue; and

Approaching this challenge in this manner will ensure that DoD acquires the right healthcare IT to meet its requirements while ensuring interoperability with VA, that this acquisition is conducted in a manner that achieves the best value for America's taxpayers, and that DoD invests in healthcare IT that is sustainable over the long term. It is important that we get this right – for those who serve and have served our Nation.

Senator WICKER. General Dempsey, I was visiting with some DOD people earlier this week. A 9 percent sequestration cut, when you cram it into half a year, turns out to be 18 percent. The number of training sorties that we are able to have in the Air Force, for example, 18 percent of those cannot be done. I understand a lot of that is fuel, some other costs there.

The statement was also made to a small group of us that if only we had more time, we could absorb the sequestration cuts in a more logical way. It just makes me wonder. Did we take the wrong approach in assuring the public and assuring ourselves that sequestration really was not going to happen? This is just unimaginable.

It seems to me in retrospect—and I am speaking about myself also—that we should have known at the collapse of the Supercommittee, that sequestration was the law and also that it was likely to happen. If we had, since 2011, the realization that this was a fact and was going to happen in 2013, we would be in a better position, would we not, General?

General DEMPSEY. If you are asking me did we take the wrong approach, yes. I do think that this Strategic Choices and Management Review allows us to understand the impact and to be able to articulate to Congress what the effect of full sequestration would be.

But please remember too we are still trying to figure out how to absorb the $487 billion of the BCA. So this is not the deepest budget cut in our history. It is the steepest by far.

Senator WICKER. Thank you, and thank you, Mr. Chairman.

Chairman LEVIN. Thank you.

In terms of Senator Wicker's request that we hear from you by the end of May, can you give us a status report by the end of May even if you have not made that decision, letting us know where you are? Would you include in that report the response of DOD to the Wounded Warriors legislation that we passed here that required that there be interoperability, not a single record, but interoperability by, I believe, the end of 2012? Let us know just what became of that and how interoperable the two systems are as part of your response to Senator Wicker's request, and give us again that status report even if you have not completed your decision.

Secretary HAGEL. I will.

Chairman LEVIN. Thank you.

Senator Udall.

Senator UDALL. Thank you, Mr. Chairman.

Good morning, gentlemen. Great to have you here. Mr. Secretary, I particularly want to extend a special welcome to you in your first appearance as the Secretary of Defense before the committee.

General Dempsey, let me start on cyber, if I might. I was pleased to see the increased funding in the budget, especially given the threats and the capabilities that we have seen developing over these last few years, and what you are proposing will hopefully allow us to stay ahead of all of this.

Can you give the committee a sense of what the $800 million in the budget will buy us? What enhancements will be a result of that investment that we did not have before? On that same subject, given the current level of maturity, is it now the appropriate time to elevate U.S. Cyber Command (CYBERCOM) to the level of a separate unified command?

General DEMPSEY. What we are doing with the $800 million; we are organizing ourselves. Currently, we have capabilities at the national level. I know you know this, Senator, but our portfolio for cyber is very narrowly defined as defending the dot-mil domain. So we are protecting ourselves, though we have said frequently that we have capabilities that could be extended to the Nation, should that become necessary, in the defense against an attack, for example. So we have the teams formed at the national level.

We are also trying to export the capability, if you will, to the combatant commanders, forming fusion centers, operations centers, if you will, so that they have the capability to conduct reconnaissance of threat networks external to the United States, of course, and then defensive teams that if the dot-mil domain is under attack can block and, if necessary, have the capability to perform offensive cyber as well.

So what we are doing is protecting ourselves. But you are interested, of course, as well as the Nation, and I think that the next step in that journey will require some legislation to augment and supplement what the President provided in his Executive order.

Senator UDALL. Thoughts on a unified CYBERCOM? Do you want to take that under advisement?

General DEMPSEY. Yes, sure. We have not pushed it because we want to make sure that the timing is right. You know that I advocate that CYBERCOM and the National Security Agency be dual-hatted. I am not sure we have been persuasive in that regard, and so until I am persuasive, we want to leave well enough alone because I think we are adequately organized right now. But I think that if we are having this conversation in 2020, people will say, of course, it should have been a unified command, but we are just not there yet.

Senator UDALL. Mr. Secretary, you know well the important role research and development (R&D) has played, not just in DOD but the work that has been done has been translated and transferred over to the civilian sector dating way back.

I want to focus on energy R&D. Many experts have been saying that we should do so in DOD. I understand in that vein that the price of fuel that the Services will pay—and this is conventional fuel—is going to rise to over $4.70 per gallon on May 1, which is an increase of about 21 percent over current prices. The bottom line is oil prices keep going up and the volatility of those prices makes budgeting impossible.

With that in mind, what kind of investments will DOD need to make to prevent our fuel bill from cutting further into our critical programs?

Secretary HAGEL. You know the numbers on this, Senator, as to how much money we spend annually and one of the largest, maybe the largest, consumer of fuels in the world is DOD. So it is an issue. It is not just a budget issue, but it is a security issue, the reliability of our sources as we have the fleet all over the world, and planes.

We have an office in DOD that focuses on this. We have programs within that office. We continue to look at different options and programs. We fund those offices. It is a priority, has to be a priority, within the balance of all the things that we are doing.

The R&D wing of defense has been a remarkably productive element for defense and the country. So, yes, it is a priority, will continue to be a priority.

Senator UDALL. I look forward to working with you in that regard. I want to, again, pay tribute to the Navy, in particular. It has really been on the cutting edge of this effort, Secretary Mabus specifically.

If I might, let me reference General Dunford's comments yesterday that he is worried about the effect that cuts will have on the training and readiness of troops rotating into Afghanistan. General Odierno told us last month that reduced training dollars could force the Army—extending tour lengths in order to prevent units that are not fully prepared from going into harm's way.

Do you have the same concerns? If I could be more blunt, is Congress' inability to compromise putting our troops' safety at risk? I direct that to both you and General Dempsey.

Secretary HAGEL. I will respond briefly and then General Dempsey will want to respond.

First, as General Dempsey has said, as I noted in my statement, readiness has to be our number one priority. I cannot certify, nor can the Chairman of the Joint Chiefs, or any of our chiefs, to have

our young men and women go to war if they are unprepared, if they are not ready. I will not do that. I know Chairman Dempsey will not do that. Any of our leaders will not do it, so it has to remain a priority.

Are we concerned with the cuts and what is happening? Yes, we are. As you heard this morning and will continue to hear, we are working around that in every way we can to affect that. But at some point here, we are going to see that start to cut pretty deeply, I think, as the Chairman has noted and General Dunford noted, the chiefs have noted.

With that, let me ask General Dempsey.

General DEMPSEY. Yes, I am deeply concerned. Right now, Senator, we are consuming readiness. We are using it. We are not producing it. We are stuck in that position because we have to find $23 billion in readiness funding for the rest of the year. So we are consuming it. We are not producing it. That is a dangerous path.

Senator UDALL. I would note we have another opportunity as a Congress in the early/middle part of the summer to deal with this. It is my desire that we do so, and I am going to be focused on this in every way I possibly can. I know Sergeant Hagel would not send our troops into combat without being properly prepared.

Thank you again, gentlemen.

Chairman LEVIN. Thank you, Senator Udall.

Senator Ayotte.

Senator AYOTTE. Mr. Chairman, I am going to defer my questioning to Ms. Fischer and go after her. Thank you.

Chairman LEVIN. Senator Fischer.

Senator FISCHER. Thank you, Mr. Chairman and Ranking Member.

Thank you, Mr. Secretary, for being here today. General Dempsey, Mr. Hale, I appreciate it very much.

I would like to follow up a little bit on Senator Sessions' question about the commitment to the triad. You all agreed that you have a firm commitment to the triad. Is that correct?

Secretary HAGEL. Yes.

Senator FISCHER. General Dempsey, you as well?

General DEMPSEY. Yes, Senator.

Senator FISCHER. Do either of you see any reason to abandon that commitment in the foreseeable future?

Secretary HAGEL. No, I do not see a reason to abandon it.

General DEMPSEY. Nor do I.

Senator FISCHER. Thank you.

I ask this because, Secretary Hagel, last week you were speaking and testifying before the House Armed Services Committee, and you discussed your office's request for funds to perform an EIS related to the ICBM missile wings. What is the EIS examining?

Secretary HAGEL. Senator, in the NDAA, we were instructed to examine possible ground-based locations on the east coast to supplement the two that we have on the west coast, Fort Greeley and Vandenberg. We are conducting EISs to examine those at the direction of the NDAA.

Senator FISCHER. Are you looking at any partial shutdowns at all?

Mr. Hale, did you have a comment you would like to put in?

Mr. HALE. I think you are referring to the EIS at the three missile wings. Is that correct?

Senator FISCHER. Yes.

Mr. HALE. There, I think, we are looking at ways to accommodate the New START treaty's drawdown and looking at all options. But as the Secretary just said, no decisions have been made.

Senator FISCHER. It is my understanding that leadership in the military consistently says that we need to make sure that we have a strong triad and that we need our ICBMs. So why would we be conducting any kind of study looking at possible shutdowns?

General DEMPSEY. As Mr. Hale said, Senator, we have to get to New START levels. So we have to look at the triad. The two places that are likely to be adjusted are either submarine-launched ballistic missiles or ICBMs. So the EIS is looking at the impact of that.

But we are already on a path where we have to achieve New START levels by, I think, 2017.

Senator FISCHER. Would that include keeping some of the silos warm?

General DEMPSEY. It could, Senator. That is partly the purpose of the EIS, as well as the Nuclear Posture Review that we have been conducting for some time.

Senator FISCHER. Are you looking at any other missions with regard to EIS, besides the ICBMs?

General DEMPSEY. Meaning some other use for those silos? Yes. We are looking at the entire spectrum of possibilities.

The problem with keeping a silo warm is that it causes concerns in our compliance with New START. So we have to work through all that, but we are looking at the entire spectrum of possibilities.

Senator FISCHER. Does that include shutting down any of the missile wings completely?

General DEMPSEY. Decision to be determined, but generally speaking at this time, we do not believe so.

Senator FISCHER. What is the cost of the evaluation? Do you have any idea on that?

General DEMPSEY. I do not, Senator.

Mr. HALE. I am going to have to give you that for the record. I am sorry. I do not have it in my head.

Senator FISCHER. Okay, that would be good.

[The information referred to follows:]

SECRETARY OF DEFENSE
1000 DEFENSE PENTAGON
WASHINGTON, DC 20301-1000

APR 29 2013

14 APR 29 AM 3:31

The Honorable Carl Levin
Chairman
Committee on Armed Services
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

In accordance with section 1213(a) of the National Defense Authorization Act for Fiscal Year 2013, this letter serves as notification of the President's decision to reduce the force level of U.S. Armed Forces deployed to Afghanistan by 34,000 by February 2014. Additionally, the Joint Staff is currently working to complete the section 1213(b) requirement, and I expect to deliver the final product to the congressional defense committees by the end of the month.

The Department of Defense and our commanders in the field will continue to work closely with other U.S. Government agencies and departments to achieve our objectives in Afghanistan, as we complete the transition to Afghan security lead. In the future, the Department of Defense intends to provide a timely response to Congress regarding future Presidential decisions on force levels in Afghanistan.

A similar letter is being sent to the other congressional defense committees.

Sincerely,

Chuck Hagel

cc:
The Honorable James M. Inhofe
Ranking Member

Senator FISCHER. Senator Hagel, in your prepared statement, you speak about the curse of human despair and poverty, along with environmental degradation, as key threats confronting our military. I guess I was not aware that our military was ever formed to look at those items. Why did you put that in your statement, especially in light of the budgetary concerns that we now have?

Secretary HAGEL. That was included in the list of issues that our military does have to face around the world as we go into other

countries to protect our interests. What produces terrorists? What produces instability? What produces uncertainty around the world? That rolls right back on responsibility and obligation of DOD to protect our interests around the world. When you have unstable areas that, partly, are as a result of poverty, degradation in any way, it adds to the complication of the environment of terrorism challenge problems. So it was not just one issue. I listed an entire inventory.

Senator FISCHER. How would you try to balance that, though, with the needs of our men and women who are in the Service and their need for training, for resources, to make sure that we do not send out a hollow force, and that they have all the resources that they require to accomplish their mission?

Secretary HAGEL. Senator, that inventory of issues was, as you note from my testimony, an inventory of issues of the global environment that we face today. I mentioned global terrorism, technology, and so on. It had nothing to do with directly making a choice. But my point was when you look at all those challenges that we need to prepare our military—for example, in Iraq and Afghanistan, young Army and Marine Corps captains were doing many things on the ground. They were leading their men and women into combat. They were dealing with tribal leaders. They were dealing with different systems within the village. They were dealing with social issues. So it all does have an intersection and a confluence as to how we train and prepare all of our people.

Senator FISCHER. With the sequester and the limits that we are going to have on DOD's budget, are we going to be able to continue to train our military so that they can address that very wide range of issues that you listed?

Secretary HAGEL. We are going to have to continue to train our military to be prepared to deal with every eventuality, every contingency, every option. That is how we prepare our military. It is how we prepare any institution's leaders.

Senator FISCHER. So as you look ahead to that $52 billion in cuts that are not a part of the budget that you presented but yet are required under the sequester, do you have any idea at this point, at this hearing, on what you would suggest that we are able to cut and still maintain a fighting force that is well-prepared?

Secretary HAGEL. I would refer you back to the comment I made in my statement, and General Dempsey has noted, and my response to Senator McCain on this question. That is one reason—not the only, but it was certainly an important reason—why I directed the Strategic Choices and Management Review to prepare all of us, DOD, all our forces, to deal with that $52 billion that may well be coming. That, as you note, is reality. That is law, and it may get worse. It may be another $500 billion over 9 years. So within that review, Senator, then we will have to come up with ways to deal with this reality with this current law.

Senator FISCHER. Within your review, would you also list what you deem as priorities that cannot be reduced?

Secretary HAGEL. That is the whole point of it because it is a matter of, as I have noted here, others here, a prioritization of our resources, but mainly it has to begin with what is our main respon-

sibility. The main responsibility we have—I have as Secretary—is the security of this country.

Senator FISCHER. Thank you, sir.

Chairman LEVIN. Thank you, Senator Fischer.

Senator Hagan.

Senator HAGAN. Thank you, Mr. Chairman.

General Dempsey and Secretary Hale, thank you, obviously, for your service. Secretary Hagel, welcome back to this committee.

Secretary Hagel, I wanted to ask you some questions about the furloughs. The Navy is reporting that with the recent passage of a defense appropriations bill, that it does have the financial resources to avoid furloughing the 200,000 Navy and Marine Corps civilians, including thousands from my home State of North Carolina. However, recently a DOD spokesman stated that the current plan is to implement civilian furloughs with rough consistency across DOD.

So I remain committed to replacing sequestration with a balanced, long-term approach that can give certainty not only to DOD, but to the Departments, to businesses, and obviously, the men and women serving our Nation. Until this problem is fixed, I am concerned about any unnecessary furloughs.

While there would be some short-term savings by furloughing civilian employees, those savings would be outweighed by the longer-term drop in readiness. For example, delaying maintenance like that performed at FRC East at Cherry Point would likely result in additional cost when the backlog would be eventually addressed.

So, Secretary Hagel, do you plan on furloughing civilian workers even if it is not financially necessary? How does DOD plan on approaching furloughs?

Secretary HAGEL. Thank you.

First, you know that when we notified Congress, appropriate to the law, that we are considering furloughs, which we have done, at that time we were looking at the possibility of a 21-day furlough. We have since announced, as we have tried to bring this down and manage it, that we think we are at 14 days. We have also said if we have to do this, it could be less.

But that said, to answer your question, we are examining all of this very carefully for the reasons you mentioned. That would be one of the last options that we would want to take for the reasons you mentioned and more.

We believe within 2 to 3 weeks, we will have an answer to this. There could be some better news; there could not be some better news. But we are dealing with a balancing here of where do you get the cuts in order to, as you have said—we discussed this morning—maintain readiness and do the things that we have the highest responsibility for, what are our highest priorities? Now, that is not to say our civilian workforce is not a high priority, not at all. I think General Dempsey talked about the costs of getting back, and you just mentioned some of the maintenance issues. We are well aware of that. There are no good choices here, Senator, at all.

So we will not take any action on furloughs unless in our collective judgment there is no other way to get around this in order to comply with the law and with our budget.

Senator HAGAN. Thank you. But I would like you to be sure and look at what the Navy has said in response, that it does have the financial resources to avoid those furloughs.

Secretary HAGEL. I am not unaware of that, but let me respond this way. We have tried to come at this in a fair way across the board. Some Services are in better shape than others. I do not think that is necessarily—and I will ask the Chairman to respond to this—meaning one Service is better managed than the other. The Army has taken the brunt in Afghanistan. They had to chew up so much of their budget. That is the way it is. I do believe—and I said this when I first went over there 6 weeks ago—on this issue and everything, we are going into this together. We are going to come out of it together. I think that is the wise, smart, and fair way to do this. Some Services are on some higher ground with their budget than others. So that is recognizing what you have just said.

Let me ask General Dempsey on the Service——

Senator HAGAN. I would also add the Marines are taking that brunt too.

Secretary HAGEL. That is true.

General DEMPSEY. I cannot improve upon that, Mr. Secretary. That is right. This is an issue of dealing with this as a Department, not as individual Services.

Senator HAGAN. General Dempsey, let me move to the cyber threat issue. I know we were just talking about that too. We all know that China, on a huge scale, is routinely hacking into U.S. Government information networks collecting intelligence and stealing technology. The same is true for our U.S. businesses and academia.

There have been numerous press reports of Chinese cyber-operators breaking into industrial control systems. Specific stories indicate that Chinese actors penetrated the control systems of a string of gas pipeline companies to such an extent that they could have freely manipulated them.

So I am interested to know the extent of China's cyber capabilities that could have a more direct impact on our security if we were to find ourselves in a crisis in the future. Although conflicts between the United States and China is a very remote proposal, can you address China's cyber capability, if it would allow it to effectively attack our critical infrastructure through cyberspace if it felt compelled to do so, and likewise, your comments on whether you think China would be able to impair our ability to mobilize, deploy, and sustain military forces in the Pacific from a cyberattack on infrastructure that DOD, obviously, depends on to move and supply our troops?

General DEMPSEY. In the time available, let me, if I could, Senator, suggest that we have a longer conversation about this.

But I am concerned about the state and non-state actors and individuals operating in cyber. It is ungoverned space and there are plenty of actors taking advantage of it. We are vulnerable to it. We will continue to be vulnerable to it until we reach agreements both internal to our country and also internationally.

I am going to China, in particular, in the next week or so. You may have seen that Secretary Kerry, when he was there, gained

agreement with them to have a cyber working group, and I think that will be a very positive step forward.

But I am concerned about the vulnerabilities in cyber in general, not necessarily pended to any particular country or group.

Senator HAGAN. Whenever I talk about cyber, I always want to talk about the fact that we need to really concentrate on science, technology, engineering, and math (STEM) education in our K through 12 and in our university system. I think we need to have a much larger focus and investments in STEM because not only does our military need individuals well-trained in that field, we are competing with industry right now and so many other factors. These are the jobs that are going to continue propelling the United States as a global super power. So I just want to reiterate the intense need and desire for investments in STEM education.

General DEMPSEY. I think Duke University would be particularly well-placed to lead that effort.

Chairman LEVIN. A very wise answer. [Laughter.]

Senator HAGAN. Many of our North Carolina institutions.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Hagan.

Senator Vitter.

Senator VITTER. Mr. Chairman, because of scheduling concerns, I am going to defer to Senator Ayotte, and then if I could be the next Republican? Thank you.

Chairman LEVIN. If you are here at that moment, you will be the next Republican and then Senator Lee would be after you, and now Senator Ayotte.

Senator AYOTTE. Thank you, Mr. Chairman. I thank Senator Vitter for yielding to me. I really appreciate it.

I want to thank our witnesses for being here today.

Let me echo what Senator Hagan just touched upon with regard to the furloughs because I had an opportunity to meet with Admiral Ferguson yesterday and he is going to be testifying before the Readiness and Management Support Subcommittee on the Navy readiness posture. He also informed me that the Navy, in looking at their resources and budget, have come up with a proposal that could end all the furloughs for the Navy and the Marine Corps, including—of course, you think about our shipyards and the important maintenance work done there, particularly at the Portsmouth Naval Shipyard. One of the reasons he gave me was—it made a lot of sense to me, having been to the shipyard and talked to certainly the commander there and the workers—that once we get behind on a maintenance schedule, then the entire maintenance of our naval fleet and our submarine fleet gets behind. So what I was told by Admiral Ferguson is this proposal to end the furloughs he believes would also be cost efficient because of the maintenance schedule issue that will get us behind if we have to furlough the workers at the shipyard in Portsmouth and the other public shipyards in the country.

So I wanted to follow up just to add to what Senator Hagan said, and it is my hope that given that the Navy has said that they are able to do this, that we will follow through because I understand the difficulties and appreciate—and I thank you for serving in challenging times in sequestration. But if we can, obviously, in areas

that are very important, such as the maintenance of our submarines and ships, not get behind schedule and also keep those workers working, I think that is very important.

So I do not know if you have a further comment on that, but I am really hoping that given that they have come up with this proposal, that you will decide to implement it.

General DEMPSEY. Senator, as the Chairman of the Joint Chiefs, it will not surprise you to know that my recommendation—and that is what it is—to the Secretary is that we deal with this problem as a Department, not as individual Services. I know, for example, that the Army has some real problems at Anniston Army Depot in trying to reset equipment that has been beaten to death in Afghanistan. So every Service has their own particular challenge, but my recommendation is that we have to deal with it as a Department.

Senator AYOTTE. I appreciate that. Also, I would hope that as you look at it, you think about, to the extent we can mitigate additional costs we are going to see in the long term like, for example, in a maintenance schedule or even with the reset of equipment, certainly I know that you will look at those issues. I know that you are in a tough position. But I was encouraged to hear that by Admiral Ferguson the other day and appreciate the decision that you will make. Thank you for taking those priorities into consideration.

Secretary HAGEL. Just to reassure you on it, Senator, as I had noted to Senator Hagan, Mr. Hale spends a good part of every day of his life and his staff dealing with this. This is as difficult a part of this as we have to deal with. I noted that in my testimony. You are right on every count on maintenance and costs and longer-term costs. All those factors are part of it. We will only take action if really we feel—the chiefs and everybody—there is no other way to get around this.

I would also say, without getting too deep into this, that if we would have to move in that direction of furloughs, there are exceptions as well to those who would be exempt with certain jobs. Then we would have to factor some of what your conversation is about into that as well.

Senator AYOTTE. Good, good. That makes sense so that you can try to prioritize given the challenges. I appreciate that, Mr. Secretary.

I also wanted to ask you if—you said in your prepared statement that our next goal is audit-ready budget statements by the end of 2014. Secretary Hale will appreciate this because I have asked him about this on many instances. But what I really want to ask you is will you meet the law and produce the budgetary statement of audit-ready budget statements by the end of 2014 because it is the law?

Secretary HAGEL. I know it is the law. We are all aware that it is the law. We are committed to do that and to comply with the law. We need to do it whether there was a law or not.

Senator AYOTTE. Good. Thank you. I appreciate that very much.

I wanted to ask about the North Korea situation, and in particular, if you have had any interactions with your counterpart from China, Mr. Secretary.

One of the concerns I have had and I know that the administration shares is that North Korea is very dependent upon China for their economic viability, including food, fuel, trading. In my view, China could end some of the deeply troubling and bellicose behavior that we are seeing from the leader of North Korea. I know we put additional defense assets in the area because we are concerned about the North Koreans.

So if I could get a comment from either Secretary Hagel or General Dempsey about the Chinese, what interactions we have had with them, and how we could encourage them to tell North Korea to knock it off.

Secretary HAGEL. Thank you. I will begin and then I know General Dempsey will want to say something because, as he has noted and he will talk about, he is leaving for China here in a couple of days.

Yes, I have spoken to my Chinese counterpart about this. We spent some time on this issue. He is well aware of the seriousness for them too, the common interests.

Secretary Kerry was just recently there. I talked to Secretary Kerry Sunday night. He was in Tokyo. He called me and we had a long conversation about it. I will see him today. We will have further conversation about it. Both of us focused on the same issue. We need more help from China here for the reasons you mentioned. So let me leave it there before I ask General Dempsey to respond.

You are right. We are doing everything we can within our frameworks here to encourage the Chinese to do more. I think that we are seeing some response to that. This issue is not over. We know that. But I think it is moving in the right direction with the Chinese.

General DEMPSEY. I will just add, Senator, you can be sure that is going to be on the top of the agenda when I am in China. I will be happy to give you a call when I get back.

Senator AYOTTE. I am sure you will come up with a more polite way to say, can you tell them to, "knock it off," but that is what we need.

General DEMPSEY. I wrote that down. I will see if I can fit it in. [Laughter.]

Senator AYOTTE. I appreciate it.

I thank you all for being here and for your leadership.

Chairman LEVIN. General, I think it might be very helpful if you get a Chinese translation of "knock it off" because that kind of directness, I think, reflects the feeling of every member of this committee, probably every Member of the Senate, that they have an ability—they being China—capability and, indeed, a responsibility to the region and the world to take the action that they are able to take to tell North Korea that their continuing economic support of North Korea is dependent upon North Korea "knocking it off," however that is translated into Chinese, Mandarin, or otherwise.

General DEMPSEY. Thanks, Mr. Chairman. I think there is an opportunity to have this conversation in a new way. Secretary Kerry and their leadership agreed on the discussion of a new great power relationship. Great powers have great responsibilities, and I think on that basis, we will have a good conversation.

Chairman LEVIN. Thank you, Senator Ayotte, for your plain English. We appreciate that.

Senator Gillibrand.

Senator GILLIBRAND. Thank you for your testimony. Thank you for your service. I am extremely grateful.

I would like to just continue the line on North Korea just for a moment. Obviously, they have extraordinary unpredictability and highly threatening behavior, and we need China to step up to play a leadership role, to apply the kind of serious pressure that it will take to have North Korea refrain from the language and threats that they are making. How confident are you that we will be able to convince China to play this role? If they choose not to, what recommendations will you make?

Secretary HAGEL. As I said in my parting comments regarding this issue, I think we are seeing some movement in the right direction with our relationship with China on North Korea. I start with the fact that this is a problem for them. Every nation responds in its own self-interest, which is predictable. But we clearly have a common interest here. I agree with the chairman's comment that he just made that we may have some opportunities here, and the way we are approaching it, I think, is the right way to approach it. As to what happens if things do not turn out right, I think we will have to deal with that at an appropriate time.

But I have some confidence that this is moving in the right direction. It is always a balance of projecting force, which we have done, I think, wisely and carefully. Diplomacy and economics are involved in this. I think also we realize that they have a new set of leaders in China. So they are going to carefully navigate this, as they should, and I think we are seeing that kind of careful and responsible leadership through this. We need to do more. I believe China needs to do more. But we will keep working at it.

Senator GILLIBRAND. My concern is that we have a lot of assets now moved to the region in response to the threats in order to be prudent, but part of our military exercises in the region may well exacerbate the type of response that we have gotten from North Korea. Do you imagine that if we can engage China appropriately—and obviously, China has every interest in the world to engage on this appropriately—do you think it would change our long-term strategy for how we respond in the region?

Secretary HAGEL. We have interests and we will continue to have interests in the Asia-Pacific, and that is, obviously, part of what was behind the President's decision to rebalance in our defense strategic guidance. I agree with that, and I think that was an appropriate rebalancing.

Our allies in that area are critically important. Allies are always important, but I think as we sail into an even more complicated 21st century where military action alone is not going to make the decisive moves that will bring about the conclusions and accomplish objectives that we want, we are going to have to work with allies. We are going to have to continue to prepare and build up our allies.

Obviously, China is a hugely important country. It will continue to be. We have a relationship with it that is one of competition, one

of cooperation, and in some cases, one of collaboration where we find common interests.

So, yes, it has a lot to do with the future and our role.

But I do not think there is any mistake that anyone should make that the United States is not going to be in the Pacific and Asia for a long time. Our interests are clearly there. We have strong alliances there and friends there.

Senator GILLIBRAND. Along the lines of long-term strategic planning, as we consider these kinds of threats, we also have to consider nonstatic nuclear-equipped states that have capacity to launch threats from other locations. Have you thought about whether we need an east coast missile defense system and site? What role do you see EADS playing in ensuring domestic security against a nonstatic nuclear-equipped state?

Secretary HAGEL. We discussed this a bit in the latest exchange with Senator Fischer, and others have asked this before.

We are involved now in a study directed by the NDAA which we are undertaking now. We have not come to any conclusions. That, of course, as we know, is a part of a review and a study. We will present those reviews and conclusions.

So I could not give you an answer now, Senator, on whether I think we need an east coast site or not.

Senator GILLIBRAND. We can continue that dialogue.

Secretary HAGEL. We will.

Senator GILLIBRAND. For the last minute, I would like to turn to cyber. I know, General Dempsey, you have testified already today that it is very important for the defense budget to expand our cyber capabilities. I believe that an attack on our infrastructure is a threat that we cannot take lightly, and I appreciate that you believe you do need some legislative support to amplify the President's Executive order.

One piece of legislation I have been working on with Senator Vitter is to create and leverage a cyber guard. Basically it would allow the capacity of the National Guard and Reserve to have expertise outside of the military to leverage that expertise to the benefit of our national security. Is that something you have thought about? Is it something that you would be willing to work on with me?

I have talked to some of the Service Chiefs already and I have gotten a positive letter back from General Alexander on the topic. But I would love your thoughts.

General DEMPSEY. The short answer is yes. I think we need to take a total force approach, which means we need both Active and Guard involved. I am familiar with the direction you are moving. Anything that Keith Alexander tells me I generally agree with.

Senator GILLIBRAND. Thank you. Thank you again for your service, each of you.

Chairman LEVIN. Thank you, Senator Gillibrand.

Senator Vitter.

Senator VITTER. Thank you, Mr. Chairman.

Thanks to all of you for your service.

With regard to the budget, the big threshold frustration a lot of us have is that it is 2 months late largely, we were told, because of dealing with sequestration and planning about sequestration. Then we get it 2 months late and it ignores sequestration. Do you

think that is a responsible or a helpful approach to ignore what is clearly part of the law and give no guidance about how you would deal with sequestration even in fiscal year 2014?

Secretary HAGEL. Senator, thank you.

My answer would be this. As I noted earlier this morning, a $600 billion enterprise just does not slam together a budget. It is a year-long process. Before I got to DOD, it was pulling together that budget and it was predicated on what the President's numbers were, numbers that we were given from the Office of Management and Budget.

Second, I noted this morning—and this is in no way a defense of us being late, but the House and Senate resolutions for the DOD budget were essentially the same as the budget we are presenting.

I recognize—we do recognize—that sequestration is the law of the land, the reality, and that is why I have asked essentially for the review to prepare this institution to have to deal with the law of the land as it currently is, as you have noted, sequestration and beyond.

Senator VITTER. I appreciate that.

Let me just point out that, obviously, sequestration started recently, but it was enacted—that possibility was enacted in mid-2011, and then mid-2012. Congress affirmatively said start planning for it, show us that outline. So it is not as if it was a complete surprise a few months ago.

But given that planning, when we will see your budget, if you will, taking account of sequestration, at least for fiscal year 2014?

Secretary HAGEL. As I said to Senator McCain, we are working on it now. We have had to adjust. We are adjusting to 2013. At the same time, we are also looking at the reality of taking another $52 billion cut for 2014.

Again, I go back to why I asked the institution for the review, due the end of May, so we can understand better what our choices are, first what our priorities are, what are the obligations and responsibilities of DOD first. Then we look at that reality of what we are going to be dealing with. From that, then comes the numbers and how we prepare to make that cut.

Senator VITTER. Will that yield and outline a budget given to us, given to Congress that takes into account that number at least for fiscal year 2014?

Secretary HAGEL. I do not think we are talking about sending up a new budget, but we are certainly working with Congress and the appropriate committees on how we intend to go forward.

Let me ask the Comptroller if he wants to add anything to this.

Mr. HALE. Nor would I expect we would send up another budget and provide information—

Senator VITTER. I do not want to get bogged down in semantics, but the point is, when will we see your recommendations about how you would deal with those numbers starting in fiscal year 2014?

Mr. HALE. I think it would be sometime after May 31, but we need to give the Secretary time to review it.

Senator VITTER. But we will see that sort of proposal, whether you want to call it a new budget or whatever you want to call it. It does not matter.

Mr. HALE. I assume at some point, if the Secretary agrees, that we would share it with Congress.

Senator VITTER. Mr. Secretary, would you share it with Congress?

Secretary HAGEL. We will have to share it with Congress because, as I said in my opening statement, Congress is a partner here, and we have to let Congress know and work with Congress on how we intend to do this, to accomplish it.

Senator VITTER. I think all of us feel like the sooner, the better and the more specific, the better, because you all are the experts about these things far more than we are. So we would like that leadership and that guidance to continue that discussion in a productive way.

The second point. Even ignoring sequestration, the President's New START funding commitment is not kept in fiscal year 2014, $300 million short. Now, these were very specific commitments related to the passage of that treaty, the ratification of that treaty. There were a lot of discussions in the Senate about that, very specific discussions, and it is underfunded a couple years later, a year and a half later.

How is this going to be corrected? If it is not, what are we to take away from that experience? Very specific commitments are made in the discussion about ratification, and a very short time later, they are not kept. That does not even account for sequestration.

Secretary HAGEL. I am going to ask the Comptroller to talk specifically about the numbers.

But let me address it this way. The President is committed to carrying out the law. I am committed to carrying out the law and the commitments that the President made with the new treaty, as I noted here in an earlier conversation. The safety, security, reliability of our stockpile, the funds required to do that, the commitment to triad, some of the discussion we have had this morning are all part of that. We will do that and we will continue to do that.

Now, your question about the $300 million. Let me ask the Comptroller to address it because there are some savings that we realized in some other areas as well.

Mr. HALE. I am going to need to get with your staff and get more information on the $300 million.

Senator VITTER. We can follow up with that.

[The information referred to follows:]

Please refer to my letter to you, signed on May 1, 2013. [Inserted previously]

Senator VITTER. But my concern is a pretty simple one. Again, a lot of discussions about this related to the ratification of the treaty. Then the treaty gets ratified. Then the funding commitments are not kept a very short time later. It has nothing to do with sequestration because the budget does not account for sequestration. So the lesson I would draw from it is do not believe anything you hear when an administration, maybe any administration, wants a confirmation because it evaporates 3 months after the ratification happens.

Mr. Secretary, you have suggested a new BRAC, and I think you have suggested an upfront cost of $2.4 billion. I would suggest that Congress broadly does not have a big appetite for anything with a

significant MILCON upfront cost. But I am also concerned that that $2.4 billion just seems on a different planet from the last BRAC where GAO has said the first 5-year cost was $35 billion. So how do you jibe all that?

Secretary HAGEL. There will be no BRAC without the authorization of Congress, as we know.

I am going to ask the Comptroller to deal with the specific number because we talked about it earlier this morning.

But I will respond this way, as I have already done. When you look at the infrastructure required, as we are bringing down our troops, reducing 100,000, we are unwinding from two wars, reducing responsibilities, commitments around the world, a different kind of a structure that we are dealing with now, funding now, preparing our forces for, that is also going to require less inventory and infrastructure. We are doing that in Europe now. We are going to continue to do that in Europe and around the world.

It is my thought, and I think the President's thought, that we need to look at our infrastructure here. Do we have excess capacity? The GAO report and the 2005 study showed that we did have about 25 percent excess capacity.

Now, as I said in my statement, it is going to come at some upfront costs, of course. But let me stop there because the 2005 BRAC versus what we are talking about in 2015 is different in certain ways which do account, I think, for the numbers that you asked about.

Chairman LEVIN. I wonder, Senator Vitter, because we have asked for that detail for the record, whether that might be satisfactory in terms of the time.

Senator VITTER. Okay, that is fine. Thank you, Mr. Chairman.

Chairman LEVIN. Would that be all right? Thank you, Senator Vitter.

[The information referred to follows:]

Please refer to my letter to you, signed on May 1, 2013. [Inserted previously]

Mr. HALE. Mr. Chairman, may I at least just reiterate we are not going to do 2015 the way we did 2005. It will be much more focused on closing and therefore the costs will be lower and the savings quicker. We are getting $12 billion a year from BRAC. We cannot afford, in my view, not to do this because at some point 4 or 5 years from now, we will be having this same conversation and we need those savings.

Chairman LEVIN. Senator Vitter, they have committed to provide for us for the record that $12 billion figure, what the basis of it is. Earlier they said it was from all the BRAC rounds not just from the last one. But we still are demanding that we see the data that supports that allegation.

Senator VITTER. It seems to me upfront MILCON costs are not adequately weighted into that the way I think they should be, given the fiscal situation and Congress' lack of appetite for upfront MILCON costs.

Chairman LEVIN. Thank you.

Senator INHOFE. Let me just comment. You were not here when I asked my questions, and that was my concern too. Of course, we will look and see. We have not seen a product yet, so we do not

know what we are talking about. I suspect, though, it is going to be very similar to what we faced in 2005, and I know that they all said at that time, no, this is not going to happen this time. But it did and the costs were far greater than they anticipated prior to the 2005 round.

Chairman LEVIN. Thank you.

Senator Donnelly.

Senator DONNELLY. Thank you, Mr. Chairman.

I want to thank the witnesses for being here.

Before I ask you a question, I just want to mention that in half an hour at Arlington National Cemetery, Lieutenant Colonel Don Faith is going to be interred. He was killed in Korea in 1950. He finally came home after 50-plus years in Korea from Washington, Indiana. He served under General Matt Ridgway, was at the Chosin Reservoir when they were overwhelmed by Chinese forces. His superior was killed, and he personally led the breakout of the troops. He was killed there, never came home. Over 50-plus years later, he finally came home. They did DNA testing. They finally figured out who the lieutenant colonel was. In half an hour, his daughter and the men he served with—he is at Arlington right now, a Congressional Medal of Honor winner. I just wanted to mention his name and keep him in your prayers and thoughts. He is an American hero.

Chairman LEVIN. Thank you for mentioning that, Senator.

Senator DONNELLY. This would be to Secretary Hagel. The Indiana National Guard—we were just off-ramped—a number of them. It affected over 1,000 of our National Guard members. We had 570 members who were going to the Horn of Africa this month, and 446 members were going to Egypt in June. They are the only ones this has happened to. These two units, less than 6 weeks from being deployed, were off-ramped and they were off-ramped and replaced by Active component forces.

We are willing to take our share of the hit as we move forward on sequestration and on all of these issues. But over 1,000 of these families will lose TRICARE in 4 days. 142 soldiers that reenlisted for these deployments and they were given a reenlistment bonus, are being terminated and then being asked to reenlist without any bonus. 60 of these soldiers left their civilian employment and have lost their jobs. Others have had their employers already hire somebody else. They have gone back and their employer said we want to take care of our soldiers, but what do we do.

This has been extraordinarily damaging to the families and to our soldiers. So, as I said, we are willing to step up and take our hit. We always have been. But there are only two minimal requests that the Indiana National Guard has made to me, and that is just that the units have 180 days of TRICARE. Number two is that the people who were promised a bonus get their bonus. The cost of that is less $1 million. This is simply a matter of keeping our word. Our people, as we have always said, are central to everything we do. They were prepared for the mission, ready to go on the mission, got bumped on the mission for Active-Duty Forces. All we are asking—many of them have lost their jobs. Many of them are losing their health care, and so all we are asking is those minimal things, that we be able to do that.

Secretary HAGEL. Senator, thank you.

Let me ask the Chairman of the Joint Chiefs to respond to the entire framework of issues that you noted, the off-ramping of the Guard. I am generally aware of all those activities, but specifically about your request.

Senator DONNELLY. In particular, these folks were 6 weeks out and had, in effect, basically done the packing, getting ready, canceling leases, getting the family squared away. These are just two minimal things that they had asked me to talk to you—that the soldiers had asked me to talk to you about and to the General.

Secretary HAGEL. I do not know what our policies and procedures are about these specific issues. I will find out.

[The information referred to follows:]

Please refer to my letter to you, signed on May 1, 2013. [Inserted previously]

Secretary HAGEL. Let me ask the Chairman to respond here quickly to your bigger point. But I will look at your last request, and if the Comptroller wants to add anything to this, we would welcome him. But we will look at it and we will be back to you on it.

General DEMPSEY. As you say, Senator, these off-ramp decisions are really challenging, Active and Guard, and of course, the *Truman*. Some people suggested that we off-ramped the *Truman* to make a political statement. I assure you I would not do that to 5,000 sailors who had the same issues. Families have gone home to live with their parents, terminated leases, sold cars, stopped education courses, and of course, this issue on the off-ramping of the Indiana Guard.

So you have our commitment that when we off-ramp either because of sequestration—the other reason we are beginning to off-ramp some units is, of course, the glide slope in Afghanistan. We will always have the human dimension of this first and foremost.

We will go back and work on trying to meet your specific request.

Senator DONNELLY. Because I think after these decisions were made, they then said, "we are not going to do it to any groups less than 120 days before." These folks, in effect, were the ones who were caught in the middle, that were 6 weeks out. So if you could take a look at that, we would be extraordinarily appreciative of it.

General Dempsey, in Afghanistan, as we draw down, I am sure you have plans and metrics in place as we are going through this year as well. I wanted to see how we are doing on that, if we are on target, on schedule, and if the transition is moving the way that has been planned.

General DEMPSEY. It is, and we have what we are calling Milestone 2013 coming up later in the spring/early summer where Afghan National Security Forces (ANSF) will be in the lead across the country. What that gives us, Senator, is two fighting seasons now to allow them to demonstrate their capabilities while in the lead and us in support. So we will continue to know more and more. We are accelerating enablers. We are talking about how long should we keep the ANSF at 352,000. All of those are factoring into what we will recommend for our enduring presence. The enduring presence number is not in isolation. It is glide slope. It is ANSF capability, how long we keep them at 352,000, how successful are

we at providing enablers and these two fighting seasons of experience. So I think we are in a pretty good place right now.

Senator DONNELLY. Thank you very much.

Chairman LEVIN. Thank you very much, Senator Donnelly.

Senator Lee.

Senator LEE. Thank you, Mr. Chairman.

Thanks to each of you for your service to our country, for all you do to keep us safe. It is deeply appreciated by me, my colleagues, and my constituents back at home.

My first question goes both to Secretary Hagel and to General Dempsey. The former Chairman of the Joint Chiefs of Staff, Admiral Mullen, made a statement in 2011 that people on both sides of the aisle and across America have quoted many times since then, and I would like to repeat it because it is something that I think needs to be repeated often. He said, "I have said many times that I believe the single biggest threat to our national security is our debt. So I also believe we have every responsibility to help eliminate that threat."

Do you both agree with that statement today when our national debt is significantly larger than it was in 2007 through 2011?

Secretary HAGEL. I agree with it, yes.

Senator LEE. You do.

Secretary HAGEL. I do, yes.

General DEMPSEY. Yes, I have always pointed out—by the way, I cannot tell you how many times that quote has been read to me. So thanks for reminding me again.

But, look, economics, our fiscal situation, the deficit, the budget are all threats to our security. There are a lot of physical, seen and unseen, threats out there that perhaps are different even from when Admiral Mullen made that comment. So I do align myself with the economic piece of it. But there are just groups out there that also threaten us.

Senator LEE. So you would not necessarily say it is the single biggest threat.

General DEMPSEY. No.

Senator LEE. Okay, thank you.

It is important for us, I think, to remember the President's budget, despite proposing pretty significant tax increases, would still contemplate adding about $2.5 trillion to the total debt held by the public by the time he leaves office in 2017. Then by 2021, our payments, just our interest payments, on our debt will be larger than our defense outlays.

So it is for this reason that several weeks ago during the Senate budget debates, I put forward an amendment that would prohibit us from getting into a position where we are spending, or contemplating spending, more money on interest on our debt than we are on defense. I was happy that we got bipartisan support for that, at least narrow bipartisan support. I think we had all Republicans voting for it and one Democrat.

But the budget that is in the best interest of our national security is one that balances, one that gets to a balance and is able to turn off the sequester by focusing not just on cutting disproportionately out of our defense spending, but on spending as a whole.

To that end and consistent with following up on something Senator Vitter was asking, if the sequester is not turned off—the sequester or some would say that there are spending caps moving forward in the future years covered by the BCA—will we continue to see budgets that ignore these provisions, that ignore the sequestration provisions? Can we expect budgets like that to continue to be sent to Congress that do not reflect the law, that is, the BCA of 2011? Secretary Hagel?

Secretary HAGEL. The fiscal year 2015 budget that we will present early next year will reflect the reality of whatever the situation is. I do not know if between now and next February if Congress and the President are able to come together with some deficit reduction plan—I know Congress has worked very hard on it, both parties. The President has. I know everyone was hopeful. But as you suggest, the law of the land is the law of the land, and that is reality. So that will be the budget that is presented.

Senator LEE. Okay, that is great. That is why we were surprised when it did not reflect it this time around, but I am happy to hear that it will reflect the law of the land next time around.

Mr. Secretary, you announced last month that 15 additional GBIs will be deployed to Alaska as a reaction to the provocations that we have had from North Korea. This brings the numbers of GBIs in Alaska to the number that was originally planned during the Bush administration, I believe, was later reduced by President Obama. I have a question for you about this.

Was the Russian Government consulted or informed that the United States was considering this decision before that decision was made, and if so, when did that occur?

Secretary HAGEL. The answer is, not to my knowledge. The Russian Government was not consulted in any way, and that decision, that policy, was not decided based on any consideration of the Russian Government.

Incidentally, I would just add that those GBIs also not only are in Fort Greeley, AK, but some are in Vandenberg, CA.

Senator LEE. Okay. But to your knowledge, they were not consulted. If DOD were to decide that additional missile defense systems were needed to be deployed for the protection of the United States, whether domestically or abroad, would the Russian Government be consulted or informed before that decision was made?

Secretary HAGEL. First, I cannot answer for the President. That would be a decision for the President to make. It would, I suspect, have to revolve around treaty obligations we have with the Russians and other issues like that.

Senator LEE. In March, the Russian Government requested that some meetings take place regularly to discuss plans with the European missile shield. Are there any plans for those talks to take place, and if there are plans for such talks, will these include any of our NATO allies as part of those discussions?

Secretary HAGEL. Again, Senator, I do not know about those talks. That would be in the purview of the Secretary of State and the White House. I have not been consulted on any talks or the possibility of what you are talking about.

Senator LEE. Okay. You are not certain of whether there have been those talks, but to your knowledge, there have not.

Secretary HAGEL. To answer your question, I do not know of any conversations about what you suggested about resuming talks on the basis that you laid out.

Senator LEE. Okay. I see my time is expired. Thank you very much, and thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Lee.

Senator Hirono.

Senator HIRONO. Thank you, Mr. Chairman, and welcome to Secretary Hagel and General Dempsey and Secretary Hale. Thank you for your service, and of course, we thank the men and women of the armed services and their families for their service and sacrifice.

I would like to commend you and acknowledge the work that you are doing to stop sexual assault in our Services because it has been the subject of a separate hearing of a subcommittee of this committee. Secretary Hagel, thank you for your quick action in changing the UCMJ regarding the convening authority's right to overturn decisions—overturn verdicts, and I expect to continue to work with you and General Dempsey on these issues.

I also would like to thank you, Secretary Hagel, for your commitment to a continuing collaboration with the VA and Secretary Shinseki to create a seamless transition for the men and women who are transitioning from Active Duty to civilian life. There are major issues regarding all of that.

My colleague, Senator Mark Udall, asked you some questions, Secretary Hagel, about the energy use of DOD. Of course, given the unstable fuel costs and the rising fuel costs and the impact of fuel costs on budget estimates, as well as the overall fiscal environment, I believe that controlling energy costs across the board, now and in the future, is an important goal for DOD.

The operational energy implementation plan identified incorporating energy security concerns into the requirements and acquisitions process as one of the targets for DOD to implement. I wanted to get your views on the importance of those goals and how we are doing in making sure that energy use criteria and factors are considered in acquisition planning processes.

Secretary HAGEL. Thank you, Senator.

As I noted in my response to Senator Udall, for me, for our leadership at DOD, our energy use, our energy sources, our cost of energy are and must be a high priority. That is R&D. It is not just the budget, but it is the security and reliability of our sources of energy. So we continue to put a high priority on those programs. We continue to invest in those programs. As you noted—it has been much of the conversation this morning—we have less money and it appears we are going to have even less money. So we have to balance the resources we have with the responsibilities we have.

But that all said, we are committed—I am committed to continue to follow through on the energy programs that we have in existence that continue to find more reliable, cheaper forms of energy.

Senator HIRONO. I think that to reiterate, those kinds of energy security concerns should be very much part and parcel of how you analyze various priorities, going to equipment needs, all of those concerns. It should be an across-the-board part of our consideration as we meet our fiscal challenges.

Secretary HAGEL. Yes.

Senator HIRONO. I wanted to turn to, General Dempsey, the military-to-military relationships that we have, and we have been working to engage China in these exchanges, and you are going to China soon. Would you expect that the issue of our rebalance to the Pacific to be a matter of some concern to the Chinese? Do you expect this to become part of the conversation that you have when you are in China?

General DEMPSEY. I do, Senator. I have had some telephonic contact with my new Chinese counterpart, and he has indicated that he is eager to get my views and understand better our intentions, and I am prepared to have that conversation.

Senator HIRONO. At the same time, to make sure that one of our intentions is to strengthen our communication and relationships with them, because as some of my colleagues have said, China is a very big part of the activities and actions of North Korea, and any stronger relationship we can have with the Chinese would be, I think, a goal to be sought.

General DEMPSEY. Yes. I am committed to that. I am committed to strengthening our relationship with China.

Senator HIRONO. Thank you.

Regarding recruiting, I know that we are drawing down our numbers in our Service. But at the same time, with all the news about the challenges facing our military, DOD, the cuts, the furloughs, all of that, Secretary Hagel and also General Dempsey, have you already seen an impact of all of this kind of news on recruitment now and in the future?

Secretary HAGEL. I am going to ask the Chairman to respond to that. But as far as I can see and know, I do not think it has yet impacted that recruitment, but the Chairman is closer to it than I am.

General DEMPSEY. The answer is that we are having no difficulties right now, either recruiting or retaining high-quality, very high-quality individuals.

But here is a prediction, Senator. If sequestration affects readiness and young men who come in to be pilots are sitting not flying or they come in to be seamen, sailors, and they are sitting at dockside and not steaming and they come into the training on tanks and they are parked in the motor pool, then we will have a retention problem. I actually have that T-shirt. We have done this before, and we did not do it correctly and shame on us if we do it again.

Mr. HALE. I would just add. I worry about our civilian workforce. I do not know—three pay freezes, furlough potential—I am not sure why anybody would want to work for us right now, frankly. We need to do better. I think there are no problems I know of with 7.8 percent unemployment. But as the economy recovers, I think we have every reason to worry about the ability to recruit good civilians.

Senator HIRONO. Thank you for raising that point because, of course, we have some 18,000 civilians in Hawaii who are working for DOD and very concerned about potential furloughs and other changes.

Thank you.

Chairman LEVIN. Thank you, Senator Hirono.

Senator Cruz.

Senator CRUZ. Thank you, Mr. Chairman.

Secretary Hagel, General Dempsey, Under Secretary Hale, I want to thank you for being here. Thank you for your testimony this morning. I want to thank all three of you for your service to this Nation.

As recent events have powerfully underscored, these are perilous times, whether we are speaking of the horrific terror attack in Boston this week or the escalating situation in North Korea. Your service is greatly appreciated, and I thank all three of you for serving on the front lines and protecting America.

The questions I would like to ask focus on two areas: number one, financial planning going forward at DOD; and number two, missile defense and our ability to defend the Homeland.

I want to start with there has been much discussion today about sequestration—that the current budget does not reflect the cuts in sequestration, but I understand that DOD will, hopefully in the month of May, submit a plan to comply with those cuts. That presents both short-term challenges and long-term challenges.

In addition, the budget contemplates a renewed BRAC commission process going forward.

I would suggest in the process both of assessing sequestration in the short-term and long-term and in the BRAC process that a significant component of DOD's assessment should include consideration of the degree to which we can reduce our footprint overseas, reduce our bases overseas, reduce our manpower overseas, consistent with the central imperative of protecting our national security.

So the first question I wanted to ask Secretary Hagel is: to what extent is DOD currently assessing, in complying with these financial pressures, our ability to draw down our overseas footprint, reduce bases? I would suggest it is preferable to reduce bases overseas than here at home, if it can be done consistent with national security. To what extent is DOD engaged right now in that assessment and analysis?

Secretary HAGEL. Thank you, Senator.

Let me also clarify a point you made so there is no misunderstanding. I do not want an expectation that may be inaccurate. I did not say we are going to present a plan by the end of May to the committee on how we are going to deal with sequestration. What I said was the Strategic Choices and Management Review that I asked for was going to come back to me by the end of May, which then we will start making some assessments and decisions based on that, which obviously will affect complying with the law of the land, if we have to. I just want to make sure——

Senator CRUZ. If I may follow up then. Do you have right now an intention for a timetable of when DOD would get back to the committee on its intention and plan for complying with——

Secretary HAGEL. This is evolving, and I have to look at the review that the Deputy Secretary of Defense and the Chairman of the Joint Chiefs are leading, and then we will proceed on that basis. But I do not want an expectation here that is not correct.

As to your questions about overseas and overhead and manpower and the other observations you made about how we are assessing

what we have to do to comply with these new realities, yes is the first. We have been consolidating and closing facilities overseas for the last few years. We will have a study complete by the end of this year specifically on additional recommendations on closing facilities and consolidating overseas. So, yes, that has been ongoing.

At the same time, I think, the President thinks, and the leadership of DOD, that we need to also take a look at our infrastructure in this country as well.

Mr. HALE. Can I just add a couple facts that might be helpful?

We have transferred more than 100 sites back to our allies since 2003. There are about 30 more scheduled over the next several years, in addition to any identified by this consolidation. So we have been aggressively looking at overseas infrastructure.

Senator CRUZ. Thank you very much.

General Dempsey, I would like to get your thoughts, in particular, about North Korea, both about how grave a threat the current North Korean situation poses and what is our capacity right now with missile defense to intercept and defend against a hostile launch from North Korea?

General DEMPSEY. Yes, Senator. There has been some discussion in the Intelligence Community about whether they have been able to weaponize, but as you might expect, as the Chairman of the Joint Chiefs, we will react to what we think could be the worst case scenario. So we have postured ourselves to be capable of intercepting and destroying any ballistic missile that would be launched at our facilities or our personnel, and we are postured to do that.

Senator CRUZ. I would note that the President's budget, while not accounting for sequestration, nonetheless cuts $500 million from missile defense. In my judgment, particularly given the threats we are seeing from North Korea, the potential threat we have from the Nation of Iran, reducing our commitment to missile defense at this point seems ill-advised. Indeed, our current posture on missile defense is at a minimum of 2 months in that we are right now deploying a Terminal High Altitude Area Defense system to Guam and at the same time reinstating GBIs that have been canceled in Alaska, both of which, I think, are reasonable and positive responses to the threat we are seeing. Yet, that seems inconsistent with reducing funding for missile defense, and it seems in many ways driven by our enemies rather than a comprehensive, strategic plan for missile defense. I would welcome the thoughts of either Secretary Hagel or General Dempsey on that issue.

Secretary HAGEL. I think the budget reflects the priorities of our missile defense programs and plans. Missile defense is an essential component of securing this country, the interests of this country. I certainly would never sign off on any budget that would lessen that ability to fulfill that commitment to this country. I think I can speak for the Chairman and every leader inside the Pentagon. So it is my sense that it does comply with our requirements.

I will ask the Chairman if he would like to add anything.

General DEMPSEY. I think in the interest of time, Senator, I would be happy to have someone give you a lay-down of the way ahead, what we have done this year, why, and where we think this is all going.

I would also say, ballistic missile defense is an important investment. It can get to be extraordinarily expensive. So one of the things we have to do is balance defense and offense. I often use the phrase that at some point you have to stop worrying about the arrow and start worrying about the archer. I would suggest to our potential adversaries that we have not forgotten that we also have capabilities to deal with the archer.

Senator CRUZ. Thank you, General. I look forward to that ongoing discussion. I thank all three of you for being here.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Cruz.

Just relative to the facilities overseas that are being closed, we do have rules as to the reimbursement to us for the improvements which we have made in overseas facilities. We just issued a report yesterday, a committee report, which we hope you will take up, showing the failure of DOD to achieve that reimbursement in the way in which it is supposed to be made. It has been going on too long. Part of it is a failure of oversight, but mainly it is a failure of DOD to enforce our rules relative to reimbursement by our allies for the improvements which we have made in those facilities which we are turning back to them. So that was a report which was released yesterday. It is, I know, on your desks, and we would look forward to your response.

Senator INHOFE. Just one comment about the overseas facilities. All of us know, in western Europe we had quite a few of them there. One of the problems that came up is because of some of their environmental controls over there, they are restricting in Germany, for example, our ability to use a live range to so many hours a day and so many days a week. Finally, we had to go in and say if we cannot train, we are going to leave, and that got their attention. So I think that we need to use the tools that we have to most efficiently train our people as we are supposed to be doing over there.

Chairman LEVIN. Thank you, Senator Inhofe.

Senator Kaine.

Senator KAINE. Welcome to all of you. Thank you for the testimony this morning.

I am just going to jump right to it. I would like to say a word about sequester, a word about BRAC, and then a comment about Syria.

A lot of discussion about sequester. I agree with what Senator Sessions said earlier. It was a horrible idea. I do have the alibi of not having been around when it was put in place. So that makes me very free to criticize, and we never should have allowed it to happen. To make a sixth of the budget, defense, take 50 percent of the cuts, that was foolish. To make one-eighth of the budget nondefense discretionary take 50 percent of the cuts, that was foolish.

It is important to acknowledge there was an alternative. We had an alternative in this body that had 53 votes. That is the majority of the body that wanted to turn off sequester and do it a different way. That is sufficient votes to pass unless filibuster is invoked by the minority. In this instance, in late February filibuster was invoked by the minority and we needed more than 50 votes. But that is not an automatic. There was a sufficient vote in this body to turn

off the sequester that is having, in my view, a very significant and negative effect.

Especially, Secretary Hagel, I do think Senator McCain's suggestion was an extremely helpful one. If there is to be any chance of this Congress, this Senate considering an alternative to sequester—and the sooner, the better—the more people have an understanding about the good faith, most considered judgment of DOD about what is going to be cut if we have to knock that extra $52 billion off, the more specifics we have about that, the more we look and say, boy, we do not want that to happen. We better come up with an alternative. In the absence of an alternative that is so specific and granular and clear, it does not put any pressure on us at this point really to come up with an alternative. So I would just say that I viewed Senator McCain's suggestion as actually a helpful one.

On BRAC, I worry about the *sturm und drang* of BRAC. So when the testimony this morning said we have done five BRAC rounds and we have saved $12.5 billion annually—and I look forward to the accounting of that. When BRAC is announced, what happens is that every community that has military assets, whether they are ultimately going to be on the chopping block or not—they lawyer up. They accountant up. They public relations up. There is an economic effect in the community of anxiety and uncertainty that can have its own economic effects. If we are going to do all that to produce—if it has been $12.5 billion for five BRAC rounds, if we are going to do all that to produce $2.5 billion of savings, I really wonder if it is worth the trouble. It is important to lay out potential cuts to deal with these budgetary realities, and so just two examples.

As Governor, I had an $80 billion budget and in 4 years—you just get one term in Virginia—I cut $5 billion out of the budget. I did not convene a commission to do it. I sat with a bunch of budget folks and I made very specific reduction proposals, and I gave them to my legislature. They all, Democratic and Republican, as soon as they saw every one—and this was successive rounds—they said I was a heartless dope for everything I proposed. Then after they spent a bunch of time going through everything I proposed, they ended up approving 90 percent of what I proposed. That was a regular order process. By doing it that way, I did not make every last person or every last community in Virginia by announcing the BRAC round or something like that think uh-oh, we have to lawyer up and lobby.

So the one thing I would just encourage to you and encourage to my committee members—and I know Senator Inhofe had some concerns about the 2005 BRAC—is whether that is—we are dealing with the need to make some challenges. But whether a BRAC round really is the best way to reduce costs, when you add in the anxiety it creates, and you add in the economic effect of that and all the external transaction costs that it generates, is a BRAC approach the best way to reduce costs?

After the last BRAC round, your predecessor—one of your predecessors, Secretary Hagel, Secretary Gates, reached a conclusion that a particular mission in Virginia, Joint Forces Command (JFCOM) was probably not the best expenditure of money. That

was, as I understand it, a joint effort that might have been inspired by an earlier Secretary of Defense. I think Secretary Gates said, hey, if the Joint Chiefs of Staff have offices near each other inside the Pentagon anyway, why do we need a separate JFCOM in Norfolk. He did not do a BRAC. He just said, I am not sure we need this, and he put on the table, let us get rid of JFCOM.

The local community and the congressional delegation came forward and said we think this is a bad idea, and they laid out a case. They reached an accommodation where essentially the JFCOM structure was removed, but some of the military missions that were being provided in Hampton Roads continued to be provided and there was compromise. That was done not in a BRAC process but with DOD laying down, we think we should get rid of this, and then Members of Congress saying we think you are wrong, and then a compromise being reached.

I would just recommend that as a potential way of thinking about it as an alternative to BRAC because BRAC will produce a whole lot of *sturm und drang*, and if it is going to do that and it is going to produce a $2.5 billion savings which, by my quick math, is—$2.5 billion out of $585 billion is about 0.6 of 1 percent of a savings, and that is what it is going to produce. I am not sure that the BRAC process and all the drama associated with it is worthwhile. So I would just commend you to ponder that.

The last thing. I just want to say a word, Mr. Chairman, with your permission, about Syria. There will be additional discussion of Syria this afternoon. But there is a competing Senate Armed Service Committee hearing on the personnel aspects of the NDAA proposal, and I am on the Personnel Subcommittee and I think I am going to do that.

I am also on the Senate Foreign Relations Committee. We are spending a lot of time talking about Syria. I have some sympathy with Senator McCain and others who said we need to explore the recommendation potentially to go from non-lethal to lethal assistance and what would be the conditions. My concern about Syria right now is this, that it looks more and more sectarian, that Assad is an Alawite and with a military that is—about 70 percent of the military leadership is Alawite. It is becoming a death struggle for the Alawite community which is about a sixth of the population. If they believe that the only outcome of this is likely going to be whether they survive or whether they are purged as that community, then this will be a fight to death whether we offer lethal aid or not.

I know one of the factors that must weigh in very heavily on any decision about whether to provide aid is what is the character of the opposition. Can we trust them? Will the weapons end up in the wrong place? If the opposition can do things that will bring Alawites into the opposition and convince the Alawite minority that there is not going to be a purge against that ethnic group, that would also have the effect of diluting the jihadist elements of the opposition and would probably give us an opposition that we could have more trust in.

In your tiering, General Dempsey, of non-permissive, permissive, or collaborative—and there is another tier in there—hostile, non-permissive, permissive, collaborative. Efforts that we would under-

take to assure that the character of the opposition included members of the Alawite minority so that Alawites would not fear an ethnic purge in the aftermath of a conflict, that would make our decision easier. That would make the cost less. That would make the consequences less severe.

I would just put that on the table as part of the discussion of Syria. I am sure I have not said a single thing that you all have not thought five steps down the chessboard on, but for purposes of my committee members and others, I just wanted to state that.

General DEMPSEY. Thanks, Senator. We would be happy to have you put a chair right here and testify with us this afternoon. [Laughter.]

Secretary HAGEL. Senator, thank you.

I listened very carefully to all three of your main points, and you make a lot of sense. So we will take all of your points under advisement.

Mr. HALE. Can I briefly add on BRAC? There are specific laws that stop us from closing bases above a certain level. JFCOM fell just under those or through exceptions. I am not sure it would work, $2 billion a year for 10 years is $20 billion. It sounds interesting to me. I think we have to think about it.

Senator KAINE. I am not against the $2 billion. I am just suggesting you might be able to find a way that will create less drama.

Chairman LEVIN. One of the things that Senator Kaine referred to has to do with the lawyering up and getting other kinds of consultants just by the mention of the possibility of BRAC, and I would urge our constituents not to start lawyering up and hiring consultants because it has a long way to go before Congress approves another BRAC round. I think the implied suggestion of Senator Kaine is wise.

Second, I hope you did not suggest, Mr. Secretary, that Congress, both the Senate and the House, and the President did not comply with the law in your budget request. The BCA made certain requirements in order to avoid sequestration. The President did it in his budget. He avoided it in a way which is very different from what the House did. The House avoided it in a very different way from what the Senate did. Hopefully now the House and the Senate will get together and adopt a joint budget.

But in any event, I hope that you did not mean to imply in any way that the three budgets that are now out there are not in compliance with the BCA and I hope you did not mean to imply that your budget—these 2013 budgets are not in compliance. They do it in different ways. One has greater focus on cuts. One has greater balance of cuts and revenues. One has a greater balance yet on additional revenues. But they are in compliance, are they not, all three of them?

Secretary HAGEL. Yes, and I did not mean to imply that. My point in bringing that up was in reference to somehow—at least I interpreted some implication that the President's budget was somehow out here in the ether. In fact, all three budgets were pretty closely aligned but not at all to imply that they were not complying with the law.

Chairman LEVIN. As I said before when Senator McCain made his comments, I agree with what Senator McCain said and what

Senator Kaine just said. I said it before: it will be helpful to us to avoid sequestration if you can get to us as quickly as you can the details, some of what the specific impacts would be if we do not avoid sequestration.

Secretary HAGEL. We intend to do that, as I said. But at the same time, we wanted to make sure whatever we come up here with we can defend and make sense. That is why I referenced the review, and until we get that review—and then go forward. I agree with that. I got it.

Chairman LEVIN. Senator Graham has shown up just in time——

Senator GRAHAM. I will be last and certainly least.

Secretary Hagel, I want to congratulate you and the administration for, I think, a responsible handling of North Korea.

Very quickly—you have probably beat this to death, but I think 2013 is going to be a major year for national security issues. General Dempsey, do you believe if we do not deal with the Iranian nuclear program between now and the end of the year, we are probably in trouble one way or the other?

General DEMPSEY. I have been disappointed about the progress, and I think that the urgency will only increase.

Senator GRAHAM. As I understand it, as we have been negotiating the P5+1, our intelligence tells us that the level of enriched uranium has gone up during the negotiations, not down. Do you agree with that?

General DEMPSEY. There has been a pattern of it going up and then transitioned into oxide to stay below what they think would be the threshold.

Senator GRAHAM. But the information I have received is that the amount of enriched uranium has actually increased over the last 6 months. I very much support sanctions and a diplomatic resolution to the Iranian problem.

Secretary Hagel, when it comes to Afghanistan, I think you are still making an evaluation. Is that correct?

Secretary HAGEL. When you say "evaluation"——

Senator GRAHAM. Post-2014.

Secretary HAGEL. That is right.

Senator GRAHAM. Do you agree with me that the Iranians are probably watching us on multiple fronts in terms of our resolve?

Secretary HAGEL. Yes, I do and I have said that publicly, not specifically about the Iranians, but we have a global audience.

Senator GRAHAM. That is why I am just so upset, for lack of a better word, that we would pick now of all times to basically gut our military.

Do you agree, General Dempsey, this is a time of great national security risk, that we live in pretty dangerous times?

General DEMPSEY. I do.

Senator GRAHAM. From a GDP point of view, we are on the low end of defense spending in time of conflict. Is that correct, Secretary Hagel?

Secretary HAGEL. We are, and General Dempsey and I were talking about this the other day, the ups and downs. But you are right.

Senator GRAHAM. It is not that we cannot reform DOD and reduce spending. We have $489 billion and maybe there is some more

to do. But $600 billion, I will agree with both of you, will make us a hollow force at the time we need it the most.

So I would just urge you, as you meet with the President—there is a lot of bipartisan support for the idea that it is unacceptable for the Iranians to get a nuclear capability. There is no good ending to a nuclear-armed Iran. Our friends in Israel, our Sunni Arab allies—it would just take the whole region and throw it into chaos. Do you agree with that assessment, General Dempsey?

General DEMPSEY. I do.

Senator GRAHAM. So we are at a critical time.

How would you evaluate the security situation in Iraq, Secretary Hagel, at this point?

Secretary HAGEL. In Iraq?

Senator GRAHAM. Yes, sir.

Secretary HAGEL. Obviously, that is a country still dealing with internal issues, and I think they are, unfortunately, playing out in some sectarian ways, al Qaeda. They still have difficult challenges.

Senator GRAHAM. It seems to me that al Qaeda in Iraq is on the rise and their political process is frozen.

When it comes back to Afghanistan, I know it is a frustrating country. I think the detainee agreement you have negotiated is a good one. I think it really resolves the issues in a good way for us.

So my question really is, is now the time, given all the things going on in the world, to really be engaged in sequestration?

Secretary HAGEL. Senator, I wish we were not. I am right with you on this. But as I have been constantly reminded all morning, it is the law of the land. So we have a responsibility to deal with that law and that reality.

Senator GRAHAM. The people who made this law, as Secretary Panetta said, a dumb law—I think we have the ability, if we choose, to replace it. It is not that I do not want to put us on a sound financial footing. I just do not want to destroy the military in the process.

So between now and the end of this year, we have to deal with Syria. We are going to talk about that in more detail. We have to deal with how we end the war in Afghanistan.

General Dempsey, what would winning look like in Afghanistan? Do you agree with General Dunford—his definition of winning?

General DEMPSEY. Yes, I do, Senator.

By the way, let me thank you personally for your help on the detention issue.

Senator GRAHAM. You all found a good resolution to a hard problem.

What would losing look like in your opinion in Afghanistan?

General DEMPSEY. I think that the inability of the central government to control its urban areas and arteries, as well, I think it would be a loss if we did not have a long-term relationship with them.

Senator GRAHAM. Is morale being affected by this uncertainty we have created in the budget process?

General DEMPSEY. Absolutely.

Senator GRAHAM. The Chairman of the Joint Chiefs of Staff has just told this committee—all of us care about the military—that we

are hurting morale by not having a better budget solution. I hope we will take that to heart. Thank you for your honesty.

Secretary Hagel, what would you like to see Congress do this year, if you had a two- or three-item wish list, to help you confront the threats that we all face?

Secretary HAGEL. I would start with some certainty on dealing with sequestration on a budget. If we could get that, as we have said this morning and I think particularly the Chairman's comments—I noted it to some extent—it would give us, Senator, the time, the flexibility, to do what we need to do to adjust to the realities that we are adjusting to as we unwind from two wars and all the consequences that come with that. That would be my main priority.

Senator GRAHAM. I would end with this thought. There is an al Qaeda element on the Pakistan side of the border that we have been dealing with. Is that correct?

Secretary HAGEL. Yes.

Senator GRAHAM. The drone program has been pretty successful.

Secretary HAGEL. It has been, yes.

Senator GRAHAM. The infrastructure that we have in place to identify al Qaeda movements in Pakistan and Afghanistan and to neutralize their ability to hit us—I hope we do not dismantle that. As we wind down the war in Afghanistan, I hope we realize that this is the place we were attacked from, that al Qaeda still exists in that region, and that a stable, secure Afghanistan would be a tremendous win for us and our war on terror. I look forward to talking to both of you about troop levels, keeping the Afghan army at 352,000. I think this will be one of the most important decisions the President makes in his second term.

Thank you all for your service.

Secretary HAGEL. Thank you, Senator.

Chairman LEVIN. Thank you, Senator Graham.

Senator Blumenthal.

Senator BLUMENTHAL. Thank you, Mr. Chairman.

Thank you for being here and thank you for your service to our country.

I want to begin by following up one of the questions that was asked earlier concerning sexual assault. I understand that a report was under preparation, expected to be delivered at the end of March, regarding potential changes and recommendations. I know that you have answered a number of inquiries regarding sexual assault at this forum. But I wonder if you could tell us whether that report has been received and whether you can commit to providing it to us.

Secretary HAGEL. Thank you, Senator.

That request of the Office of General Counsel, as well as the Office of the Secretary of the Air Force, was given to me. One of the requests was to give me their thoughts on recommendations on how they believe Article 60 of the UCMJ should be amended. They did. I accepted those recommendations. We are now moving forward on working with our counsel to draft legislation that we would ask Congress to look at and propose changes to Article 60. We announced this about a week ago.

Senator BLUMENTHAL. Is that report available?

Secretary HAGEL. It is not exactly a report. They are recommendations, which I will go back to the General Counsel's Office and ask them.

Senator BLUMENTHAL. If you could provide them to us, I would appreciate it, Mr. Secretary. Thank you.

[The information referred to follows:]

The Department of Defense submitted to Congress a legislative proposal to amend Article 60 of the Uniform Code of Military Justice by limiting the authority of commanders to take action under Article 60 on the findings of courts-martial on May 7, 2013. The legislative proposal reflects the advice provided by the Secretary of the Air Force, the Joint Chiefs of Staff, and the Acting General Counsel of the Department of Defense (DOD). DOD looks forward to working with Congress as it considers this issue.

Senator BLUMENTHAL. I want to turn now to an area that I think is very important to our national security: our submarine building program. You and I have talked about it at various points, and I believe that the President's budget envisions continuing to build two submarines a year, both in this fiscal year and going forward in the next. I assume that you share his apparent view that submarines are more important than ever to our strategic security.

Secretary HAGEL. Yes, I do.

Senator BLUMENTHAL. On another issue that has not really been covered, is the Joint Strike Fighter (JSF), I wonder if you could bring us up to date as to your views regarding what I view as an essential platform for our air superiority.

Secretary HAGEL. You know the background and the problems and the issues. So I will not traverse that territory.

I met with the director of the F–35 program 2 weeks ago and asked for a report. He spent a couple of hours with me.

It is my assessment that we are making progress. We are getting to where we need to be; we are not there yet. Our partners, our other allies, who went in with us on joining us in procurement of copies of the F–35, are essentially hanging with us on this. They have delayed—most of the countries—on their orders. But the program is moving forward. I think it should. We put a lot of money in it. It is the largest acquisition program we have ever had, but I do think overall it is the answer for our Services.

Senator BLUMENTHAL. I appreciate that.

General Dempsey.

General DEMPSEY. If I could just add, Senator. First of all, on submarines, they are truly our asymmetric advantage globally. No one—no one—comes anywhere near our capability beneath the sea, and I think we have to keep those asymmetric advantages prominent.

On the JSF, I happened to meet the Marine Corps lieutenant colonel who is running the operational squadron of the B variant down in Eglin. I was open-minded to hear whether he thought it was good or bad. I am a ground-pounder. So I did not have any predisposed notions. But I am telling you he convinced me.

I will say this: we have not been attacked from the air since April 15, 1953. I am not going to be the Chairman on whose watch that is reversed. So I am an advocate.

Senator BLUMENTHAL. I deeply appreciate both of your views on both submarines and the JSF because I strongly share the commitment to those programs not only because they are stealthy, strong,

and asymmetric, but also extraordinarily versatile, speaking about the submarines, and of course, the JSF is, in my view, the linchpin to our air superiority in defending against the kind of aggression that you have just alluded to many years ago. So I thank you both for those answers.

Mr. Secretary, one of the reasons that I was so proud to support you and so grateful that you have been confirmed is your commitment to the well-being of our troops. On health issues and health care, on their well-being while they are in service, but also I think you share my view that more needs to be done to enable and prepare them for lives after their service, particularly concerning employment and skill training. I know that the minute-plus that I have left here will be absolutely inadequate for an answer on this score from you and General Dempsey, but perhaps you can just give us your view as to how we are doing and where we should go in terms of preparing the men and women, particularly many of them who are going to leave the Services in the very near future for civilian life.

Secretary HAGEL. Thank you. I will ask General Dempsey for his comments as well.

First, I share absolutely your comments for the reasons you noted. These are young men and women who come forward and serve our country unselfishly with tremendous sacrifices that, in most cases, they make with their families.

We do have some responsibility here. We have programs now underway that we continue to fund to assist that transition. Can we do more? Yes. Can we coordinate that better? Yes. All the Services are in complete agreement on this. No one is more committed than the Joint Chiefs and the senior enlisted and General Dempsey, as I am. So you have my continued commitment on this issue.

Let me ask General Dempsey for his thoughts.

General DEMPSEY. Transition assistance programs are going well. They can continue to be improved upon. They are resourced in our budget submissions. We are working on credentialing across States. There are initiatives to allow welders in the Army and the Navy, Air Force, and Marine Corps to be welders elsewhere. Working on the spouses' side as well, working with, for example, career trackers so that right from the time a young man or woman comes in, they begin thinking about transitioning instead of waiting until the last 6 weeks. So I think we get it.

We also know that as we down-size the force, we are going to make the challenge a little more challenging. But we are ready for it.

Senator BLUMENTHAL. Thank you. Thank you all for your testimony here today, and thank you for your service.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Blumenthal.

Senator King.

Senator KING. Secretary Hagel, welcome. Nice to see you.

One of the advantages of going last is that most of the other questions have already been asked, but I do have one. It is more in the nature of a request.

Yesterday in the Senate Select Committee on Intelligence, we had a briefing by Jim Clapper on the intelligence budget going for-

ward, and he produced a chart which basically showed—it started with fiscal year 2012 and then showed the effects of the first sequester and then the ongoing sequester, the President's budget, and other things that have affected that budget. It was a very powerful chart. I would ask if you could check with him perhaps—it is chart number 11 in his presentation—and give us a similar visual breakdown of what your budget looks like, including as we now know, the sequester on an ongoing basis. If we do not do anything about it, what does it do?

I found this information yesterday to be very important because what it shows is real cuts, not cuts to growth, but real diminutions of the amount of funds available. I think it would be helpful to the committee to be able to see that data as it looks over the next 10 years, building in different slices. You look at the director's chart and you will see what I am saying.

[The information referred to follows:]

Please refer to my letter to you, signed on April 29, 2013. [Inserted previously]

Secretary HAGEL. We will, Senator. Thank you.

Senator KING. Thank you.

Just one other quick comment on this whole sequester and budget issue. I am sure you know this as well as I do. One of the first things you have to do in a situation like this is defer maintenance, but deferring maintenance is not saving. It is just a cost that somebody is going to have to pay in the future. I am sure you agree.

Secretary HAGEL. We do agree.

General DEMPSEY. You actually end up paying more. As I said earlier, even in things like training, it costs less to sustain training than it does to restart it. The same thing with maintenance.

Senator KING. I do not know if you have had this question. I apologize for not being here the entire hearing. But my sense is that this budgetary uncertainty is hurting morale and retention and those kinds of intangible assets that are such an important part of our force structure and our troop readiness. Is that an accurate statement?

General DEMPSEY. It is absolutely true, Senator. I have a little formula that I carry around in my head that says today's readiness challenges are tomorrow's retention problems. That always proves true. If you allow readiness to erode, the young men and women who come in to serve and to be trained and ready will not stick around very long.

Senator KING. That is the essence of the deal is the personnel.

Final question. General Dempsey, you have been involved with two drawdowns; at the end of Vietnam and at the end of the Cold War. There was a significant drawdown. Share some lessons from those experiences that you think might be beneficial to us in this situation.

General DEMPSEY. Yes, thanks for asking, Senator, although I am not happy you reminded me about how long I have been serving. [Laughter.]

A couple of things. One is the drawdown produced hollowness in different ways each time. The first time, it was manpower hollowness. The second time, it was equipment hollowness. What we are seeing in this one is a readiness hollowing of the force. So although

we have learned lessons each time, it has been a little different challenge each time.

I think we have to be alert for what we are doing this time to readiness. We have incredible young men and women in uniform. So the personnel side of it is good. Our equipment has been recapitalized and reset over time. So equipment is adequate, although it is aging and we do not want to stop modernizing. But where we are really suffering now is in readiness. We are not training to the level we should be training because of sequestration and its mechanism.

The other factor, in terms of the three different drawdowns, is each time you start from a much lower start point. So I will take the Army as an example. A million men in uniform in Vietnam, down to 781,000 by the end of the 1970s. You start at 781,000 and you draw down in the 1990s to roughly 500,000. Today, we are starting at 490,000. We will be at 490,000 in the Army Active as a result of the BCA, 487,000. That is where you start from to absorb sequestration. So each time you start at a lower level. I think we have to remember that.

Senator KING. Thank you very much, General, and thank you all for your testimony.

Chairman LEVIN. Thank you very much, Senator King.

Just one quick reference on Senator Blumenthal's reference to Article 60. I believe that it is understood that what you are considering are generic changes in terms of the convening authority's power, not just relating to sexual assault. It is a generic change for all——

Secretary HAGEL. Major offenses.

Chairman LEVIN. For major offenses.

Secretary HAGEL. That is right.

Chairman LEVIN. Thank you. I think that is what we understood.

I think Senator Inhofe has a quick last comment.

Senator INHOFE. Yes. Senator Lee came out and expressed a concern. I do not think you had time to fully develop it. That is, to what degree are we going to be influenced by Russia in our missile defense decisions that we make?

It goes back to the decision that this President made the first year that he was President to pull the rug out from under both Poland and the Czech Republic on the GBI. I can remember talking to Vaclav Klaus at that time, and he said, now we are going to go ahead and do this. It is going to really anger Russia, but can we be sure that you are not going to pull the rug out from under us. That is what I referred to, and he did in the first year. I will always think it was a result of his effort to get along with Russia.

Now, you answered his questions about not having that influence. I would call your attention to the—and I am sure, Mr. Secretary, that you have had communication with the defense minister, whose name I can never pronounce right, from Russia who said that he wanted to carry on conversations with you as national missile defense developed. So it implies that Senator Lee is pretty accurate in his concern over how much influence that will be over us.

Do you have any thoughts? Do you think you would be willing to talk about it now?

Secretary HAGEL. Yes. Thank you, Senator. A couple of thoughts in response.

First, on Poland and the announcement that we had made regarding the PAA. The Polish and Romanian Governments were very supportive of that announcement and what we are doing. I spoke, incidentally, to both the Polish Defense Minister and the Romanian Defense Minister about this.

Senator INHOFE. No, this all happened before you were on board, though.

Secretary HAGEL. No, I am talking about the latest announcement that we made during the ground-based——

Senator INHOFE. Okay. I was talking about 4 years ago, that decision that was made.

Secretary HAGEL. There is nothing I can say about that, but I can say again when Senator Lee asked me the question about this latest decision, which I announced that decision, the conversation I had with the Russian Defense Minister was after that decision was made, after that decision was announced. One of the things we did talk about was further missile defense issues, but we talked about a number of things. That was not the intent of the call. But it was after the announcement was made.

Senator INHOFE. Okay.

Chairman LEVIN. I am glad we are not afraid to talk to people and on a positive note.

We will reconvene in 30 minutes for the second session, which will resume at 2 p.m. Thank you.

This first session is now adjourned. Thank you.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR BILL NELSON

DRUG INTERDICTION

1. Senator NELSON. General Dempsey, due to the sequester, Navy ship deployments to U.S. Southern Command (SOUTHCOM) have been cancelled. Additionally, the President's fiscal year 2014 budget request saw a drastic 38 percent reduction from his fiscal year 2013 request for drug interdiction efforts. Historically, SOUTHCOM drug interdiction results in the annual removal of 200 tons of cocaine from the U.S. supply—10 times the amount of what is removed by all domestic U.S. law enforcement. Can you share the short- and long-term effects of the sequester and the President's fiscal year 2014 budget request on the drug interdiction mission in the Caribbean?

General DEMPSEY. The U.S. Government has two primary counternarcotics missions in the Caribbean and Eastern Pacific narcotics transit zone, which lies between the Andean region source zone and the domestic arrival zones. These missions are the: (1) detection and monitoring of aerial and maritime transit of illegal drugs into the United States; and (2) interdiction and apprehension. 10 U.S.C., section 124, designates the Department of Defense (DOD) as the lead agency for detection and monitoring of aerial and maritime transit of illegal drugs into the United States in support of the counterdrug activities of Federal, State, local, and foreign law enforcement agencies. The U.S. Coast Guard under 14 U.S.C., section 89, has the lead for interdiction and apprehension. DOD assets have supported the U.S. Coast Guard in their mission.

Sequestration and budget reductions are coming at a time when a major Navy surface asset recapitalization effort is occurring. These events, coupled with other global activities requiring increased demands for support from DOD, are compounding the impacts on our ability to fully support these two counternarcotics missions. Though DOD will continue to execute its detection and monitoring mission, the overall support to the U.S. Coast Guard for interdiction efforts over the short- and mid-term (1 to 5 years) time horizon will be significantly curtailed, and could potentially undergo further reductions.

MAYPORT AND STRATEGIC DISPERSAL

2. Senator NELSON. Secretary Hagel, dispersing our capital ships is in our best national security interest and specifically, dispersing the east coast carrier fleet is a national security priority. The 2010 Quadrennial Defense Review (QDR) clearly states, "to mitigate the risk of a terrorist attack, accident, or natural disaster, the U.S. Navy will homeport an east coast carrier in Mayport, FL." The Navy has stated military construction (MILCON) costs to prepare Mayport to homeport a carrier would be approximately $500 million, while the Government Accountability Office (GAO) estimates the number to be $250 to $300 million. However, the Navy recently completed a Controlled Industrial Area at the Naval Shipyard in Portsmouth, VA, for $33 million. Can you discuss how the Navy can provide such a drastically different quote for a similar facility?

Secretary HAGEL. When comparing facilities, it is important to note the one-time costs associated with the creation of a second CVN homeport at Mayport, FL, which was estimated at $588 million, consisting of $489 million of MILCON projects and $99 million of other one-time costs including Initial Outfitting and Permanent Change of Station orders for rotating personnel. The $489 includes $46 million for dredging (contract awarded in fiscal year 2010); $15 million for Massey Avenue Corridor Improvements (contract awarded in fiscal year 2012); $30.9 million for Parking; $42 million for Wharf F Improvements; $150.4 million for a Controlled Industrial Facility; $174.4 million for a Ship Maintenance Facility/Maintenance Support Facility, and $30 for Planning and Design.

The cost estimates for the Mayport unprogrammed projects were developed for initial planning purposes. They were based on highly preliminary design information and included conservative assumptions to account for projected local and national market conditions, force protection standards, sustainable design requirements, and unique construction features, such as hurricane/storm-surge design considerations. Planning assumptions are reviewed multiple times as part of the MILCON programming process. Based on current market conditions, the Navy anticipates the cost will decrease during routine planning and design.

3. Senator NELSON. Secretary Hagel, will you ensure strategic dispersal is again added as an objective in the 2014 QDR?

Secretary HAGEL. The nature of the future strategic environment requires U.S. forces project power with global flexibility and agility to accomplish the Nation's security objectives. A U.S. military force that is properly postured provides the credible combat power needed to protect the American interests, assure friends and allies, and deter potential adversaries.

The strategic dispersal of U.S. forces must also be fiscally informed and appropriately planned within a framework that considers risk, responsiveness, and Joint Force capability tradeoffs. To that end, I expect the degree to which U.S. forces are dispersed, both at home and abroad, will be reviewed during the upcoming QDR.

QUESTIONS SUBMITTED BY SENATOR KAY R. HAGAN

SEXUAL ASSAULT

4. Senator HAGAN. Secretary Hagel, since being confirmed, you have made the recommendation of eliminating the discretion for a convening authority to change the findings of a court-martial, except for certain minor offenses. While I'm glad you are looking into the problem of sexual assault in the military—as you indicated you would during your confirmation process—I'd like to hear what you are doing on the front end of these attacks. In 2011, less than 8 percent of reported cases even went to trial. Considering that roughly 85 percent of sexual assaults go unreported, in order to make a dent in this problem, you have to address what occurs shortly after an attack. What are you doing to foster an environment where victims are comfortable reporting their assault and are confident in their leadership to adjudicate the matter fully?

Secretary HAGEL. I am committed to achieving an enduring culture change and hold leadership accountable to create an institution that makes victims feel safe and confident the DOD's ability to properly adjudicate reporting of assaults. DOD has taken many steps to improve victim confidence, recognizing that increased victim confidence and reporting is a bridge to greater victim care and offender accountability. Our Sexual Assault Prevention and Response (SAPR) program has a focus on the victim as its foundation. We have created, resourced, and trained the entire force on the variety of reporting options that provide avenues for victims to seek support services that range from anonymous crisis intervention with the DOD Safe

Helpline to Restricted Reporting that provides case management and medical care to full Unrestricted Reporting, investigation, and support services. A victim can report an assault confidentially through a Restricted Report to a healthcare provider, Sexual Assault Response Coordinator (SARC) or victim advocate and receive services and healthcare without law enforcement or commander notification. A victim can also choose to report her/his offense to law enforcement through an Unrestricted Report. These recipients of reports provide the independent care and professional first responder treatment that can contribute to victim confidence in reporting and adjudication.

Other victim care initiatives have been completed and are available to victims to instill confidence.

- The DOD Safe Helpline provides victims 24/7 global access to crisis support staff and we have developed and fielded a Safe Helpline Mobile Application to advance victim support services.
- Victims may now request an expedited transfer.
- We have expanded SAPR Restricted Reporting support services to adult military dependents.
- We offer expanded SAPR services during emergency care for DOD civilians stationed abroad and DOD U.S. citizen contractors in combat areas.
- A victim-victim advocate privilege creating a new category of protected communications was enacted.
- As part of the revised DOD SAPR policy, we implemented new standards for medical care providers to support victim care and enhance investigations.
- Finally, DOD is sponsoring a legal assistance pilot program in the Air Force with 60 specially trained attorneys who are providing legal representation to victims of sexual assault. Under this program, legal assistance attorneys represent victims in a confidential, attorney-client relationship, throughout the investigation and prosecution processes. Initial reports are positive in the number of victims staying in the system and converting Restricted Reports to Unrestricted.

In addition, I recently directed the Secretaries of the Military Departments to assess, monitor, and develop methods to improve victim treatment by their peers, coworkers, and chains of command, and to report their methods to me by November 1, 2013.

5. Senator HAGAN. Secretary Hagel, how are you ensuring accountability at every level of command not only for preventing sexual assault, but also for properly handling sexual assault cases when they are brought forward?

Secretary HAGEL. I am committed to achieving an enduring culture change and hold leadership accountable to create an institution that not only works to prevent sexual assaults, but to make victims feel safe and confident the DOD's ability to properly adjudicate assaults when they occur. DOD currently has multiple tools in place to better ensure accountability.

First, DOD Inspector General (IG) reviews are a primary tool DOD uses to ensure accountability, integrity, and efficiency. To date, the DOD IG has conducted three separate reviews to assess different aspects of how the overall system responds to and handles sexual assault cases. In 2011, the DOD IG formed a new Violent Crime Division focused on evaluating and improving the quality of DOD's violent crime investigations, including sexual assault. They also review investigative training programs that form the foundation for sound investigative products. Through this unit, the DOD IG reviewed closed cases to ensure investigators performed thorough investigations and followed the best practice protocols.

Second, accountability is a point of emphasis within the SAPR Program, operating on several levels simultaneously. First, our leaders within the Military Services are responsible for program compliance and success. In September 2012, the Secretary of Defense directed the development of standardized core competencies, learning objectives, and training assessment methods for this training. The Services implemented these tools for all pre-command and senior enlisted training starting in April 2013.

To further enhance command accountability, the Service Chiefs, through the Secretaries of their respective Military Departments, are developing methods to assess the performance of military commanders in establishing command climates of dignity and respect, and incorporating SAPR prevention and victim care principles in their commands. These methods will be reported back to the Secretary by November 1, 2013.

Finally, the Department ensures accountability through the military justice process. In June 2012, the Secretary of Defense elevated initial disposition decisions to senior commanders (colonels or Navy captains) for cases of rape, sexual assault, forcible sodomy, and attempts to commit these crimes. This action allows a more experienced commander to make disposition decisions in these very serious and often complicated cases.

6. Senator HAGAN. Secretary Hagel, is the Uniform Code of Military Justice (UCMJ), in its present form, capable of dealing with the problem of sexual assault, or do we need to consider a more significant overhaul of the system?

Secretary HAGEL. There is no silver bullet to eliminate sexual assault. Congress and I recently appointed the members of the Response Systems Panel established pursuant to section 576 of the National Defense Authorization Act (NDAA) for Fiscal Year 2013. I welcome the Panel's review and scrutiny of the military justice system, and I am open to all improvements that may enhance reporting, investigating, and prosecuting sexual crimes and the military justice system as a whole. I support limiting a commander's authority to reverse findings of guilt from a court-martial. However, I urge against further piecemeal changes of the military justice system to avoid unintended consequences for the victim, the accused, and the integrity of the military justice system as a whole.

The military justice system was established as a separate system because of the worldwide deployment of military personnel, the need for a system that can be responsive to the unique nature of military life and the combat environment, and the need to maintain discipline in the force. The deployability of the administration of military justice system is paramount to ensuring a ready fighting force throughout the world.

Our commanders are trained in their responsibilities under the UCMJ from the day that they are commissioned and throughout their careers. Commanders have at their disposal Judge Advocates to provide advice and counsel. Judge Advocates are an integral part of the military justice system; they serve as command legal advisors, prosecutors, defense counsel, and military judges. Judge advocates are trained to analyze evidence to determine if there are sufficient facts to support allegations, and to make recommendations to commanders on disposition. A variety of procedural safeguards ensure commanders make evidence-based disposition decisions, particularly in regard to sexual assault allegations.

SYRIAN CHEMICAL WEAPONS

7. Senator HAGAN. General Dempsey, Syria has the largest stockpile of chemical weapons in the Middle East. During his trip to Israel in March, President Obama reiterated the U.S. position that the use of chemical weapons by the Assad regime would constitute a red line, presumably meaning the United States would intervene militarily, if necessary. Earlier this year, however, you stated that preventing Syria from using chemical weapons would be almost "unachievable." What is the United States doing to ensure that Syria's chemical weapons do not fall into the wrong hands and how quickly is the United States capable of responding once intelligence is received that a transfer is taking place?

General DEMPSEY. Given the complexity of the issue regarding the proliferation of Syria's chemical weapons, DOD is working closely with the Department of State, the Intelligence Community, other U.S. Government departments, and key international partners. As an example, through the Cooperative Threat Reduction (CTR) program, DOD personnel and our interagency partners are working with Syria's neighbors to help build their capabilities to counter the threat of proliferation from Syria's chemical weapons. With regard to our ability to respond, options are ready to respond to a broad spectrum of scenarios and if ordered to do so by the President we will act. Chemical weapons remain a very difficult target set because the Syrian regime moves them and because even their destruction carries risk.

8. Senator HAGAN. General Dempsey, President Obama said that the Assad regime "will be held accountable" for transferring chemical weapons to terrorists. Can you elaborate on what this means?

General DEMPSEY. Militarily this means we will provide the President with a full range of options for any contingency. DOD has plans in place and continues to engage in planning to respond to a broad spectrum of scenarios.

9. Senator HAGAN. General Dempsey, will the United States act to prevent other strategic weapons from being transferred from Syria to Hezbollah, including advanced missiles and anti-aircraft systems?

General DEMPSEY. We are concerned about the danger of sophisticated conventional weapons falling into the hands of extremist groups. The Department is continually reviewing our planning to make sure that we have appropriate options to respond to a variety of scenarios. We also work very closely with allies and partners in the region to prevent proliferation of these types of weapons.

BIOFUELS

10. Senator HAGAN. Secretary Hagel, last year, DOD released a funding opportunity announcement for the Defense Production Act Title III Advanced Drop-In Biofuel Production Project. In that announcement, DOD expected to award a Technology Investment Agreement (TIA) by March 1, 2013. What is the status of that TIA award and if it has not been awarded, when do you expect that decision?

Secretary HAGEL. I have authorized awards to three companies in California, Nebraska, and Illinois, totaling $16 million in funding for the first phase of the interagency Advanced Drop-In Biofuels Production Project. The Government investment will be matched by $17.4 million in private sector funding.

Phase I of the project involves validation of production technology, verification of technical maturity, site selection, plant design, permitting, and detailed cost estimation, all of which will require 12 to 15 months to complete. Following Phase I, interagency technical experts will evaluate the projects to determine which, if any, will move on to Phase II, which is for bio-refinery construction. If all Phase I projects successfully complete the second phase of this project, awardees project that this would represent more than 150 million gallons per year of drop-in, military-compatible fuels with initial production capacity by 2016 at an average cost of less than $4 per gallon. Government funding up to $130 million is currently programmed for Phase II coupled with matching private sector funding.

QUESTIONS SUBMITTED BY SENATOR JOE MANCHIN

ACTIVE DUTY SOLDIERS BUYING FIREARMS IN THEIR HOME STATES

11. Senator MANCHIN. Secretary Hagel and General Dempsey, my good friend Senator Pat Toomey and I have been working hard on this background check bill. We want to make sure that criminals and the dangerously mentally ill can't get a firearm. When we crafted this bill, we did everything we could to protect the dignity of our veterans, and gave them some much-needed protections in the Department of Veterans Affairs (VA) process. When we did our research, and when we talked to the National Rifle Association, we also found out that Active Duty troops cannot buy guns in their home State. They move around so much—they might not even have a chance to establish residency where they are based. So, we included that provision in our bill. Our bill allows Active Duty troops, and their spouses, to purchase firearms in their home State, as well as where they are based. This is just the right thing to do. What do you think about that provision in our bill? For reference, this bill is Amendment 725 to S. 649, Safe Communities, Safe Schools Act of 2013.

Secretary HAGEL. I support the administration's approach to comprehensive gun control and believe this issue should be addressed in the broader negotiations on gun control.

General DEMPSEY. I prefer not to make public comment on an important domestic political debate such as firearms legislation. I always appreciate any provision that would recognize the special circumstances of our servicemembers and their spouses, and would always ask that provisions be made in support of them. I thank you very much for both the consideration and support you have provided in this circumstance.

THE DRAFT IN CONTEXT

12. Senator MANCHIN. Secretary Hagel, when you and I were young, this country had a draft. There was something about a shared sacrifice that gave everybody a stake in our country's wars. Today, less than 1 percent of America serves in the military. I've had many West Virginians ask me if we should go back to the draft. I'm very interested in your perspective on that. If we don't go back to a draft, what can we do so that everyone shares in the sacrifices that go along with war?

Secretary HAGEL. There is no military necessity for a draft at this time. The 1 percent of American youth who volunteer meet the Department's needs for the foreseeable future, given our reduced force size.

Today's All-Volunteer Force reaches out to every person in every corner of the country. The military is more representative of society now than it was at any other time in history of the All-Volunteer Force. This goal was achieved by ensuring geographic diversity was a focus of recruiting strategies. To this point, there are over 6,500 recruiting-related facilities throughout all 50 States and the U.S. Territories seeking diverse, qualified talent that is necessary to meet the challenges of the 21st century. The Department benefits immensely from the different perspectives and linguistic and cultural skills of all Americans.

The last time the United States had to draft young Americans into Service, the military was nearly twice the size of the force today. A draft, given the current requirement for just over a quarter of a million new accessions each year, would be possibly forcing some young people into doing something they do not want to do and, at the same time, denying others who want to join the opportunity to serve. Even if a mass mobilization were required, the recall of active and inactive reservists would suffice for all but the most extraordinary of circumstances.

Since the creation of the All-Volunteer Force in 1974, the U.S. military has maintained the smartest, strongest, and most technically lethal military in the world. As tested by dual conflicts in Afghanistan and Iraq, the volunteers of America's Armed Forces sustained operations for over 12 years, keeping the Services at high readiness throughout this unprecedented period of military operations.

EXCESSIVE CONTRACTOR SALARIES

13. Senator MANCHIN. Secretary Hagel, U.S. taxpayers pay contractors as much as $700,000 per year. Many times these contractors do the same jobs that our troops do, and as the Secretary of Defense, you make about $200,000 a year. That's a lot less than $700,000. I'm not spilling any secrets here—all this information is public. I truly believe that you are serious about reforming the DOD budget. Can you tell me—where is the common sense when contractors make so much more than our very own Secretary of Defense?

Secretary HAGEL. You are correct, Senator; I am committed to budget reform. By law, allowable contractor executive compensation costs are limited to a benchmark compensation amount determined annually by the Administrator of the Office of Federal Procurement Policy (OFPP). While the contractor personnel can be paid more than that amount by their employers, the costs cannot be passed on to the taxpayers through Government contracts. The NDAA for Fiscal Year 2012 extended the compensation cap on executive salaries to all contractor employees, with limited exceptions; this broader limitation is being incorporated into the Federal Acquisition Regulation through the rulemaking process. The NDAA for Fiscal Year 2013 directed the GAO to study the impact of tying the cap to either the President's or the Vice President's salary, rather than the OFPP benchmark. I understand that the GAO study is almost complete and that should inform the discussion on compensation.

In addition to the statutory cap on compensation, there are longstanding limitations on the allowability of compensation costs. Employee compensation costs will not be reimbursed by the Government unless the costs are determined to be reasonable in amount, are otherwise allowable, and are properly allocable to a Government contract. Reasonableness is determined by comparing a contractor's employee compensation data to that paid on a comparable industry-wide basis. Excessive compensation is disallowed as unreasonable.

VETERANS UNEMPLOYMENT

14. Senator MANCHIN. Secretary Hagel and General Dempsey, as we've discussed before, my good friend Senator Mark Kirk and I formed the bipartisan Congressional Veterans Jobs Caucus to address veterans' unemployment. The veterans' unemployment epidemic is affecting the defense budget too. I find it troubling that DOD will spend nearly $1 billion this year in unemployment compensation. This figure has increased by over 300 percent since 2003, when DOD spent about $300 million on unemployment benefits. Our younger veterans are increasingly at risk. The 18- to 24-year-old veterans' unemployment rate is at 33 percent. What are you doing to help our troops find a job, before they need a job—before they leave the Service?

Secretary HAGEL. The Department's efforts are not merely about finding jobs for our future and current veteran population, but also include empowering them with

the skills-development training, information, awareness, and confidence to be "career ready" and highly competitive in today's very challenging labor market. As you may already be aware, the Department recently revamped its Transition Assistance Program (TAP) into a cohesive, modular, outcome-based program. TAP is an outcome-based curriculum known as Transition GPS (Goals, Plans, Success), which provides practical skills, development training, and tools to veterans. These resources include financial planning seminars, VA workshops on available benefits, and Department of Labor Employment Workshop. DOD is also aggressively pursuing licensing and credentialing programs with many State agencies and trade associations allowing members to translate their military training into professional licenses and related items.

General DEMPSEY. I would say the biggest challenge is making sure we prepare them properly for transition. We want to make sure that these young men and women who have served so honorably and so well and have the skills and attributes, can translate their service in the military into employment in the civilian sector. We need to begin preparing them for transition at the beginning of their careers and not wait and cram it into the last 6 weeks before they separate from Service.

That said, the recent changes to the TAP are the most prominent efforts within DOD to improve employment outcomes for our transitioning servicemembers. Working with the VA and the Department of Labor we've redesigned the TAP into a comprehensive, mandatory program that includes pre-separation counseling, a military-to-civilian skills review, VA benefits briefings, financial planning support, a job search skills building workshop and individual transition plan preparation. We've expanded the timeline and created multiple tracks, to include technical training for those pursuing a technical career as well as an entrepreneurial track to prepare servicemembers wishing to start a business or be self-employed.

OVERSPENDING IN AFGHANISTAN

15. Senator MANCHIN. Secretary Hagel and General Dempsey, the President accelerated the draw down of forces this year. But, war spending is higher than expected and one of the cited reasons for the current budget shortfall. Why are we spending more in Afghanistan than projected?

Secretary HAGEL. I expect the drawdown of 34,000 troops in Afghanistan, as announced by the President, will eventually lead to lower overseas contingency operations (OCO) budgets. The drawdown will occur mostly in fiscal year 2014.

However, for fiscal year 2013, the Department is experiencing higher-than-budgeted costs in war spending because operating tempo in Afghanistan and transportation/retrograde costs are higher than anticipated. Efforts to responsibly draw down troop strength in Afghanistan require oversight, logistics support, base closure activities, and environmental remediation, a lot of which was not anticipated when formulating the fiscal year 2013 OCO budget.

As we move toward a responsible drawdown in fiscal year 2014, the budget is not projected to decrease proportionately to the forces in Afghanistan, because the cost reduction associated with fewer troops will be substantially offset by increasing costs such as:

- Preparing facilities for closure/environmental remediation;
- Bringing equipment home (transportation and retrograde costs);
- Costs for contractor personnel, which tend to lag reductions in troop costs because contractors are heavily involved in closure activities;
- Fixing or replacing equipment and replenishment of munitions (reset costs), which will remain high for several years after combat activities end; and
- Costs for sustaining in-theater forces—that is, units and forces operating outside Afghanistan but supporting our troops in Afghanistan and other activities in the U.S. Central Command region—largely continue at a steady pace of operations.

General DEMPSEY. The Department's operating tempo and transportation costs in Afghanistan are higher than we anticipated when we developed the fiscal year 2013 OCO submission. Our efforts to responsibly drawdown troop strength in Afghanistan require oversight, logistics support, base closure expertise, and environmental inspectors/controls, most of which were not included in the fiscal year 2013 OCO request. Finally, we could not predict the higher retrograde costs due to the slow reopening of the Pakistan ground routes.

The Department has submited a reprogramming action to Congress to largely offset war-related costs and avoid adverse effects on our wartime operations. The $7.5

billion in transfer authority provided in fiscal year 2013 will provide some relief from this shortfall.

16. Senator MANCHIN. Secretary Hagel and General Dempsey, in some cases, are we spending more money to retrograde equipment than the actual equipment is worth?

Secretary HAGEL. In most cases, if the cost to retrograde an item exceeds its acquisition value, the Military Services will not retrograde the item. Instead, the Military Service will dispose of the item in accordance with existing authorities and guidance for reutilization, transfer, donation, demilitarization and destruction. In a limited number of cases, an item whose retrograde cost exceeds its acquisition value may be retrograded if it retains significant military utility and cannot be easily or quickly replaced.

General DEMPSEY.

- In many cases, such as for tactical vehicles, the equipment is being sent back with several upgrades and better capabilities than when it arrived in Afghanistan. These battlefield improvements represent lessons learned during combat, and it is essential we bring this knowledge home to benefit America's future national defense.
- The focus for us is not the cost but the requirement to bring home needed military capability, to ensure U.S. Armed Forces maintain proper future readiness. That being said, it will likely cost several billion dollars total, which is a good investment since the equipment in question would cost many times that amount to replace.
- In cases where the materiel is excess to the needs of the DOD and/or the transportation cost exceeds the fair market value, the materiel will be donated or disposed of. The disposition of U.S. equipment and supplies is an area of interest to Congress. Congress will be notified of the intent to donate or sell military equipment.

TROOP LEVELS IN AFGHANISTAN

17. Senator MANCHIN. General Dempsey, after 2014, the North Atlantic Treaty Organization (NATO) is planning for somewhere between 8,000 to 12,000 troops in Afghanistan. You said, "I find that to be a reasonable target." If we leave this many troops in country, I fear the war in Afghanistan may never conclude. In Iraq, we currently have less than 300 troops there. Why do you feel 8,000 to 12,000 troops are needed in Afghanistan after 2014?

General DEMPSEY. In my military judgment, a NATO force of 8,000 to 12,000 is necessary to secure our national objectives as I currently understand them in a post-2014 environment. NATO's proposed force structure range preserves flexibility, limits unnecessary risk to force and mission, and supports the objectives of the Afghanistan campaign. We will continue to refine our analysis and coordinate with NATO as conditions change over time.

ACTIVE COMPONENT TO RESERVE COMPONENT FORCE MIX

18. Senator MANCHIN. Secretary Hagel, since September 11, the Army National Guard has deployed over 500,000 soldiers to Iraq or Afghanistan. This includes 5,700 West Virginia guardsmen. Our Guard is really indistinguishable from the Active Force. Long gone are the days when our Guard didn't have a seat at the table. But, I'm not sure we've learned as much from this experience as we should have, and are yet to truly unleash the full potential of an operational reserve. I'm sure you are well aware that even after the Army completes its projected downsizing to 490,000 soldiers, it will actually be slightly larger than it was on September 11. Do you feel we have the right mixture of Active component and Reserve component forces?

Secretary HAGEL. At present, the Active component and Reserve component mix is about right. The National Guard and Reserves clearly proved their ability to accomplish assigned missions both overseas and at home. They will continue to play a vital role as the Department moves beyond the past decade of war in Iraq and Afghanistan, shaping the force in accordance with a defense strategy addressing the challenges of a new era. The high state of readiness of the Reserve Forces has been, and will continue to be, a strength for the Department. DOD is looking for opportunities to continue to use the National Guard and Reserves as part of the operational force.

19. Senator MANCHIN. Secretary Hagel, can we push more of our Active Force to the Guard to save money and retain our trained forces?

Secretary HAGEL. The Active component/Reserve component is at appropriate levels. Over the last decade, the Department has learned a significant amount about using Reserve Forces in many different mission sets. Reserve Forces provide unique opportunity to preserve operational capability and mitigate risk at reduced costs. The upcoming QDR will lay the ground work for assigning mission sets to all forces. Each component brings different capabilities to the fight. I will be looking to the Chairman of the Joint Chiefs of Staff, working closely with the Services and the Chief of the National Guard Bureau to recommend the most effective mix and makeup of Active, Reserve, and Guard personnel to support the Defense Strategy. We need to capitalize on each of the Reserve component capabilities. We need to take advantage of Reserve and Guard cost efficiencies where mission and acceptable risk permits. Determining the best mix is important to our national security, the efficient operation of the Department, and the overall cost effectiveness for U.S. taxpayers.

PRESIDENT'S DEFENSE BUDGET REQUEST

20. Senator MANCHIN. Secretary Hagel and General Dempsey, this budget largely ignores the caps that are in place under current law. While we all want a more balanced approach, the Budget Control Act (BCA) is the law of the land. If no deal is reached, at some point, between now and October, DOD will have to adjust to the sequester levels. In your estimation, at what point in the year would DOD need to move forward at the sequester levels and reduce this budget by $52 billion?

Secretary HAGEL. The President's fiscal year 2014 budget request conforms to the discretionary spending limits in the BCA, as amended, as well as being within the targets established by both the Senate and House Budget Committees. The BCA does contain a provision for reducing these limits by over $50 billion for the defense function; however, this provision is intended as a forcing function as all of the parties to this agreement agreed that these steep reductions were not intended to take effect. The President's budget contains sufficient deficit reduction to meet the threshold of the BCA, which, if enacted, would avoid sequestration.

General DEMPSEY. The fiscal year 2014 President's budget, in total, exceeds the deficit reduction targets in the BCA, meeting the intent of the law. This budget also proposes a level of defense funding that we believe is appropriate to defend the Nation. Secretary Hagel initiated a Strategic Choices and Management Review (SCMR) to examine options in the event sequestration cannot be mitigated.

21. Senator MANCHIN. Secretary Hagel and General Dempsey, do you plan on further end strength cuts if the sequester levels remain in place?

Secretary HAGEL. The fiscal year 2014 budget builds on the choices from the previous budget cycle and further implements the strategy articulated in the January 2012 Defense Strategic Guidance. In developing the fiscal year 2014 budget and planning for future years, the Department will adjust the size of the Total Force commensurate with requirements for future missions, while at the same time ensuring full support for the All-Volunteer Force.

If sequester levels remain in place, DOD will ask for flexibility to apply the reductions in a more strategic manner than the current across-the-board sequestration rules permit. I have initiated the SCMR to focus on the choices the Department faces in fiscal year 2014 and beyond, informed by the strategy that was put forth by the President a year ago. DOD must consider all options, including further force adjustments, to absorb a $52 billion reduction.

General DEMPSEY. The new strategy calls for a smaller and leaner force. Last year we proposed reductions of about 100,000 in military end strength between fiscal year 2012 and fiscal year 2017. Most of those reductions occur in the ground forces and are consistent with the decision not to size U.S. ground forces for prolonged stability operations.

The fiscal year 2014 President's budget proposes no additional end strength reductions, but the Secretary's SCMR is assessing the potential impact of further funding reductions. The SCMR will reassess the basic assumptions that drive the Department's investment and force structure decisions. As Secretary Hagel has said, everything will be on the table, including force structure, personnel and compensation, acquisition and modernization, how we operate, and how we measure and maintain readiness. The review will identify the strategic choices and further institutional reforms that still may be required, including those reforms which should be pursued regardless of fiscal pressure.

BUDGET FLEXIBILITY AND REPROGRAMMING AUTHORITY

22. Senator MANCHIN. Secretary Hagel and General Dempsey, although we hope for a budget solution that is more balanced, the sequester and its caps are the law of the land. In the meantime, I am concerned that amount of flexibility Congress gave you to enact the cuts was insufficient. For instance, I was informed that the Army National Guard needs approximately $123 million in reprogramming authority to pay certain guardsmen during this summer's annual training. What do you feel would be an optimal amount of additional flexibility during this year if the sequester cuts remain?

Secretary HAGEL. If the President's fiscal year 2014 budget for DOD were enacted by Congress as submitted, no other action was taken to avoid sequestration, and the President chose to exempt military personnel from sequestration, the Department would face a $20 billion shortfall in our O&M accounts. Thus, the Department sees a requirement for $20 billion in general transfer authority as a minimum to support the warfighters in the field and restore and maintain military readiness. It would, of course, be difficult to find the sources for these potential transfers without doing irreparable harm to our investment portfolio.

General DEMPSEY. We are now in a different fiscal environment. In order to put the Department on a path to sustain our military strength for the 21st century, we will need time, flexibility, and budget certainty. This means time to deliberately evaluate the tradeoffs in force structure, modernization, compensation, and readiness, the full flexibility to keep the force in balance, and a predictable funding stream.

We only have a few months left to absorb up to $41 billion in reductions in fiscal year 2013. The Department is complying with the law and accommodating these reductions by cutting back sharply on everything from training to maintenance. If sequestration continues through the end of fiscal year 2013, we will be forced to impose far-reaching changes that will seriously damage military readiness. Unfortunately, at this point in the fiscal year, additional flexibility does not help very much.

QUESTIONS SUBMITTED BY SENATOR JEANNE SHAHEEN

FURLOUGHS

23. Senator SHAHEEN. Secretary Hagel, one of the big concerns I have at this time is the effect furloughs might have on our readiness. DOD is currently considering furloughs of up to 14 days for our civilian workforce. In many cases, furloughs could wind up costing us more in the long run. For instance, the Navy has indicated that furloughs of our shipyard workforce could result in delayed maintenance of around 85 days. I understand the Navy has submitted proposals to find savings elsewhere and eliminate the necessity of furloughs altogether. I understand that DOD is currently considering plans for furloughing the civilian workforce. As you make a decision, can we have your commitment to take into account the long-term costs associated with furloughing our critical civilian workforce, particularly the long-term costs of delayed maintenance, possible overtime pay, and a growing backlog of ship and aircraft availabilities?

Secretary HAGEL. Major budgetary shortfalls drove the basic furlough decision. Before making a decision, I sought advice from senior leaders in the military departments and agencies as well as advice from my senior civilian and military staff. I asked them to keep in mind our fundamental criterion to minimize adverse mission effects and, subject to that criterion, to ensure reasonable consistency and fairness across DOD for any furloughs that we impose.

Based on all these inputs, I decided to direct furloughs of up to 11 days for most of the Department's civilian personnel. This halving of previous furlough plans reflects vigorous efforts to meet budgetary shortfalls through actions other than furloughs.

Furloughs will be imposed in every military department as well as almost every agency and in our working capital funds. All of our civilian employees are important, and I would prefer not to furlough any of them. However, there will only be limited exceptions driven by law and by the need to minimize harm to mission execution.

I understand that the decision to impose furloughs will impose financial burdens on our valued employees, harm overall morale, and corrode the long-term ability of DOD to carry out the national defense mission. I deeply regret these aforementioned effects of my decision. Nevertheless, I continue to urge our Nation's leaders to reach an agreement to reduce the deficit and detrigger sequestration.

24. Senator SHAHEEN. Secretary Hagel, will you do what you can to find alternative ways to eliminate the need for civilian furloughs altogether?

Secretary HAGEL. Major budgetary shortfalls drove the basic furlough decision. Before making a decision, I sought advice from senior leaders in the military departments and agencies as well as advice from my senior civilian and military staff. I asked them to keep in mind our fundamental criterion to minimize adverse mission effects and, subject to that criterion, to ensure reasonable consistency and fairness across DOD for any furloughs that we impose.

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PUBLIC SHIPYARDS

25. Senator SHAHEEN. Secretary Hagel, our four public shipyards—in Washington State, Hawaii, Virginia, and Maine—are the backbone of our naval power. We are pleased that the Navy has agreed to accelerate a critical military construction project into this budget. In addition, we are pleased at the fact that the Navy may actually hit its 6 percent capital investment requirement for its installation sustainment account in the fiscal year 2014 budget. We look forward to supporting that commitment. These are good first steps, but more will need to be done in the years ahead to ensure that all of our public shipyards are modernized to meet their responsibilities. We are eagerly awaiting the shipyard modernization plan that this committee required from the Navy in the NDAA for Fiscal Year 2012. I understand it is on its way to us soon. Will you commit to pressing the Navy to fully fund the investments needed to implement this important modernization plan to the extent practicable?

Secretary HAGEL. The report to Congress on the Navy's Investment Plan for the Modernization of Naval Shipyards was delivered today. It outlines Navy's overall investment strategy to ensure the long-term continued mission effectiveness of naval shipyards.

Given the critical nature of naval shipyard facilities and requirements for uninterrupted service for aircraft carrier and submarine depot maintenance, the Navy recognizes the importance of infrastructure investments to improve mission-essential facilities as quickly as possible.

I will commit to pressing the Navy to fund shipyard investments, which is challenged by the current lack of predictability of future DOD budgets and competing requirements. Within the unpredictable environment, the Navy will address the investments on a year-to-year basis, balancing shipyard investments with those of the operating fleets.

GAY AND LESBIAN SERVICEMEMBERS

26. Senator SHAHEEN. General Dempsey, is there any reason to believe that gay and lesbian servicemembers are in any less danger than their straight counterparts during their time in uniform or their deployments overseas?

General DEMPSEY. No. There is no reason to believe that gay and lesbian servicemembers are in any less danger than their straight counterparts during their time in uniform or their deployments overseas.

All servicemembers, regardless of sexual orientation, face similar challenges and threats during their time in uniform or when deployed overseas. With our All-Volunteer Force, all servicemembers will continue to be eligible for worldwide assignment without consideration of sexual orientation.

27. Senator SHAHEEN. General Dempsey, do you see any military reason that the families and spouses of gay and lesbian servicemembers should not have access to compensation or benefits should their loved ones be injured or killed?

General DEMPSEY. No, I do not. Currently there are 20 member-designated benefits that can be extended to same-sex domestic partners; 12 of these benefits are survivor and death benefits available to the same-sex domestic partner of the military member if he/she designates the same-sex domestic partner as a beneficiary. On February 11, 2013, the Secretary of Defense announced the extension of 22 additional benefits for same-sex domestic partners of military members, and, where applicable, the children of the same-sex domestic partner. However, if the law governing the benefit defines the term "dependent" to be a spouse, then the Defense of Marriage Act prohibits us from extending the benefit to a same-sex domestic partner. DOD is committed to extending benefits to same-sex domestic partners to the maximum extent allowable under current law.

28. Senator SHAHEEN. Secretary Hagel, can you think of any other segment of individuals serving in our military that are entitled to fewer benefits than their peers based on their lifestyle?

Secretary HAGEL. Other than single individuals not being entitled to the same benefits as individuals with family members, no I cannot. For example, married servicemembers qualify for a higher basic allowance for housing rate than unmarried members without dependents. In this regard, under the law some benefits require gay and lesbian servicemembers to be treated the same as single servicemembers, despite being in committed relationships. If the law governing the benefit defines the term "dependent" to be a spouse, then the Defense of Marriage Act prohibits us from extending the benefit to a same-sex domestic partner.

To address this inequity, on February 11, 2013, then-Secretary Panetta announced the extension of additional benefits for same-sex domestic partners of military members, and where applicable, the children of the same-sex domestic partner, where the Department could extend benefits by policy. In advancing this policy change, then-Secretary Panetta committed DOD to extending benefits to same-sex domestic partners to the maximum extent allowable under current law.

29. Senator SHAHEEN. Secretary Hagel, do you foresee any managerial problems in providing benefits to the families of gay and lesbian servicemembers?

Secretary HAGEL. No, I do not. Implementation of the benefits announced on February 11, 2013, requires substantial policy revision, training, and, in the case of identification cards, changes to computer applications. DOD and the Military Services are currently working on these revisions and developing mechanisms to ensure the force is informed of the pending changes. It is my expectation that DOD and the Military Services will make every effort to ensure specified benefits will be available for same-sex domestic partners of military members, and, where applicable, the children of same-sex domestic partners.

VIRGINIA–CLASS SUBMARINES

30. Senator SHAHEEN. Secretary Hagel, DOD's submarine capability will be a critical asset in the rebalance to the Asia-Pacific especially in light of nations in that region (China, North Korea, India, and Pakistan) placing an increased emphasis on developing their undersea programs. I am pleased to see that DOD was able to protect its investments in ship construction despite the difficult challenges imposed by sequestration. The procurement of two *Virginia*-class submarines in fiscal year 2014 with a plan to procure a total of 10 over the next 5 years signals your commitment to maintaining a preeminent submarine force. What effect will sequestration have on DOD's ability to meet its shipbuilding goals?

Secretary HAGEL. DOD is currently assessing the impact of sequestration on its shipbuilding goals as part of a review of the Defense Strategy. Upon completion of the review, DOD will balance the level of risk across warfighting and support capabilities for the full range of potential military operations and prioritize procurements to meet those requirements. Changes to ship force structure numbers and types of ships will be evaluated based upon the results of this review.

31. Senator SHAHEEN. General Dempsey, I mentioned the undersea developments within the Asia-Pacific region. Do you feel confident that the *Virginia*-class submarine procurement plan and proposed enhancements are adequate to meet 21st century demands of our submarine force?

General DEMPSEY. Yes. The current *Virginia*-class submarine procurement plan supports a post-2020 SSN force of sufficient size to meet the 21st century demands of our submarine force. We plan to procure 30 *Virginia*-class submarines to maintain a post-2020 force of 48 attack submarines.

COOPERATIVE THREAT REDUCTION IN THE MIDDLE EAST AND NORTH AFRICA

32. Senator SHAHEEN. Secretary Hagel, you recently announced that the administration is utilizing DOD's CTR authorities to work with Jordan to help them counter the threat from Syria's chemical weapons. I believe that the Middle East and North Africa region represent a growing proliferation challenge when it comes to weapons of mass destruction (WMD)-related materials. I believe we should be supporting more CTR and nonproliferation programs in this region. Do you believe the United States is doing enough to work with our partners in the region to build their capacity to prevent, detect, or interdict WMD-related materials—particularly with respect to Syria's chemical weapons stockpile?

Secretary HAGEL. The U.S. Government is undertaking a significant effort to enhance the capacity of partners to mitigate the threat from Syria's chemical weapons stockpile. DOD's CTR program plays a key role in these efforts. In October 2012, then-Secretary Panetta, with the concurrence of the Secretary of State, exercised the authority to initiate CTR programs outside the area of the former Soviet Union, and specifically in the Middle East region to enable activities intended to mitigate threats from Syria's chemical weapons program. The CTR program's new work builds on an existing DOD CTR program to enhance Iraq's biosecurity capacity. DOD intends to use the CTR program's full suite of capabilities to enhance partner capacity through both training and equipment. DOD will continue to coordinate closely with the Department of State and Department of Energy, both of which are also undertaking important nonproliferation efforts in the region. Although WMD development and proliferation remain persistent threats in the Middle East, North Africa, and elsewhere, DOD seeks to advance its highest CTR priorities and is continuously evaluating how to apply available resources to address the most immediate threats most effectively.

33. Senator SHAHEEN. Secretary Hagel, given the threat posed by Syria's chemical weapons and other proliferation challenges in the region, can we anticipate additional CTR programming requests in the Middle East and North Africa?

Secretary HAGEL. The fiscal year 2014 budget submitted by the President requested $528.5 million for the CTR program, which includes current requirements in the Middle East and North Africa. However, if the situation in Syria changes dramatically, such that the U.S. Government had a Syrian partner with which it could undertake efforts to secure and destroy Syria's chemical weapons stockpile, then the CTR program might face additional requirements. In that circumstance, DOD would seek to fund new requirements using available resources first, but would engage Congress if additional appropriations became necessary.

34. Senator SHAHEEN. Secretary Hagel, does DOD have all the authorities it needs to ramp up CTR efforts in the Middle East and North Africa?

Secretary HAGEL. Yes. The Middle East determination that Secretary Panetta signed in October 2012, with the concurrence of Secretary Clinton and Secretary Chu, enables DOD to help regional partners mitigate the threat from Syria's chemical weapons through the full suite of CTR program tools. DOD's CTR program also provides the ability to help Libya secure and destroy its chemical weapons stockpile, and to enhance Iraq's biosecurity capabilities. The applicable determinations reflect the DOD CTR program's current priorities and validated opportunities. If the Department identifies additional priorities in the region not already covered by my Department of State and Department of Energy counterparts, and if such potential opportunities for cooperation were validated, DOD could address these opportunities by proposing additional determinations to expand the CTR program accordingly.

QUESTIONS SUBMITTED BY SENATOR ANGUS KING

REVERSIBILITY

35. Senator KING. Secretary Hagel, last year's Defense Strategic Guidance, "Sustaining U.S. Global Leadership: Priorities for 21st Century Defense," discussed the need to build the concept of reversibility into defense investment decisions we make in case our current assumptions about the future security environment are not valid. It specifically said we need to apply this concept to decisions we make concerning the industrial base, our people, our Active-Reserve component balance, our posture, and our partnership emphasis. How do you define reversibility, and how does the fiscal year 2014 budget request and Future Years Defense Program (FYDP) embody this concept?

Secretary HAGEL. Reversibility applies to DOD's ability to make course corrections in response to strategic, economic, or technological change. It is very hard to predict the future in this current environment. It takes years to recover a particular skill set when lost, if ever. That fact has been factored into DOD's program and budget decisions. So even though a particular program may have been weak, or something we thought about doing away with, if in doing away with it we would completely lose a capability or the ability to have that capability in the future on a timely or responsive basis, we have input of what to do in that case. The guiding principle of reversibility has spurred DOD to try to maintain investments in science and technology as well as research and development.

DEFINITION OF KEEPING THE FAITH

36. Senator KING. General Dempsey, what are your thoughts about what it means to you and the Joint Chiefs of Staff to keep faith with our men and women in uniform, their families, and veterans? Specifically, please discuss the concept of keeping faith in the context of military pay, benefits, and health care so that this committee can understand your views as we consider proposals related to military compensation, TRICARE, and other personnel issues.

General DEMPSEY. Yes, "Keeping Faith with Our Military Family" is one of the four priorities I established upon taking office. The most important way we keep faith is by making sure our soldiers, sailors, airmen, marines, and coastguardsmen are the best trained, led, and equipped when we send them into harm's way.

We should also honor our commitments to just and sustainable pay and compensation. I think we can reform both in a way that: (1) ensures long-term viability of an All-Volunteer Force; (2) fosters successful recruiting, retention, and military careers; (3) ensures quality of life for members, retirees, and families; and (4) achieves fiscal sustainability. We should pursue such reform comprehensively and at once if possible to remove prolonged uncertainty.

QUESTIONS SUBMITTED BY SENATOR JAMES M. INHOFE

HEALTH OF THE FORCE

37. Senator INHOFE. General Dempsey, you recently indicated to Congress that in your assessment of the military readiness, there are several worrisome health of the force indicators, but you did not elaborate further. Can you provide a detailed description of the indicators that are causing you concern and their anticipated trends over the next 5 years and for each one, can you suggest remedies to alleviate your concerns?

General DEMPSEY. Yes, there are a number of health of force indicators that make me concerned. Among them are suicide rates, sexual assault, behavioral/mental health issues, divorce rates, and retention rates. The Joint Staff continues to work with the Office of the Secretary of Defense, the Services, and Congress to implement holistic solutions to address each of these problem areas. We will continue to monitor these indicators and seek every opportunity to adopt/evolve our policies and practices. Senior leaders across all of the Services are unified in this effort.

DEFENSE ACQUISITION

38. Senator INHOFE. Secretary Hagel and General Dempsey, in January, Admiral Winnefeld, in his role as head of the Joint Requirements Oversight Council (JROC), authored a memorandum which stated: "the JROC encourages Program Managers, Program Executive Officers (PEO), and Component Acquisition Executives, in coordination with the requirements sponsor, to officially request requirements relief, through the appropriate requirements validation authority, where Key Performance Parameters (KPP) appear out of line with appropriate cost-benefit analysis." Obviously, this reform was designed to overcome situations such as when we spend 15 percent of a program's budget to get the last 3 percent of KPP. Though this reform is new, does DOD have any preliminary examples of how this reform has positively affected the acquisition process?

Secretary HAGEL. Since the Vice Chairman, in his role as head of the JROC, promulgated the KPP relief memorandum in January 2013, the Air Force was granted KPP relief for the required number of concurrent Joint Space Operations Center Mission System operators, which helped the program to stay on schedule; and the Army's Apache Block III program ground proximity hover characteristics were reset to a level more in line with observed mission profiles. Admiral Winnefeld and Mr.

Kendall are also working closely together to set KPPs at levels to provide effective and affordable capability to the warfighter in programs such as the Navy's Air and Missile Defense Radar program, and the Air Force Three Dimensional Expeditionary Long Range Radar program.

General DEMPSEY. Shortly after the release of this particular JROC memorandum, the Air Force requested KPP relief for the minimum number of users supported by the Joint Space Operations Center Mission System. The JROC reduced the threshold value for the number of concurrent users and consequently enabled the Air Force to meet the timeline for increment 1 Milestone C.

Additionally, in February the Army brought its Apache Block III program back to the JROC for relief of its hover-out-of-ground-effect capability. The JROC approved the proposed change which allows for a slight decrease in the required performance to account for expected engine wear over the life of the program.

39. Senator INHOFE. Secretary Hagel and General Dempsey, what are your thoughts on the potential of this reform?

Secretary HAGEL. Seeking KPP relief is not a new option. For instance, in 2009 the Navy sought and was granted acoustics related KPP relief for the *Virginia*-class submarine to bring those parameters more in line with mission requirements. However, the Vice Chairman's memorandum, as well as other directive and process revisions, have served to strengthen the coordination and synchronization of our activities to control cost and/or schedule.

General DEMPSEY. This initiative and similar efforts, like the pending update to the Department of Defense Instruction (DODI) 5000.02 and the revision of the Joint Capabilities Integration Development System (JCIDS) guidance documents, strive to improve the coordination between the requirements and acquisition processes. By building a more synchronous, dynamic, and flexible relationship between military requirements, acquisition, and budgetary efforts, DOD is better positioned to realize timely delivery of warfighter capability at a reasonable cost.

40. Senator INHOFE. Secretary Hagel and General Dempsey, how can DOD's leadership encourage such reforms in the future?

Secretary HAGEL. DOD's Better Buying Power 2.0 initiative provides a framework and specific tasks to continuously examine our sequestration processes to drive efficiency and effectiveness, measure progress, and capture lessons learned. To ensure leadership engagement, the Vice Chairman of the Joint Chiefs of Staff; Director, Cost Assessment and Program Evaluation; and Under Secretary of Defense for Acquisition, Technology, and Logistics will hold Quarterly Leadership Forums to ensure leadership visibility and engagement in process improvement. The Better Buying Power 2.0 initiative encourages the Services to emulate these cross-authority discussions within their Departments.

General DEMPSEY. We believe that maintaining focus on the changes put in place recently and continuing to improve the requirements process and its interaction with acquisition and resourcing will be key to future successes. The review and revision of the Chairman of the Joint Chiefs of Staff Instruction (CJCSI) 5123.01 (JROC Charter), CJCSI 3170.01 (JCIDS Instruction), and the JCIDS Manual is ongoing. They will continue to emphasize flexibility and speed in requirements review and validation, and when necessary, reassessment and adjustments to previously validated documents when overreaching or poorly crafted requirements inhibit acquisition program success.

41. Senator INHOFE. Secretary Hagel and General Dempsey, are there any incentives for program managers and PEOs to request relief?

Secretary HAGEL. Better Buying Power 1.0 put affordability constraints on programs over 2 years ago. The DODI 5000.02, currently in coordination, stipulates affordability goals, treated as KPPs, at Materiel Development Decision and Milestone A, and places affordability caps at Pre-Engineering and Manufacturing Development and Milestone B reviews. These affordability constraints force prioritization of requirements, drive performance and cost trades, and ensure that unaffordable programs do not enter the acquisition process. If poorly designed KPPs are driving unacceptable cost growth, the PEO has a very strong incentive to seek relief or face potential program cancellation.

General DEMPSEY. The incentive for the program manager and PEO is to develop a capability that meets the warfighters' needs on time and within budget. By focusing program resources on the achievement of a single performance parameter, the ability to enhance the overall system capability is diminished. Therefore, in order to provide the best technically feasible solution to the warfighter while remaining

within budget, it is in the PEO's best interest to request requirements relief when appropriate.

The Marine Corps' request for KPP relief with the Joint Air Ground Missile (JAGM) offers an exemplar of a program manager willing to seek requirements relief. The JROC-approved KPP relief for JAGM range was based on an updated acquisition strategy employing incremental thresholds for range values. The new range values still satisfied the primary need to provide better than current Hellfire capabilities and allowed the program to remain affordable without driving delivery delay.

DEFENSE ACQUISITION

42. Senator INHOFE. Secretary Hagel and General Dempsey, in June 2011, GAO authored a report titled, "DOD Weapon Systems: Missed Trade-off Opportunities During Requirements Reviews." In this report, GAO recommended that the JROC establish a mechanism to review analysis of alternatives (AOA) results earlier in the acquisition process. The JROC has adopted this recommendation. What are the advantages of this change?

Secretary HAGEL. Previously, there was an extended gap between JROC reviews during which capability requirements were developed, refined, and endorsed. The formal review of AOA results brings all stakeholders together including Joint Staff, Cost Assessment and Program Evaluation, AT&L, and the Services, to assess the requirements analysis and proposed alternatives, especially regarding cost and technology risk, before performance parameters are finalized in the and Capability Development Document (CDD). This provides a great advantage to acquisition activities that follow, especially conveying vetted and executable program requirements to industry in the Requests for Proposals.

General DEMPSEY. An upfront review of the AOA provides the JROC an opportunity to review the relative cost, capability, and strategic risk associated with each alternative evaluated and the preferred solution proposed out of these studies. This is a key enabler for the JROC to execute its statutory responsibilities under 10 U.S.C., section 181. Additionally, senior decisionmakers have the opportunity to assess non-materiel approaches as alternatives or in conjunction with materiel solutions. A recent example was the review of the Unmanned Carrier Launched Airborne Surveillance and Strike (UCLASS) Initial Capabilities Document (ICD) and AOA which resulted in reducing several capability requirement values to deliver proposed solutions to the warfighter quicker and at lower costs. The entire effort is to ensure DOD delivers the required capabilities to our warfighters at the right time, in the right quantity, for the best price.

43. Senator INHOFE. Secretary Hagel and General Dempsey, is DOD better able to explore non-materiel solutions to military requirements?

Secretary HAGEL. The iterative nature of the JCIDS process provides avenues for sponsors to identify and employ non-materiel solutions to satisfy validated capability gaps. When prudent, the JROC will also assess non-materiel options before validating a requirement for a materiel solution. For example, this was the case when the JROC reviewed DOD nuclear sampling requirements. After approving the Mobile Nuclear Air Sampling Initial Capabilities Document, the JROC recommended pursuit of non-materiel solutions in lieu of additional aircraft procurement.

General DEMPSEY. The iterative nature of the JCIDS process provides avenues for sponsors to identify and employ non-materiel solutions to satisfy validated capability gaps. When prudent, the JROC will also assess non-materiel options before validating a requirement for a materiel solution. Such was the case when the JROC reviewed DOD nuclear sampling requirements. After approving the Mobile Nuclear Air Sampling ICD, the JROC recommended pursuit of non-materiel solutions in lieu of additional aircraft procurement.

44. Senator INHOFE. Secretary Hagel and General Dempsey, is DOD better able to determine a materiel solution which provides the best equipment to warfighters, while also providing the best value to taxpayers?

Secretary HAGEL. Refinements in both requirements and acquisition processes, and components' active engagement in seeking Joint solutions, have made DOD more effective in looking across capability portfolios to procure effective weapon systems at lower cost. Spearheaded by better buying power initiatives, our performance in acquisition is improving, and mechanisms are in place to sustain improvement in the severe budget-constrained environment.

General DEMPSEY. The JROC is looking at capabilities in portfolios more than ever, which is driving DOD away from each problem having a distinct solution. For example, the JROC reviewed potential overlapping requirements for Service specific surveillance radar capabilities. After providing some requirements relief, the JROC determined that the requirements for Air Forces' three-dimensional long-range radar and the Marine Corps' Ground/Air Task-Oriented Radar provided similar capabilities to the joint force. The JROC continues to identify ways to develop cost savings from these redundancies as the programs continue through acquisition development.

Additionally, the JROC directed an assessment of Ground Combat Vehicle (GCV) and Amphibious Combat Vehicle (ACV) commonalities. After a comprehensive review, the JROC determined a common platform for both Services was not achievable due to the differences in mission. However, the JROC identified common technical areas and subsystems which could provide cost savings. By employing a portfolio perspective when validating requirements, the JROC is better able to define requirements which address the warfighters' needs more efficiently and effectively.

45. Senator INHOFE. Secretary Hagel and General Dempsey, are there examples where as a result of early consideration of the AOA, DOD changed its approach?

Secretary HAGEL. The AOA reviews have served to increase Joint scrutiny for all programs as they progress through the requirements and acquisition processes. In the case of the Army's GCV, the set of preferred performance parameters which were identified in AOA review were carried forward as the program moved into the acquisition process. This early extensive analysis enables opportunities for expanded performance trade-space, technology risk reduction, and cost control.

General DEMPSEY. The Navy's UCLASS was on a track to provide one orbit's worth of high end capability at a premium cost. After JROC review, UCLASS is now well-placed within the broader portfolio of unmanned ISR aircraft with respect to performance, capability, and basing. As a result, the program is now positioned to provide a larger number of lower end, long-range platforms carrying a variety of agile payloads that are common to other platforms and which support a variety of missions.

46. Senator INHOFE. Secretary Hagel and General Dempsey, what other reforms in this area is DOD considering so that decisions such as these are considered earlier in the acquisition process?

Secretary HAGEL. Admiral Winnefeld and Mr. Kendall lead a dynamic collaboration between the Joint Staff and the Office of the Secretary of Defense to foster analytic rigor and informed decisions earlier. This helps to ensure that acquisition programs start on a solid footing with executable and affordable requirements. The JCIDS and Better Buying Power-driven Defense Acquisition revisions provide the framework for implementing that shift to earlier in the acquisition process.

General DEMPSEY. DOD is striving to push capability gap information out to industry earlier in the acquisition process and provide them insight into what DOD is considering for future capabilities. By partnering early with industry, DOD is better able to leverage industry S&T efforts and, informed by early S&T development, provide feasible and affordable options for acquisition decisions. A recent example of this new approach is the Army's Future of Vertical (FVL) Initial Capabilities Document which defined capability gaps in the 2030 and beyond joint operational environment. Combatant command identified capability gaps will be shared with industry early in the assessment process providing a starting point for requirements, determination, and cost-informed trades.

DEFENSE ACQUISITION

47. Senator INHOFE. Secretary Hagel and General Dempsey, the Weapon Systems Acquisition Reform Act of 2009 made important and beneficial changes to the acquisition process. This includes statutory changes to the mission of the JROC. One such change was to remove the phrase the JROC should "ensur[e] the consideration of trade-offs among cost, schedule, and performance objectives for joint military requirements" and insert "in ensuring that appropriate trade-offs are made among life-cycle cost, schedule, and performance objectives, and procurement quantity objectives, in the establishment and approval of military requirements." What has been the effect of this statutory change? Most importantly, does the change enable DOD to better strike a balance between providing the best equipment to the warfighter while ensuring, if a materiel solution is chosen, that it is affordable and sustainable over the long-term?

Secretary HAGEL. The JROC is increasingly focused on program affordability over the lifecycle when assessing and endorsing joint military requirements. This serves to move consideration of trade-offs among cost, schedule, performance, and quantity further to the left in the acquisition process. Collaboratively setting parameters correctly early in program development is a key objective of both requirements and acquisition authorities and processes.

General DEMPSEY. In short, the answer is yes. We are focused on life cycle costs, especially operations and support where most costs are incurred. Affordability is becoming more important and we expect to provide more guidance in this area in the upcoming DODI 5000.02 revision.

48. Senator INHOFE. Secretary Hagel and General Dempsey, what additional changes should this committee consider to the statute to better achieve that goal?

Secretary HAGEL. The Department has submitted a legislative proposal that would amend section 2366b(a) of title 10 U.S.C which would allow for a more effective sequence of acquisition events and improve the operation of the DOD acquisition system. This sequence would have the formal Milestone B occurring when the Milestone Decision Authority approves the program plan and authorizes the release of the solicitation to industry and the Preliminary Design Review would be required prior to contract award.

General DEMPSEY. We believe that the 2013 NDAA changes provide the statutory guidance needed to move forward and improve upon the way we do business. We are already updating our guidance documents to ensure this is a focus in future requirements, acquisition, and resourcing decisions.

49. Senator INHOFE. Secretary Hagel and General Dempsey, the JROC has adopted new management procedures where the number of individuals who are invited to participate in JROC meetings has been significantly reduced. Has this increased the effectiveness and timeliness of the requirement determination process, and if so, how?

Secretary HAGEL. Admiral Winnefeld instituted the smaller forum to enable frank and open discussion among top leadership addressing shaping of the future force. The Office of the Secretary of Defense advisors to the JROC, particularly USD(AT&L), Director, CAPE, and USD(C) play a key role in those forums to produce informed, coordinated, and timely decisions on the Nation's defense capabilities. As a result, the JROC has become more agile and responsive, limiting its agenda and participation to top level leadership decision-making, and increasingly driving issues analysis and coordination to lower level preparatory forums.

General DEMPSEY. We believe this change is extremely positive and has resulted in more frank, open, and joint force-focused discussions by the JROC. Senior leadership is having a dramatic impact on shaping the joint force of the future. Critical issues are address for more timely and informed decisions as programs move through the resourcing and acquisition processes. Additionally, regular attendance of the statutory advisors, in particular USD(AT&L), D/CAPE, and USD(C), at the JROC forums has made coordination between requirements, acquisition, and resourcing processes more effective.

AUDITABILITY

50. Senator INHOFE. Secretary Hagel and General Dempsey, DOD is required to achieve audit readiness for its Statement of Business Resources (SBR) by September 30, 2014. In addition, by September 30, 2017, DOD is required to achieve audit readiness for its full financial statement. In order to assist in achieving these legal requirements, DOD has published a Financial Improvement and Audit Readiness (FIAR) Guidance. This FIAR Guidance outlines a process of four waves for achieving DOD's legal requirements. Each wave has objectives which must be achieved before progressing to the next wave. For example, upon successful completion of Wave 2, DOD's SBR must be able to be audited. In addition, at the conclusion of Wave 4, DOD's full financial statement will be audited. What is less certain is the specific timeline for accomplishing the objectives of Waves 1 and 3. What are the specific timelines for achieving the requirements of Waves 1 and 3, and is DOD on schedule?

Secretary HAGEL. The Department's incremental strategy for achieving audit readiness and the roadmap to auditable financial statements are contained in the DOD FIAR Guidance, which is being followed by all DOD Components and is detailed in their financial improvement plans. The FIAR Strategy is comprised of four waves. Completion of Wave 2 is dependent on the successful completion of Wave 1,

and the completion of Wave 4 is dependent on the successful completion of Waves 2 and 3.

Specific information relating to the four waves and DOD's status on each wave follows:

Wave 1 - Appropriations Received Audit has been completed by all DOD Components and validated as audit ready. The completion of this milestone was important, demonstrating that the funds appropriated to the Department are properly recorded and can be presented in the manner required by a financial audit. As such, Wave 1 was an important first step to enable completion of Wave 2.

Wave 2 - Statement of Budgetary Resources Audit builds on and expands the FIAR activity of Wave 1 by focusing testing and corrective activity on the business and financial processes that impact the SBR, which is also necessary to successfully complete Wave 4. All DOD Components are currently working on Wave 2 and are on track to achieve audit readiness of these processes by September 30, 2014, as required by the NDAA for Fiscal Year 2012. Audits are scheduled to begin in fiscal year 2015.

Wave 3 - Mission Critical Asset Existence and Completeness Audit requires DOD Components to improve practices, processes, controls, and systems to ensure mission critical assets are ready for existence and completeness audits. Since the existence and completeness of mission critical assets was established as a FIAR priority in August 2009, work is well underway and 53 percent of the assets are either under audit, validated as audit ready, or asserted as audit ready. Completing Wave 3 prior to completing Wave 4 is an important, incremental step and essential to achieving full audit readiness. All DOD Components with mission critical assets are currently working Wave 3. Plans indicate incremental completion with sufficient time to support Wave 4, and in all cases prior to September 30, 2017.

Wave 4 - Full Audit Except for Existing Asset Valuation, all work to improve processes, controls, and systems for Waves 1–3 also impact achieving the objectives of Wave 4. The Department is presently updating the DOD FIAR Guidance to document the specific steps needed to complete Wave 4 and achieve full audit readiness.

The Department's updated plans and timelines for completing Waves 2, 3, and 4 are contained in the May 2013 FIAR Plan Status Report that was delivered to Congress on May 15, 2013.

General DEMPSEY. I fully support the intent of full auditability of the Joint Force to include achieving audit readiness for both the Joint Staff Statement of Budgetary Resources as well as the Joint Staff's full financial statement. The Joint Staff is closely following DOD's FIAR Guidance and the schedule prescribed by DOD. We are currently on schedule to meet the timeline and objectives of Waves 1 and 2.

RISK MITIGATION PLANS IN RESPONSE TO THE CHAIRMAN'S RISK ASSESSMENT

51. Senator INHOFE. Secretary Hagel, Congress requires the Chairman of the Joint Chiefs to prepare an annual Chairman's Risk Assessment (CRA) and requires you to accompany the assessment with a plan to mitigate significant risks or deficiencies identified in the assessment. Both documents are required pursuant to section 153 of title 10, U.S.C., to be submitted by February 15 of each year. We received the CRA this year on April 10, 2013. In your mitigation plan, you note that while sequestration has occurred, your plan does not account for the severe fiscal effects imposed on DOD. As we review the budget request for fiscal year 2014 for DOD and the potential devastating impact of the budget caps imposed by the BCA, it is imperative that we receive a risk mitigation plan that takes into account current laws regarding future defense spending. Therefore, in addition to the information requested by other members of this committee regarding the impact on national security of sequestration in fiscal year 2014, can you please provide a revised risk mitigation plan assuming the budget caps imposed by current law on security accounts are maintained?

Secretary HAGEL. The Department is currently in the process of conducting a SCMR, which will examine the choices that underlie the defense strategy, posture, and investments, identify the opportunities to more efficiently and effectively structure the Department, and develop options to deal with the wide range of future budgetary circumstances. It will be informed by the strategy that was put forth by the President a year ago, and DOD will keep strategy in mind during every step of this review. Results of the review are expected to provide DOD with a holistic set of strategic choices to preserve and adapt the defense strategy—to include pos-

sible adjustments to military personnel levels—if sequestration is not de-triggered. The results of the SCMR will help define the risk associated with living within the budget caps imposed by the BCA and allow DOD to make informed decisions about how best to mitigate that risk, if possible.

NAVAL STATION GUANTANAMO BAY CUBA

52. Senator INHOFE. Secretary Hagel, we recently received a notification from DOD of the intent to spend over $200 million for the construction of new detainee facilities and support facilities for the Joint Task Force at Naval Station Guantanamo Bay, Cuba (JTF–GTMO). As of now, these projects are not authorized by Congress and I would strongly recommend that Congress be allowed to review the policy implications of these initiatives prior to the expense of taxpayers' funds. Is your plan to request a formal authorization from Congress before carrying out the award of any construction projects?

Secretary HAGEL. DOD is currently in the process of assessing whether to repair or to replace certain facilities that have exceeded their anticipated service life (in some cases by many years). DOD will abide by its obligations to keep Congress informed, consistent with current military construction authorities. The projects being considered would replace deteriorating structures, consolidate facilities, gain efficiencies by reducing detainee movements, and provide quality of life improvements for servicemembers supporting the Joint Task Force mission.

53. Senator INHOFE. Secretary Hagel, what status of detainees will the new facility house?

Secretary HAGEL. All detainees at Guantanamo are held as unprivileged enemy belligerents under the authority provided by the 2001 Authorization for Use of Military Force, as informed by the laws of war. The new detainee facility under consideration would house High-Value Detainees currently held in Camp 7 by JTF–GTMO.

54. Senator INHOFE. Secretary Hagel, for how long will these projects be built to last?

Secretary HAGEL. These facilities will be built to Unified Facilities Criteria (UFC) 1–201–01 (Non-Permanent in support of Military Operations) standards. Therefore, I expect these facilities to last 7 to 10 years.

55. Senator INHOFE. Secretary Hagel, what is the current administration policy about housing detainees at GTMO in the future?

Secretary HAGEL. The President and the administration are committed to closing the DOD Detention Facilities at JTF–GTMO. Until such a time, DOD will continue to hold detainees in a manner that reflects the best practices for detention in non-international armed conflict and complies both with Common Article 3 of the Geneva Conventions and applicable U.S. law and policy. As a function of this continuing requirement, DOD is assessing whether to repair or replace certain facilities built for temporary use and far exceed their anticipated service life.

56. Senator INHOFE. Secretary Hagel, what is the administration policy about where to detain al Qaeda and its affiliates?

Secretary HAGEL. Throughout its history, the United States held detainees captured during armed conflict in various overseas theaters, as well as on U.S. soil. Historically, the particular circumstances of each conflict determined the appropriate detention location. In similar fashion, decisions regarding where to detain members of al Qaeda and associated forces are made on a case-by-case basis, in consultation with the Department's interagency partners.

57. Senator INHOFE. Secretary Hagel, what is the proper venue for trial, if appropriate?

Secretary HAGEL. A decision regarding the appropriateness of a venue in which to prosecute an alleged terrorist should be made based on the unique facts and circumstances of that particular case.

Speaking generally, with regard to the prosecution of alleged terrorists, it is essential that the government has the ability to use both military commissions and Federal courts as tools to keep this country safe. Both Federal courts and the reformed military commissions can and must be available to disrupt terrorist plots and activities, to gather intelligence, and to incapacitate terrorists through prosecution and conviction. When determining which system to use to prosecute a par-

ticular detainee, the Department remains relentlessly practical, focusing exclusively on which option will produce a result that best serves national security interests in the unique facts and circumstances of that case.

TRICARE FEE INCREASE PROPOSALS

58. Senator INHOFE. Secretary Hagel, in the fiscal year 2014 budget request, DOD's TRICARE Prime and TRICARE for Life enrollment fee proposals provide for fee increases based on each beneficiary's gross military retired pay. Why did you choose this method to calculate those specific fee increases?

Secretary HAGEL. DOD's benefit reform proposals are based on one's ability to pay, as calculated by gross retirement pay. The higher the gross retirement pay, the higher the enrollment fees, but only to a point. DOD instituted both a floor and ceiling to help ensure that no one pays too much or too little. An additional feature of this method is that it provides for a gradual increase rather than a cost cliff that can occur with a tier-based system. When fully implemented, the annual calculation is a simple 4 percent of gross retired pay. Even after benefit reform, TRICARE will still be an incredible value. Out-of-pocket costs remain far below the percentage of cost-sharing experienced in 1995, even with proposed changes. Moreover, DOD will protect the most vulnerable beneficiaries from proposed changes in cost-shares.

59. Senator INHOFE. Secretary Hagel, how much will it cost DOD to implement all of the new TRICARE fee increases that you propose?

Secretary HAGEL. DOD anticipates $27 million in one-time, additional administrative costs. This includes change orders for the TRICARE contractors, system changes, and other transition costs needed to effect the changes. The savings estimates for the proposals were reduced by this amount.

60. Senator INHOFE. Secretary Hagel, did DOD consider the additional administrative costs (systems changes, contract modifications, et cetera) required to implement new TRICARE fee increases and how do those costs affect your estimated savings from fee increases in fiscal year 2014 and the out-years?

Secretary HAGEL. The savings estimates for the proposals were reduced by $27 million in anticipation of one-time additional administrative costs. This includes change orders for the TRICARE contractors, system changes, and other transition costs needed to effect the changes.

61. Senator INHOFE. Secretary Hagel, were health program and policy experts within DOD given an opportunity to consult on the fee increase proposals or were DOD's proposals simply the result of a budget-driven exercise by the administration?

Secretary HAGEL. Health benefit reform within DOD was shaped over the last 8 years by many program and policy experts, Members of Congress, constituencies, and subject matter experts from both within and outside of the Department. Far from being simply a budget-driven exercise, these proposals are based on sound principles. Beneficiaries, both Active and retired, deserve a generous health benefit. The military health benefit is one of the best in the country, and it remains that way. Out-of-pocket costs are far below the percentage of cost-sharing beneficiaries experienced in 1995, even with proposed changes. In addition, DOD will protect the most vulnerable beneficiaries from proposed changes in cost-shares.

62. Senator INHOFE. Secretary Hagel, if Congress prohibits DOD's new TRICARE fee proposals, what is your back-up plan to make up the large deficit in the Defense Health Program accounts?

Secretary HAGEL. If Congress prohibits the proposed TRICARE fee changes and does not restore the budgeted savings in fiscal year 2014, the Department will likely be forced to make additional reductions to readiness and modernization accounts. The TRICARE fee proposals are an important piece of the Department's approach to balanced drawdown in defense spending. The fee changes are necessary to help put the military health benefit on a path to long-term fiscal sustainability, to lessen the impact on readiness and modernization efforts, and to avoid a hollowing of the force in the near-term until savings from longer-term structural changes are realized.

CIVILIAN FURLOUGHS

63. Senator INHOFE. Secretary Hagel, the Navy and Marine Corps have announced that funds are available to avoid furloughs of their civilian employees and to meet readiness requirements, but the Office of the Secretary of Defense will not give the Navy that flexibility. You testified that DOD favors a unified approach to furloughs, recognizing that some Services—like the Army—may not be in the same position with respect to funds available to avoid furloughs. If DOD cannot avoid furloughs completely, would you require the Navy and Marine Corps to furlough civilian employees, with resulting hardship to those civilian employees and their families, when the Navy and Marine Corps have found a way to avoid furloughs?

Secretary HAGEL. Major budgetary shortfalls drove the basic furlough decision. Before making a decision, I sought advice from senior leaders in the military departments and agencies as well as advice from my senior civilian and military staff. I asked them to keep in mind our fundamental criterion to minimize adverse mission effects and, subject to that criterion, to ensure reasonable consistency and fairness across DOD for any furloughs that we impose.

Based on all these inputs, I decided to direct furloughs of up to 11 days for most of DOD's civilian personnel. This halving of previous furlough plans reflects vigorous efforts to meet our budgetary shortfalls through actions other than furloughs.

Furloughs will be imposed in every military department as well as almost every agency and in our working capital funds. All of our civilian employees are important, and I would prefer not to furlough any of them. However, there will only be limited exceptions driven by law and by the need to minimize harm to mission execution.

I understand that the decision to impose furloughs imposes financial burdens on our valued employees, harms overall morale, and corrodes the long-term ability of DOD to carry out the national defense mission. I deeply regret this decision. I continue to urge our Nation's leaders to reach an agreement to reduce the deficit and de-trigger sequestration.

RECRUIT PROCESSING IMPACTS FROM SEQUESTRATION

64. Senator INHOFE. Secretary Hagel, if civilian furloughs in response to sequestration impact the mission of the Military Entrance Processing Stations (MEPS), then what options does DOD have to provide additional resources to ensure recruit processing is not degraded?

Secretary HAGEL. The Department is carefully considering the impact that furloughs will have across the MEPS. It is expected that Military Entrance Processing Command (MEPCOM) will focus furlough days on Fridays, which is the lowest volume day of the week for processing recruits, to allow the maximum use of civilian resources to support recruit processing as much as possible. Additionally, MEPCOM will continue to work with the Service recruiting commands to optimize recruit scheduling, which will make the most of available processing time. The reduction in processing capability will still exist, but these mitigation efforts will lessen the overall shortfall in recruit processing.

INTEGRATED ELECTRONIC HEALTH RECORD

65. Senator INHOFE. Secretary Hagel, DOD and the VA have been working on integrated electronic health records (iEHR) for several years with very little progress being made towards a truly seamless transition of health information between the two of them. In January 2013, the VA decided to use VistA, its legacy system, as its core health record despite the findings of a recent study commissioned by the VA that identified many VistA deficiencies. We've been told that DOD has been evaluating existing solutions to determine the appropriate core health record to use. When will DOD announce its decision on a way forward?

Secretary HAGEL. Following a 30-day internal review, I issued a memorandum directing the Department to conduct a competitive acquisition process to achieve DOD's electronic healthcare system modernization. In the near-term, DOD will continue to work with the VA to provide seamless, integrated sharing of electronic health data this year. The completion modernization effort will build on this near-term work.

66. Senator INHOFE. Secretary Hagel, how much will it cost for both DOD and the VA to develop and field a new, interoperable iEHR?

Secretary HAGEL. Updated cost estimates for the development, deployment, and sustainment of a modernized DOD electronic health record system will not be known until the program is realigned with the direction I provided in my memorandum for the Department's electronic health care record modernization way ahead.

67. Senator INHOFE. Secretary Hagel, why should Congress believe that DOD and VA can develop and implement an interoperable iEHR since they have shown little competence and cooperation doing this work in the past?

Secretary HAGEL. Secretary Shinseki and I are both committed to the goal of providing seamlessly integrated healthcare data interchange between the DOD and the VA this year. DOD and VA intend to make standardized, integrated clinical record data broadly available to clinicians across the DOD and VA later in calendar year 2014. On a parallel path, the DOD needs to modernize its clinical software, and the VA continues to evolve its legacy system. My memorandum providing direction the Department's healthcare modernization effort is intended to refocus efforts on achieving near-term data-interoperability while also pursuing a competitive acquisition process to satisfy DOD mid-term electronic healthcare management software modernization needs.

68. Senator INHOFE. Secretary Hagel, Office of the Secretary of Defense/Legislative Affairs recently informed this committee that the iEHR effort has been transferred from the Office of the Under Secretary of Personnel and Readiness to the Office of the Under Secretary for Acquisitions, Technology, and Logistics. What caused this abrupt change in oversight?

Secretary HAGEL. Both my Acting Under Secretary of Defense for Personnel and Readiness (A/USD(P&R)) and the Under Secretary for Acquisition, Technology, and Logistics (USD(AT&L)) remain engaged in the Department's iEHR efforts. The Assistant Secretary of Defense for Health Affairs will continue to serve as the functional sponsor for this capability. Because choosing EHRs is an acquisition decision, I directed USD(AT&L), who is an expert in procurement, to assume responsibility for DOD healthcare records interoperability, software modernization, and lead for DOD coordination with VA on the technical and acquisition aspects of iEHR.

SUICIDE PREVENTION

69. Senator INHOFE. Secretary Hagel and General Dempsey, our force is exceptionally well-trained on suicide awareness and prevention, and yet we still experience the tragedy of suicide at an unacceptably high rate. What is your assessment on whether the current level of training and leadership engagement is sufficient or whether it has inadvertently created a climate in which some vulnerable individuals may have contemplated suicide because we talk about it so much?

Secretary HAGEL. Research has shown that increased awareness of the issue of suicide, so long as it is not glamorized or normalized, does not increase the risk of suicide. Most suicide awareness trainings include messages about how treatment works and that seeking help is a sign of strength. Leaders reinforce these messages outside of the awareness trainings. DOD is shifting towards a resilience emphasis, which will reinforce messages of hope, recovery, and strength to further reduce suicidal thoughts among servicemembers.

General DEMPSEY. Currently, DOD widely disseminates suicide prevention trainings that focus on recognized best practices in raising awareness about the warning signs and risk factors of suicide, and the crisis resources available to servicemembers and their families. Leaders in DOD encourage servicemembers to seek help for their behavioral health issues, and understand the potential negative consequences if leadership is not actively involved in the issue of suicide. These negative consequences may reflect in suicide contagion, resulting from inappropriate communications, such as glamorizing or sensationalizing suicide. However, research has shown that increased awareness of the issue of suicide, when conveyed according to nationally-accepted best practices, does not increase the risk of suicide. DOD has strong guidelines that encourage the safe reporting of suicide, which are in line with the prevention guidance of health bodies such as the World Health Organization and the Suicide Prevention Resource Center. This guidance, which is provided in trainings, aims to reduce suicide contagion, helps reduce the stigma that prevents some servicemembers from seeking help, and promotes awareness of the Military Crisis Line, which provides 24/7 crisis support to servicemembers and their families. These efforts target the saving of lives, rather than increasing the possibility of sui-

cide. In addition, DOD is shifting towards a stronger emphasis on resilience to improve servicemembers' protective factors against suicide.

SEXUAL ASSAULT

70. Senator INHOFE. Secretary Hagel, what is your assessment concerning whether DOD has experienced any difficulties in implementing NDAA requirements to reduce the occurrence of sexual assault?

Secretary HAGEL. There are several areas we have experienced difficulty in resolving.

Section 586 of the NDAA for 2012 requires DOD to develop a comprehensive policy on retention and access to records. Because section 586 required preservation of all physical and forensic evidence rather than just the SAFE Kit and related documentation, section 586 had the unintended consequence of preventing victims from recovering their personal property after the legal proceedings are finalized.

This requirement brings unnecessary anguish to victims and places law enforcement in a difficult and uncomfortable position of denying victims access to property, which they rightfully own. Personal property seized could include articles of clothing, jewelry, bedding, shoes, cell phones, computers or other electronic devices, or anything the victim submitted for evidence. These items could have significant sentimental value (e.g., necklace given by a parent) or considerable monetary value, as with an electronic device.

Before section 586 was enacted, these items were routinely returned to victims at the end of legal proceedings. The return of a victim's personal property assists in giving victims closure and helping in their recovery. Consequently, DOD seeks to alter the requirements of section 586 to ensure that personal property can be returned to the victim in a manner that does not interfere with any potential legal proceedings.

Also, section 575 of the NDAA for 2013 requires DOD to gather additional detail/data for inclusion in the annual report. This new requirement included an analysis and assessment of trends and incidence, disposition, and prosecution of sexual assault by units, commands, and installations.

While important for assessing the effectiveness of DOD's SAPR program, this new level of detail stands to potentially eliminate a victim's right to privacy and his/her desire for confidentiality because it could have the unintended consequence of identifying victims. Our concern is that victims will not view reporting as a reasonable option and, as a result, may not access the care they need.

71. Senator INHOFE. Secretary Hagel, has DOD had an adequate time and opportunity to evaluate the effectiveness of those requirements?

Secretary HAGEL. In the past two NDAA legislative cycles, fiscal year 2012 and fiscal year 2013, we have been responsible for implementing more than 25 provisions of law related to sexual assault. Most of these provisions were passed on January 2, 2013. As we are still actively developing and implementing in policy many of these provisions of law, it is too early to assess their effectiveness. We need to allow time to ensure these policies take effect and then to assess their overall impact on our ability to reduce and eliminate sexual assault in the armed forces.

72. Senator INHOFE. Secretary Hagel, what additional tools does DOD need in order to continue to reduce—with the goal of eliminating—sexual assault?

Secretary HAGEL. In the last year alone, my predecessor and I announced numerous initiatives to prevent and respond to the crime of sexual assault. These initiatives, as well as our new DOD Strategic Plan, the UCMJ review panels, the Air Force Pilot Program on legal assistance, the DOD-wide stand-down, and visual inspection of DOD facilities have the potential to make a dramatic impact on victims desire to remain in the system and to instill confidence across the board. Because of the range and scope of these many new efforts, we need time to put them in place, prepare and implement needed training, and then assess what additional steps need to be taken.

ASSESSING COMMANDERS' PERFORMANCE

73. Senator INHOFE. General Dempsey, some have suggested that it would be appropriate to incorporate standardized assessments of commanders' performance in prevention, investigation, accountability, advocacy, and assessment of sexual assault response and prevention lines of effort. What are your views of the potential benefit

and feasibility of requiring assessment of commanders' performance on SAPR in Service-specific performance appraisal systems?

General DEMPSEY. It is important that we hold commanders accountable for the organizational climate in their organizations. Secretary Hagel recently directed the Service Chiefs to develop methods to assess the performance of military commanders in establishing command climates of dignity and respect, and incorporate sexual assault prevention and victim care principles in their commands. The use of Service-specific performance appraisal systems will be assessed.

SAME SEX PARTNER BENEFITS

74. Senator INHOFE. Secretary Hagel, recently former Secretary of Defense Panetta announced that DOD will expand benefits to unmarried same-sex domestic partners who declare a committed relationship, but will not extend those same benefits to unmarried heterosexual domestic partners. Do you agree with Secretary Panetta, that when it comes to benefits paid for by hard-working American taxpayers, that DOD should favor same-sex domestic partners over heterosexual partners?

Secretary HAGEL. I value the service of all members of DOD equally. I am humbled by their dedication to their nation and the tremendous sacrifices they make on a daily basis. That being said, I am bound by the laws passed by Congress. I recognize, as did Secretary Panetta, that good order and discipline are enhanced by the equitable treatment of all individuals in DOD, to the extent permissible under law. Heterosexual couples, if they so choose, have the opportunity to get married in every State, and their marriages are recognized by Federal law. Same-sex couples do not have this opportunity and as a result, several benefits, such as medical care, may not be legally extended. The extension of benefits identified by my predecessor earlier this year is a significant effort to close the gap in equity for benefits, consistent with current law, and sends a clear signal to all servicemembers that the United States highly values their service.

RESERVE/NATIONAL GUARD FORCE MIX

75. Senator INHOFE. General Dempsey, in your testimony you stated that DOD needs flexibility to keep the force in balance, and that everything must be on the table including the mix among Active, Reserve, and National Guard units. In view of the heavy wartime demand on the forces including the Reserve and Guard, what do you envision as a viable option to change that force mix?

General DEMPSEY. Specific force mixes are dependent on the ongoing strategic review, still uncertain budget, and future threats. What is certain is the requirement to refine the integrated, Total Force approach that served us so well the past decade during counter-insurgency operations. In reshaping for our joint future, we require the flexibility to organize complementary capabilities to cost-effectively meet a changing and dynamic national security environment. We will need a total force mix that is responsive enough to deter and defeat adversaries forward and appropriately sized to defend the Homeland within its borders or surge for unforeseen threats. At the same time, we need to be able to sustain the All-Volunteer Force over the long-term. Meeting these requirements requires us to periodically and carefully rebalance Active and Reserve component forces. While minimizing cost is an important consideration and always one of our goals, maintaining an effective and responsive force is the imperative.

MILITARY COMPENSATION FOR THE ALL-VOLUNTEER FORCE

76. Senator INHOFE. Secretary Hagel and General Dempsey, our Nation's historical experience of pursuing cost savings by cutting military compensation has demonstrated that periods of designed reduction in overall compensation levels resulted in retention problems. Those retention problems, especially in the context of generally improving civilian employment opportunities, meant Congress was required to come back and authorize catch-up increases to help us keep the highly trained talents and skills that we need. What is your assessment of the impact of the President's proposed slowdown in military compensation on retention and recruiting?

Secretary HAGEL. My assessment, informed by recommendations of the Department's senior leadership, is that curbing the growth in compensation is prudent and does not increase risk to recruiting and retention programs. The costs of military pay and benefits are a significant driver of spending growth that must be addressed in today's constrained fiscal environment. Therefore, the President's budget package

includes a modest slowing of military pay growth by implementing a 1 percent pay raise for servicemembers in 2014.

In June 2012, the 11th Quadrennial Review of Military Compensation reported that on average, enlisted members are paid at approximately the 90th percentile, and officers are paid at the 83rd percentile relative to American workers with similar education and experience. Capping the pay raise in 2014 at 1 percent, while the Department continues to assess the economy and prepares for reduced operations abroad, will provide the flexibility to inject limited resources into those areas critical to maintaining the future force. This will also continue to fulfill the United States' responsibility to provide military members a standard of living above a majority of their civilian counterparts.

This adjustment to pay was among the most carefully considered and difficult choices in the budget. The decision was made with the strong support of the Joint Chiefs of Staff and the senior enlisted leadership, in recognition that limiting personnel costs was necessary to sustain military compensation over the long-term without reducing the size or readiness of the force.

General DEMPSEY. My assessment, informed by the Service Chiefs' recommendations, is that curbing the growth in compensation is prudent and does not increase risk to the Department's recruiting and retention programs. The cost of military pay and benefits are a significant driver of spending growth that must be addressed in today's constrained fiscal environment. Therefore, the President's budget package includes a modest slowing of the growth of military pay by implementing a 1 percent pay raise for servicemembers in 2014.

Capping the pay raise in 2014 at 1 percent, while we continue to assess the economy and prepare for reduced operations abroad, will afford the Department the flexibility to target limited resources at those areas critical to maintaining the force we need in the future.

This adjustment to pay was among the most carefully considered and difficult choices in the budget. This decision was made with the strong support of the Joint Chiefs of Staff and the senior enlisted leadership in recognition that limiting personnel costs was necessary to sustain military compensation over the long-term without reducing the size or readiness of the force.

FAMILY SUPPORT PROGRAMS

77. Senator INHOFE. General Dempsey, you testified that unsustainable cost and smaller budgets require DOD to examine every warrior and family support program to make sure we are getting the best return on our investment. How do you assess the investments our Nation has already made in family support programs, and suicide prevention, in particular, in moving the needle with demonstrable positive return on investment?

General DEMPSEY. The Nation's investment has been continuous and favorable. As our budget decreases, we're continuing to explore public-private partnerships. As you're well aware, America cares about and values our men and women in uniform and their families—and is assisting them in communities across our Nation.

TUITION ASSISTANCE

78. Senator INHOFE. General Dempsey, I am pleased to learn that DOD has now reinstated the Tuition Assistance program, previously cancelled by the Army, Marine Corps, and Air Force in response to the administration's failure to plan for sequestration. How does tuition assistance enable the Active-Duty Forces to meet the professional development requirements you described in your testimony to establish the Profession of Arms as the foundation for the Joint Force?

General DEMPSEY. Renewing our commitment to the Profession of Arms has been one of my priorities. In order to be a professional, we must develop servicemembers of character and competence. Education is essential to how we do this as an institution.

We recruit and seek to retain high quality individuals who are committed to continuous learning. The Tuition Assistance program helps us to satisfy their interests and invest in the future of the Joint Force. The courses our members take using the Tuition Assistance program balance the pursuit of education with other professional priorities, such as mastery of rating skills, warfare qualification, and leadership skills.

As we work to restore and maintain readiness in light of budget reductions, we must carefully balance our investments. To minimize the impact to programs like

this, the Joint Chiefs and I are seeking congressional support for greater time and flexibility to implement reductions.

LANGUAGE AND CULTURE TRAINING

79. Senator INHOFE. General Dempsey, having military members with language and culture training are essential to a U.S. global force. The NDAA for Fiscal Year 2013 authorized the Secretary of Defense to transform the National Language Service Corps from a pilot to a permanent program, and also to enhance the ability of our Federal agencies to hire people with strategic foreign language skills and as National Security Education Program awardees. What are DOD's goals with respect to the capabilities represented by the National Language Service Corps?

General DEMPSEY. The National Language Service Corps is an invaluable asset that maintains a readily available group of language volunteers who provide supplemental language resources to U.S. Federal agencies when a U.S. Government requirement arises. In order to respond to increasing demands for foreign language skills, DOD plans to increase membership in the National Language Service Corps from the current 4,200 to at least 5,500 and expand the number of languages/dialects represented from 283 at present to at least 350, by fiscal year 2015. This increase will provide greater opportunities for the Corps to respond to requests in areas such as strategic language support operations (interpretation, translation, and analysis), training (instruction), logistics activities, emergency relief activities, and administrative language support services to Federal Government domestic and international activities. Once DOD internal procedures are established, the National Language Service Corps will more actively expand its membership recruitment efforts to reach out to groups in which the government has already invested (such as veterans and other members departing the Services who have foreign language skills).

WOMEN IN COMBAT

80. Senator INHOFE. Secretary Hagel and General Dempsey, on January 24th, former Secretary of Defense Panetta rescinded the 1994 Direct Ground Combat Definition and Assignment rule that excluded women from assignment to units and positions whose primary mission is to engage indirect combat on the ground. How will military readiness be improved by opening combat arms units and positions to women?

Secretary HAGEL. Opening positions to women maximizes military capabilities, provides a greater pool of qualified members from which to draw, and reduces operational tempo. The Department's goal is to ensure that the mission is met with the best-qualified and most capable people, regardless of gender. This effort will ensure that the Department continues to maintain a high state of readiness and preserve the quality of our All-Volunteer Force.

General DEMPSEY. The elimination of the 1994 Direct Ground Combat Definition and Assignment Rule provided greater flexibility assigning the best qualified individuals where they are needed most. Greater flexibility and wider pool of skilled personnel creates a more agile and responsive force generation model for greater readiness.

81. Senator INHOFE. Secretary Hagel and General Dempsey, how will you integrate sexual assault prevention consideration into decisions on whether units should be opened to women?

Secretary HAGEL. I have made it abundantly clear that there is no place in DOD for sexual assault and made it a top priority to do everything possible to reduce and prevent sexual assault, to make victims of sexual assault feel secure enough to report this crime without fear of retribution or harm to their career, and to hold perpetrators appropriately accountable.

The key to successful integration will be our commanders, who are expected to follow DOD policies on standards of conduct, ensure strict compliance with those standards, and build the appropriate command climate. No one should be at risk—male or female.

General DEMPSEY. Sexual assault and sexual harassment are unacceptable and eradication of both is a top priority throughout the Department. Our men and women need to feel safe and secure no matter where they serve. To that end, we have a plan that ensures a sufficient cadre of mid-grade/senior enlisted and officers are assigned to previously closed units to ensure successful assimilation of women for the long run. Having these women in leadership positions helps create a com-

mand climate where more junior women will have senior female mentors who are already established in the unit.

82. Senator INHOFE. Secretary Hagel and General Dempsey, how will integration of women into these units and positions further efforts to combat sexual harassment and assault in the Armed Forces?

Secretary HAGEL. Commanders are key for successful integration. General Dempsey and the Joint Chiefs of Staff proposed a way forward that ensures a sufficient cadre of women who are mid-grade/senior enlisted and officers are assigned to commands at the point of introduction to ensure success in the long run. As women are assigned to previously closed positions, the Services will solicit feedback from these women and assess how future assignments may be enhanced.

General DEMPSEY. Sexual assault and sexual harassment are unacceptable and eradication of both is a top priority throughout the Department. Our men and women need to feel safe no matter where they serve and feel secure enough to report this crime without fear of retribution or harm to their career. To that end, we have worked extensively on a plan to ensure a sufficient cadre of women who are mid-grade/senior enlisted and officers are assigned to these previously closed units to become established members of the command to act as mentors to younger women as they assimilate into the unit. Having these women mentors firmly established within the command will have a positive influence toward establishing a command climate of trust and support for young women once they arrive.

83. Senator INHOFE. Secretary Hagel and General Dempsey, do you agree that if physical requirements are based on bona fide military requirements, some male servicemembers may be unable to meet gender-neutral standards?

Secretary HAGEL. Yes, I agree. Recent experience at over a decade of war indicates that a review of standards is necessary to ensure both men and women are physically able to perform the tasks required of them without sustaining an injury.

The Services are working to ensure the standards used to classify and train male and female servicemembers are validated by science and related directly to the tasks required by their occupations. Applying these task-oriented occupational screening tests, without regard to gender, provides the greatest opportunity for maintaining the readiness of the force.

This effort complies with the requirements of the NDAA for Fiscal Year 1994 (P.L. 103–160), section 543, which requires the Department shall ensure that occupations are evaluated on the basis of common, relevant performance standards, without differential standards of evaluation on the basis of gender. If the physical requirements of an occupational specialty are newly established or revised, a member serving in that occupational specialty shall be provided a reasonable period to meet the new standard.

General DEMPSEY. Relevant performance standards exist to ensure individuals can accomplish the associated tasks required of the mission. This includes screening males at certain military occupational training schools to ensure they meet requisite standards.

CHANGES TO ARTICLE 60

84. Senator INHOFE. Secretary Hagel and General Dempsey, Secretary Hagel recently directed the DOD General Counsel to draft a change to Article 60 of the UCMJ that would limit existing authority of commanders to take post-trial action for military courts-martial, including cases involving sexual harassment and sexual assault, which can have a negative impact on unit readiness, cohesiveness, and combat effectiveness. In light of the recent testimony by the Service Judge Advocates General that it is exceedingly rare for convening authorities to exercise their lawful authority to set aside court-martial convictions, explain why you can trust your commanders to make decisions to send servicemembers into combat, but you cannot trust their authority to make decisions concerning military justice?

Secretary HAGEL. The military justice system must serve two critical purposes: (1) to provide justice for all participants in the system, including victims, and (2) to support good order and discipline throughout the ranks. Proposed changes to the military justice system must be carefully evaluated against those two goals. After consulting with the Joint Chiefs, and with the Department's military justice experts, I concluded that limiting the commander's authority to reject findings would increase the confidence of the men and women of our military in the military justice system, and thereby contribute to good order and discipline, and it would increase the confidence of victims of crimes that they would receive justice.

General DEMPSEY. I do trust commanders to make decisions within their authority in times of combat and peace, on the battlefield, and within garrison. This includes trusting those commanders vested with the responsibility of serving as a convening authority.

That being said, military justice has significantly evolved since the UCMJ was originally enacted. Sixty years ago, military judges had no role in courts-martial, and neither the accused nor the government was represented by an attorney. The convening authority, with the assistance and advice of a staff judge advocate, was required to review the record of trial for both factual and legal errors. Today, the accused has the right to be represented by an attorney, trial counsel are also licensed attorneys, and professional military judges preside over general and special courts-martial. A robust appellate process has also developed over time, providing an added layer of judicial review to ensure an accused's legal rights were protected. These positive developments in the professional nature of court-martial practice have significantly diminished the need for convening authorities to modify the findings adjudged at a court-martial, except in limited circumstances in the best interest of justice.

Secretary Hagel's proposed amendment to Article 60, on which I and the Joint Chiefs of Staff provided recommendations, does not undercut the authority of convening authorities and commanders. Under the proposed amendment, the convening authority retains the responsibility for approving and enforcing the punishment for an individual convicted of a crime at court-martial. The proposed amendment also provides the convening authority the ability to modify findings for certain minor offenses when doing so is in the best interests of justice. Also, the requirement for a convening authority to explain his or her decision to modify an accused's sentence or to disapprove a finding of guilt for certain minor offenses promotes transparency and public trust in the military justice system. These changes should not be perceived as the result of a loss of faith in commanders but rather as positive developments that can be made due to the advanced professionalism of our system of military justice.

85. Senator INHOFE. Secretary Hagel and General Dempsey, despite Secretary Hagel's recent announcement that he has directed the DOD General Counsel to draft a change to Article 60 of the UCMJ that would limit existing authority of commanders to take post-trial action for military courts-martial, some Members of Congress believe you have not gone far enough and suggest that the public trust and confidence in the military justice system cannot be preserved unless military commanders are deprived of the discretion to dispose of offenses under the UCMJ, and to shift that responsibility to judge advocates. Do you agree that removing that authority from military commanders would be a fundamental change to the UCMJ and that it would undermine the ability of commanders at every level of the chain of command to maintain and sustain unit readiness, cohesiveness, and combat effectiveness?

Secretary HAGEL. Removing the authority of commanders to make disposition decisions regarding allegations of misconduct by members of their commands would be a fundamental change to military justice. Given the depth of the concerns about sexual assault, however, I believe that DOD must be open to considering all options to improve public trust and confidence in the military justice system. The panel required by section 576 of the NDAA for Fiscal Year 2013 (P.L. 112–239) is tasked to examine proposals to modify the role of commanders in the military justice system, and I look forward to the panel's assessment and recommendations.

General DEMPSEY. The Article 60 revision proposed by Secretary Hagel does not undercut the authority of a convening authority and serves as a well-crafted and refined proposal that will simply prohibit a convening authority from setting aside the findings of a court-martial except for a narrow group of qualified offenses. It also preserves the ability of the convening authority to enter into pretrial agreements, when appropriate, which provides a limitation on an accused's sentence in exchange for a guilty plea.

However, I do not support any revisions to the UCMJ that would remove the commander from the military justice system, or that would eliminate a commander's authority to take action on a court-martial sentence. The ability to punish is the bedrock of discipline, and the commander must have the authority to dispense punishment quickly, visibly, and under any conditions. It would send the wrong message to everyone in the military that there is a lack of faith in those officers selected to command. The commander is responsible and accountable for all that goes on in a formation, including health, welfare, safety, morale, discipline, and readiness to execute the mission.

I remain committed to working with Congress, the Secretary of Defense, and the Services to make further necessary amendments and revisions to the UCMJ. Any changes to the UCMJ must be carefully considered, as even minor changes could have unintended consequences that could negatively impact our system of justice.

ARTICLE 60 MODIFICATIONS

86. Senator INHOFE. Chairman Dempsey, we trust you to make decisions that may result in the loss of life in order to protect the Nation and accomplish the mission. Every day commanders must make decisions to correct underperformers with training or education, and, when necessary, to discipline troops or possibly relieve commanders. Ultimately, our Nation charges them, and you, with the responsibility to establish cohesive, mission-ready combat units. While we trust you with our sons' and daughters' lives, the proposed modifications to Article 60 of the UCMJ seem to suggest that we do not trust your discretion when it comes to UCMJ offenses. Do you, as a commander, consider the UCMJ as it is currently structured, to be a viable tool to help you maintain and enhance the cohesiveness and fighting capabilities of your combat units?

General DEMPSEY. Yes. I believe the UCMJ as currently structured to be an effective means to maintain and enhance the cohesiveness of military units, provide due process under the law, and preserve good order and discipline. It provides accountability at all times and places, in peace and in combat.

However, the UCMJ, while effective, is not perfect. We should always be searching for ways to improve our system of military justice. Reasonable changes to military justice system, such as the Article 60 revision proposed by Secretary Hagel, keep the UCMJ vibrant and fair to victims and to the accused. The proposed revision does not limit the current role of appellate courts, access to defense counsel, and significant post-trial involvement by convening authorities.

The NDAA for Fiscal Year 2013 requires a Response Systems Panel to conduct an independent review and assessment of the systems used to investigate, prosecute, and adjudicate crimes involving sexual assault and related offenses. I welcome the Panel's review of the effectiveness of the UCMJ and its strengths and weaknesses in dealing with sexual assault. I also welcome the opportunity to provide input regarding the important role commanders serve in the military justice system.

87. Senator INHOFE. Chairman Dempsey, have you seen any evidence that commanders are abusing their discretion as the convening authority to adjust sentencing?

General DEMPSEY. No. I have not seen any evidence that commanders are abusing their discretion as convening authorities to adjust sentencing.

It is critical that the convening authority retain the authority to reduce or suspend an adjudged sentence. This authority is essential for purposes of giving effect to plea bargains. Within the military justice system, a plea bargain is accomplished when an accused agrees to plead guilty in exchange for a cap on the maximum sentence the convening authority can approve. Removing the convening authority's ability to modify an adjudged sentence would eliminate that option and the efficiencies it affords. This authority is also critical to the commander's ability to act in the best interests of good order and discipline to prevent undue hardship or for reasons of military necessity.

88. Senator INHOFE. Chairman Dempsey, how would the proposed changes to the UCMJ impact your effectiveness as a commander?

General DEMPSEY. The Article 60 revision proposed by Secretary Hagel does not undercut the authority of a convening authority and serves as a well-crafted and refined proposal that will simply prohibit a convening authority from setting aside the findings of a court-martial except for a narrow group of qualified offenses. It also preserves the ability of the convening authority to enter into pretrial agreements, when appropriate, which provides a limitation on an accused's sentence in exchange for a guilty plea.

However, I oppose any revisions to the UCMJ that would remove the commander from the military justice system, or that would eliminate a commander's authority to take action on a court-martial sentence. The ability to punish is the bedrock of discipline, and the commander must have the authority to dispense punishment quickly, visibly, and under any conditions. It would send the wrong message to everyone in the military that there is a lack of faith in those officers selected to command. The commander is responsible and accountable for all that goes on in a for-

mation, including health, welfare, safety, morale, discipline, and readiness to execute the mission.

I remain committed to working with Congress, the Secretary of Defense, and the Services to make further necessary amendments and revisions to the UCMJ. Any changes to the UCMJ must be carefully considered, as even minor changes could have unintended, negative second- and third-order effects. Secretary Hagel's proposed revision to Article 60 received thorough review, and I am satisfied that it will not have unintended consequences that could negatively impact our system of military justice.

QUESTIONS SUBMITTED BY SENATOR DAVID VITTER

TOWER CLOSURES

89. Senator VITTER. Secretary Hagel, the Federal Aviation Administration (FAA) recently made the decision to close 149 Federal contact towers around the country beginning on April 7 as part of their plan to meet their obligations under sequestration. A few of these towers are situated near Air Force bases, such as the tower at the Shreveport Downtown Airport, which is located near the Barksdale Air Force Base. Did the FAA contact DOD when considering which towers to close or to coordinate their closing?

Secretary HAGEL. On February 26, 2013, the FAA requested that each Military Service determine the mission impacts of potential contractor-staffed tower closures. In response, each Service assessed towers within its purview. On March 19, 2013, the Deputy Secretary of Transportation contacted the Department and requested that DOD consolidate and validate each of the Services' lists and return a comprehensive DOD list to the Department of Transportation by March 21, 2013. The Acting Deputy Under Secretary of Defense for Installations and Environment—working with the Deputy Assistant Secretary of Defense for Readiness and the Deputy Assistant Secretary of Defense for Strategic and Tactical Systems—combined Service and departmental inputs into a list with tiered categories (based on the Transportation Department's standard approach) for approval by the Under Secretary of Defense for Acquisition, Technology, and Logistics. The approved list was transmitted to the Transportation Department on March 21, 2013. DOD's response identified 38 towers, the closure of which would result in a severe impact to operations.

90. Senator VITTER. Secretary Hagel, since many of these areas share the air space between the area airport and the adjacent Air Force bases, are there any safety concerns?

Secretary HAGEL. Although the Department does not anticipate that tower closures will significantly impact safety or increase the risk of collision, it will be important for all aviators operating in the affected areas to have an awareness of the changes that will occur subsequent to the closures. Specifically, operations at these airfields will migrate from positive control to uncontrolled operations once the towers close. In order to accommodate the introduction of uncontrolled operations, changes will likely be put in place to procedurally deconflict aircraft and mitigate risk. Additionally, a high emphasis will have to be placed on local aviation safety education programs, a robust mid-air collision avoidance program, and at other recurring safety awareness forums.

91. Senator VITTER. Secretary Hagel, is there an increased risk of collision or will there be any impact on mission readiness or training activities?

Secretary HAGEL. Although DOD does not anticipate the tower closures will significantly impact safety or increase the risk of a collision, it will be important for all aviators operating in the affected areas to have an awareness of the changes that will occur subsequent to the closures. Specifically, operations at these airfields will migrate from positive control to uncontrolled operations once the towers close. In order to accommodate the introduction of uncontrolled operations, changes will likely be put in place to procedurally deconflict aircraft and mitigate risk. Additionally, a high emphasis will have to be placed on local aviation safety education programs, a robust mid-air collision avoidance program, and at other recurring safety awareness forums.

In terms of Air Force readiness and training, the Air Force only anticipates possible impacts to Air Education and Training Command (AETC), the command whose mission it is to train pilots. AETC uses the airfields on the closure list for off-station pattern work because of on-station traffic congestion. According to AETC, the clo-

sure of these locations will drive increased risk due to uncontrolled airfield operations and could result in ceasing operations at these airfields, potentially affecting pilot production. These tower closures could be further complicated by the furlough of Air Force civilian air traffic controllers who make up approximately 45 percent of the AETC controller workforce. This will potentially drive decreased hours of operations or reduced services, i.e., combined air traffic control positions, et cetera, at our AETC bases. AETC continues to assess the changing complexion of the FAA landscape for impact and explore mitigations where possible.

92. Senator VITTER. Secretary Hagel, due to the suggested changes, is there potential negative impact on costs to the military and if so, is DOD taking any actions to remedy these concerns?

Secretary HAGEL. The military does not anticipate any increased monetary cost subsequent to the Federal contract tower closures.

QUESTIONS SUBMITTED BY SENATOR MIKE LEE

MISSILE DEFENSE

93. Senator LEE. Secretary Hagel, you announced last month that 14 additional Ground-Based Interceptors (GBI) will be deployed to the west coast as a reaction to North Korean provocations. This brings the numbers of GBIs to the number originally planned by the Bush administration and reduced by President Obama. Was the Russian Government consulted or informed by DOD or any other agency or representative of the U.S. Government that the United States was considering this before the decision was made?

Secretary HAGEL. Russia was not consulted or informed prior to this decision. The decision was made to strengthen protection of the United States from the growing North Korean threats.

94. Senator LEE. Secretary Hagel, when was the Russian Government notified of this decision to deploy the additional GBIs?

Secretary HAGEL. Russia was notified through my press conference announcement on March 15, 2013, following notifications to key allies. U.S. and Russian officials met the following week to discuss the announcement.

95. Senator LEE. Secretary Hagel, if DOD decided that additional missile defense systems needed to be deployed for the protection of the United States, domestically or around the world, would the Russian Government be consulted before the decision was made?

Secretary HAGEL. The United States will continue to discuss missile defense with Russia and explore opportunities for cooperation, but Russia will not be allowed to have a veto on U.S. missile defense plans, programs, or decisions. The President has made clear on numerous occasions that cooperation with Russia will not in any way limit U.S. or NATO missile defenses. The United States is committed to continue to develop and deploy missile defenses that are affordable and effective against projected threats.

96. Senator LEE. Secretary Hagel, Russian Defense Minister Sergey Shoygu stated in March that he expressed his desire to you to reconvene missile defense discussions with the United States. Are there any plans for these talks to take place and if so, will these talks include our NATO allies?

Secretary HAGEL. Yes, the United States plans to continue a long-running series of talks with Russia on potential missile defense cooperation. We are pursuing a bilateral U.S.-Russia dialogue, but U.S. officials regularly provide readout briefings to NATO allies on the substance of the discussions. The United States is committed to keeping allies informed at every step of the way. At the same time, we are also continuing to explore opportunities for missile defense cooperation in a multilateral setting via the NATO-Russia Council. In neither track will we accept limitations on U.S. missile defenses.

NORTH KOREA

97. Senator LEE. Secretary Hagel and General Dempsey, the President, Secretary Kerry, and Secretary Hagel, throughout the crisis on the Korean Peninsula, have been united in stating that North Korea will not be accepted as a nuclear power. However, North Korea conducted its third nuclear test in February and is vigorously

working to create a launching vehicle and suitable warhead. Do you believe current U.S. and United Nations sanctions will keep North Korea from developing a reliable nuclear weapon and delivery platform?

Secretary HAGEL. North Korea's continued attempts to advance its nuclear and ballistic missile programs constitute a threat to U.S. national security, to the security of U.S. allies in the region, and to international peace and security. Based upon its actions, North Korea will never be accepted as a nuclear power by the international community. The United States will continue to take steps to impede the growth of these programs, as well as to defend itself and its allies from the threat posed by North Korea, including through the U.S. extended deterrence commitments in the region.

General DEMPSEY. Changing North Korea's behavior will continue to require international cooperation and pressure. U.S. and U.N. sanctions remain essential components to a more comprehensive strategy to impact Pyongyang's calculus. The sanctions regime slows down and increases the development costs of a nuclear weapon and delivery systems. This is of particular consequence because North Korea obtains technology and material to develop their capability through illicit transactions. We need and expect our partners to fulfill their obligations to robustly implement the current U.N. sanctions regime.

98. Senator LEE. Secretary Hagel and General Dempsey, what can the United States do to further deter North Korea from development of these weapons when they have progressed this far already?

Secretary HAGEL. The United States and the Republic of Korea deter North Korean aggression every day and will continue to be prepared to defend against threats on the Korean Peninsula and in the region. The United States will strengthen its ongoing close coordination with allies and work with our Six-Party partners, the U.N. Security Council, and other U.N. member states to pursue firm action against North Korea's nuclear weapons program. We are also engaged in proliferation prevention activities across the globe, which seek to identify various networks used by North Korea to proliferate WMD and related capabilities. By disrupting these networks, we raise barriers to North Korea's acquisition efforts.

Although North Korea has demonstrated that it could pose a threat to regional stability and U.S. national security, the United States is fully prepared and capable of defending itself and its allies and partners with the full range of capabilities available, including the deterrence provided by both U.S. conventional and nuclear forces.

General DEMPSEY. The United States and the Republic of Korea deter North Korea from aggression every day and will continue to prepare to defend against threats on the Korean Peninsula and in the region. While North Korea has demonstrated that it is a threat to regional stability as well as U.S. national security, the United States is fully prepared and capable of defending itself and its allies with the full range of capabilities available, including the deterrence provided by both our conventional and nuclear forces.

99. Senator LEE. Secretary Hagel and General Dempsey, in spite of multiple warnings and sanctions from the United States and the world community over 2 decades, North Korea has successfully tested nuclear weapons and ballistic missiles. What message does this telegraph to Iran and other countries that seek their own nuclear weapons?

Secretary HAGEL. North Korea's pursuit of nuclear and ballistic missile programs do not make it secure. Far from achieving its stated goal of becoming a strong and prosperous nation, North Korea has instead become increasingly isolated, impoverishing its people through its ill-advised pursuit of WMD and their means of delivery. Other countries, like Iran, seeking nuclear weapons should take note of North Korea's experience.

General DEMPSEY. North Korea's actions risk creating a perception in Iran that possession of nuclear weapons may somehow guarantee regime survival. The history preceding North Korea's initial nuclear test highlights the importance of strengthening diplomacy with credible threats of military force. However, the scenarios differ within the frameworks of regional partnerships and international resolve, as well as regime behavior, where Iran's sponsorship of global terrorism and regional malign activities compound the international threat we are working to prevent.

AFGHANISTAN BUDGET

100. Senator LEE. Secretary Hagel and General Dempsey, at last Wednesday's news briefing on the defense budget, Under Secretary Robert Hale stated an answer to a question that the costs in Afghanistan were $7 to $10 billion higher this year than what we anticipated. This is very troubling in any environment, but especially under the constraints that DOD is currently under. Can you verify if this is correct, and account for such a massive underestimation?

Secretary HAGEL. DOD is experiencing higher-than-expected costs in war spending, because operating tempo in Afghanistan and transportation costs are higher than anticipated 2 years ago. The DOD's OCO request is a bottom-up budget preparation each year, and it is configured to support current military strategy and the commander's assessment of needs on the ground. However, the budget is prepared about 2 years in advance of when the funds are needed and sometimes fact-of-life adjustments (e.g., fuel price increases) and changes in strategy (e.g., retrograde of equipment due to adjustments in redeployment schedule) drive budget shortfalls.

The O&M portion of DOD's fiscal year 2013 OCO request is understated based on emerging requirements identified above. DOD has submitted a reprogramming action that, if approved, should mitigate these shortfalls.

General DEMPSEY. DOD's operating tempo and transportation costs in Afghanistan are higher than we anticipated when we developed the fiscal year 2013 OCO submission. Our efforts to responsibly drawdown troop strength in Afghanistan require oversight, logistics support, base closure expertise, and environmental inspections/controls, most of which were not included in the fiscal year 2013 OCO request. Finally, we could not predict the higher retrograde costs due to the slow reopening of the Pakistan ground routes.

DOD will submit a reprogramming action to Congress to largely offset war-related costs and avoid adverse effects on our wartime operations. The $7.5 billion in transfer authority provided in fiscal year 2013 will allow us to request some relief for the situation in which we find ourselves this year.

101. Senator LEE. As the United States and Afghanistan negotiate for a troops presence in that country, can we continue to expect miscalculations similar to those referenced to in the previous question in the future?

Secretary HAGEL. I hope not, but, the DOD OCO request is a bottom-up budget preparation each year, and it is configured to support current military strategy and the commander's assessment of needs on the ground. However, the budget is prepared about 2 years in advance of when the funds are needed and sometimes fact-of-life adjustments (e.g., fuel price increases) and changes in strategy (e.g., retrograde of equipment due to adjustments in redeployment schedule) drive budget shortfalls.

The O&M portion of DOD's fiscal year 2013 OCO request is understated based on emerging requirements identified above. DOD submitted a reprogramming action that, if approved, should mitigate these shortfalls.

General DEMPSEY. DOD uses the best assumptions possible to budget for OCO requirements, but the situation in the field continues to evolve. Higher than anticipated execution costs for fiscal year 2013 are associated with operational tempo and transportation costs.

As we move toward a responsible drawdown, the budget will not come down proportionately to the forces in U.S. Central Command's area of responsibility because our in-theater strength continues to support operations such as intelligence collection, which does not decrease proportionately to troop levels. DOD's reset costs will also continue beyond the drawdown timeframe. DOD strives to project these costs appropriately, but year of execution adjustments will always be necessary.

[Whereupon, at 1:27 p.m., the committee adjourned.]

DEPARTMENT OF DEFENSE AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 2014 AND THE FUTURE YEARS DEFENSE PROGRAM

TUESDAY, APRIL 23, 2013

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

DEPARTMENT OF THE ARMY

The committee met, pursuant to notice, at 9:35 a.m., in room SD–106, Dirksen Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Reed, Nelson, Udall, Hagan, Manchin, Gillibrand, Blumenthal, Donnelly, King, Inhofe, McCain, Chambliss, Ayotte, and Vitter.

Committee staff members present: Peter K. Levine, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Jonathan D. Clark, counsel; Gerald J. Leeling, general counsel; Jason W. Maroney, counsel; William K. Sutey, professional staff member; and Bradley S. Watson, special assistant for investigations.

Minority staff members present: John A. Bonsell, minority staff director; Steven M. Barney, minority counsel; Allen M. Edwards, professional staff member; and Lucian L. Niemeyer, professional staff member.

Staff assistant present: John L. Principato.

Committee members' assistants present: Carolyn Chuhta, assistant to Senator Reed; Casey Howard, assistant to Senator Udall; Christopher Cannon, assistant to Senator Hagan; Mara Boggs and David LaPorte, assistants to Senator Manchin; Brooke Jamison and Kathryn Parker, assistants to Senator Gillibrand; Marta McLellan Ross, assistant to Senator Donnelly; Karen Courington, assistant to Senator Kaine; Steve Smith, assistant to Senator King; Paul C. Hutton IV, assistant to Senator McCain; T. Finch Fulton and Lenwood Landrum, assistants to Senator Sessions; Brandon Bell, assistant to Senator Chambliss; Joseph Lai, assistant to Senator Wicker; Brad Bowman, assistant to Senator Ayotte; Craig Abele, assistant to Senator Graham; Joshua Hodges, assistant to Senator Vitter; and Charles Prosch, assistant to Senator Blunt.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Good morning, everybody. The committee meets today, and we welcome Secretary of the Army, John McHugh, and Chief of Staff of the Army, General Ray Odierno, to our hearing on the Army's fiscal year 2014 budget request and current posture.

Secretary McHugh and General Odierno, thank you for your continued outstanding service to the Army and to our Nation. Over the last decade, the men and women of the Army have learned and adapted to the hard lessons of the wars in Iraq and Afghanistan, showing that they have what it takes to be ready, to be successful, and to be resilient through repeated combat deployments. I hope that you'll convey this committee's appreciation with all whom you serve, both military and civilian, and for all that they do.

Even as the Army's combat commitments wind down in Afghanistan, the Nation is asking it to deal with serious resources challenges. The sequestration required by the Budget Control Act (BCA) in fiscal year 2013, along with a higher-than-expected operating tempo in Afghanistan, has led to a $12 billion shortfall in Army operation and maintenance (O&M) accounts, leading to the cancellation of major training exercises and the deferral of required equipment maintenance and repair. By the end of September, only one-third of the Army's Active Duty units are expected to have acceptable readiness ratings.

We look forward to the testimony of our witnesses on how the fiscal situation facing the Army is likely to impact military and civilian personnel, families, readiness, modernization, and, as well, on the operations on Afghanistan.

The Defense Strategic Guidance (DSG) announced by President Obama in January 2012 de-emphasizes ground forces for large-scale stability operations, and increases emphasis on air and sea forces for global power projection. Under the DSG, the Active Army will cut its end strength by approximately 52,000 soldiers, ending with a force of 490,000 by the end of fiscal year 2017, and will still be approximately 10,000 soldiers above its pre-Iraq war size. The added stress of troop reductions on an Army still at war will be significant, and we know the Army will strive to manage this risk very carefully.

We recently learned that, due to increasing success in transitioning wounded soldiers through the Integrated Disability Evaluation System (IDES) and back into civilian society, the Army expects to end fiscal year 2013 with 530,000 soldiers, which is 22,000 below its authorized strength for the year. We'd be interested to hear from our witnesses whether the Army's success in moving wounded warriors through the IDES will have a similar impact on Active Duty end strength in fiscal year 2014.

The 2012 DSG also reduces the Army's force structure by eight combat brigades, with two of these brigades in Germany being inactivated. We're interested to hear from our witnesses on how the Army will reorganize to meet the rest of this brigade reduction and whether additional savings might be realized by moving foreign-based units that are not inactivating back to the United States.

If end strength and force structure reductions in readiness were not well-managed, the Army increases the risk of allowing the non-

deployed force to become hollow. That is, too many units, with too few soldiers, to fill them or with training levels below that necessary to accomplish the units' missions. This risk will be compounded if we allow Army readiness to further erode, which would be the result if sequestration takes place again in fiscal year 2014 and beyond.

Secretary McHugh and General Odierno, we look forward to your views on steps that are necessary to avoid a hollow Army that would be unable to meet its mission requirements for current contingency plans and in various future scenarios.

The Army works with great determination to deal effectively with the human cost to soldiers and their families after 11 years of war. The Army has initiated creative programs and budgeted billions of dollars to improve the care of our wounded soldiers and to support families before, during, and after the deployment of their loved one. There's more work ahead for the Army—indeed, all the Services—dealing with the prevention and treatment of the heartbreaking incidence of suicides and sexual assault. The committee is interested to hear updates from Secretary McHugh and General Odierno on their assessments of the steps the Army has already taken to address these problems and the steps that lie ahead.

The committee has noted over the years how the Army's equipment modernization efforts have struggled. As the Decker-Wagner report found, several years ago, many Army acquisition programs have been canceled without delivering the capabilities expected and needed. Please describe your efforts to develop an achievable and affordable new equipment strategy that will enable us to avoid a repetition of that experience.

In this year's request, the Army has tried to meet tight budget requirements by restructuring, slowing, or cutting, but not canceling, nearly all of its ground vehicle and aviation programs. This means the Army will get what it plans for, but it will be later and likely cost more in the long-run. Our witnesses will, hopefully, tell the committee how slower procurement and maintenance might impact the health of the military vehicle industrial base. More generally, we're interested to hear from our witnesses their assessment of and their plans to manage risks in the industrial base.

Again, to our witnesses, our country is appreciative of your leadership of the Army in meeting these complex challenges.

Senator Inhofe.

STATEMENT OF SENATOR JAMES M. INHOFE

Senator INHOFE. Thank you, Mr. Chairman.

First of all, General Odierno, I've enjoyed our getting to know each other well, both in the field and in the office.

It's hard for me to believe, Secretary McHugh, that you and I have been friends since we sat next to each other on the House Armed Services Committee. I won't even mention how long ago that was.

But, anyway, we hear all the time—and, of course, it's true—that our Army is the best-tested and so forth, but there are really some serious problems that are out there. I think the chairman has articulated, and very well, that this budget is emblematic of the growing mismatch between the missions and the capabilities that

we expect our Armed Forces to maintain in the budget resources provided to them.

Last week, Director of the National Intelligence, James Clapper, stated, "In my almost 50 years in intelligence, I do not recall a period in which we confronted a more diverse array of threats, crises, and challenges around the world." I agree with him. Yet, despite that reality, we're poised to cut over $1 trillion from our military. These cuts are having a significant impact on the Army. Even without sequestration, these budget cuts are causing a significant decline in the readiness of our Army and its ability to train for the next contingency.

General Campbell, the Vice Chief of the Army, recently stated before the Senate Armed Services Committee's Readiness and Management Support Subcommittee, "To meet the sequestered targets to protect our warfighter, warfighter funding in fiscal year 2013, we've currently curtained training for 80 percent of our ground forces for the next fiscal year. We've canceled six combat maneuver training exercises at the National Training Center (NTC) and the Joint Readiness Training Center (JRTC)."

These cuts in training come at great cost to the readiness of the Army. I've often said, and everyone agrees, that readiness equals lives and risk. It means that our soldiers will be less capable and less prepared to deal with the growing threats abroad. The longer these cuts continue, the closer we get to a hollow force.

Readiness is not the only area that I'm concerned about. The Army has rightfully prioritized funding to support deployed and next-to-deploy forces, but we are learning that the Army's modernization accounts, its future readiness, are at significant risk. These negative effects on modernization are only compounded by sequestration. Last week, General Campbell stated, "Sequestration will also result in delays to every 1 of our 10 major modernization programs, including the ground combat vehicle (GCV), the network, and the joint light tactical vehicle (JLTV). It will increase costs. It will create an inability to reset our equipment after 12 years of war."

These cuts will also have an impact on civilian workforce. The civilians play an important role in the Service, especially in maintenance and logistics area. I'm greatly concerned on how these furloughs will impact the support they provide the Army.

The Service Chiefs continue to tell us that what they need the most is certainty, flexibility, and time. The Army's budget request does little to help the Army address these three concerns. Last week, in our Department of Defense (DOD) posture hearing, General Dempsey testified. He said, "When budget uncertainty is combined with the mechanism and magnitude of sequestration, the consequences could lead to a security-gap vulnerability against future threats to our national security interests." That's exactly what we are beginning to see.

I believe General Dempsey said it best in a letter signed by the Joint Chiefs to the congressional defense committees: "The readiness of our Armed Forces is at a tipping point."

So, we hear it from everyone, about what is happening, about the immorality—I call it—of the action that is being taken that's forcing you to do a better job. I've said, General Odierno, several times

in the past that you do a great job, you guys, with the hand that's dealt. We have to deal you a better hand. I think that's what this is all about, and I look forward to your testimony.

Thank you, Mr. Chairman.

[The prepared statement of Senator Inhofe follows:]

PREPARED STATEMENT BY SENATOR JAMES M. INHOFE

Thank you, Mr. Chairman, I join you in welcoming Secretary McHugh and General Odierno and thank them for their many years of dedicated service to our Nation.

The purpose of our hearing today is to discuss the fiscal year 2014 budget request for the Department of the Army. Our Army continues to perform with remarkable courage, professionalism, and effectiveness around the world. They are battletested after a decade of sustained combat operations and demonstrate every day that they are the best led, trained, and equipped land force in the world. It is our responsibility to ensure that this continues to be the case. Unfortunately, the budget request before us today falls short of this necessary goal.

This budget is emblematic of the growing mismatch between the missions and capabilities we expect our Armed Forces to maintain and the budget resources provided to them. Last week, Director of National Intelligence James Clapper stated: "in my almost 50 years in intelligence, I do not recall a period in which we confronted a more diverse array of threats, crises, and challenges around the world." I agree with him. Yet, despite this reality, we're poised to cut over a trillion dollars from our military. These cuts are having a significant impact on the Army. In August 2011, Congress passed the Budget Control Act (BCA) of 2011, which reduced planned defense spending by $487 billion over 10 years. The Army's share of the phase 1 cuts associated with the BCA are forcing the Army to reduce its end strength by 80,000 Active-Duty Forces by 2017 and to cut the number of brigade combat teams from 44 to 36.

Additionally, these budget cuts when coupled with the impacts of sequestration are causing a significant decline in the readiness of our Army and its ability to train for the next contingency. General Campbell, the Vice Chief of Staff of the Army, recently stated before the Senate Armed Services Committee's Readiness and Management Support Subcommittee: "To meet the sequestered targets to protect war fighter funding in fiscal year 2013, [we're] currently curtailing training for 80 percent of our ground forces for the next fiscal year. We've cancelled six combat maneuver training exercises at [the] National Training Center and the Joint Readiness Training Center." These cuts in training come at great cost to the readiness of our Army. It means that our soldiers will be less capable and less prepared to deal with growing threats abroad. And, the longer these cuts continue, the closer we get to a hollow force.

Readiness is not the only area that I'm concerned about. The Army has rightfully prioritized funding to support deployed and next-to-deploy forces, but we are learning that the Army's modernization accounts—its future readiness—are at significant risk. Overall, the Army's base budget request for its modernization accounts is $1.7 billion less than last year's request, driven primarily by reductions in aviation and ammunition procurement and Ground Combat Vehicle research and development. These reductions do not reflect cuts associated with sequestration nor do they reflect the likely reduction to the modernization accounts this year as the Army attempts to solve its fiscal year 2013 readiness shortfalls. These negative effects on modernization are only compounded by sequestration. Last week, General Campbell stated: "Sequestration will also result in delays to every 1 of our 10 major modernization programs, including the ground-combat vehicle, the network, and the joint light tactical vehicle. In most cases, this will increase our cost. It will create an inability to reset our equipment after 12 years of war."

The civilian workforce is an important component of the Army. They provide a variety of services especially in the maintenance and logistics arena. Prior to passing a defense appropriations act, the Army, along with the rest of the Department was directed to furlough its entire civilian workforce for up to 22 days. However, as a result of H.R. 933 which provided budgetary relief for fiscal year 2013, the Department adjusted the furlough period from 22 to 14 days. I'm greatly concerned with the impact of these furloughs and look to our witnesses to provide more information on how these cuts are affecting our civilians.

The Service Chiefs continue to tell us that what they need the most is certainty, flexibility, and time. The Army's budget request does little to help the Army address these concerns. Ongoing budget uncertainty has degraded the readiness of our Army

and I'm concerned with the long term impacts if we don't address these shortfalls now. Last week in our Defense Department Posture Hearing, General Dempsey testified, "When budget uncertainty is combined with the mechanism and magnitude of sequestration, the consequences could lead to a security gap-vulnerability against future threats to our national security interests." That is exactly what we are beginning to see.

I believe General Dempsey said it best in a letter, signed by the Joint Chiefs of Staff, to the Congressional Defense Committees: "The readiness of our Armed Forces is at a tipping point." I couldn't agree with him more. We're going down a path where readiness and capability are being cut at such a rate that, as General Dempsey has stated previously, it would be "immoral" to use this force. We need for our witnesses to tell us not only what it will cost to prevent a further decline in the readiness of our Army, but also what it will take to rebuild the readiness that's been lost already this year.

It is our job today to make sure we understand the impacts and ramifications of reducing the Army budget to levels from which we may never recover if we "go over the tipping point." Such an outcome would have dire implications for our Army. We cannot allow that happen.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Inhofe.

Secretary McHugh.

STATEMENT OF HON. JOHN M. MCHUGH, SECRETARY OF THE ARMY

Mr. MCHUGH. Thank you very much, Mr. Chairman, Ranking Member Inhofe, distinguished members of the committee. Thank you for the opportunity, once again this year, to appear before you to discuss what I know you will agree is the extraordinary work of America's Army this past year, its current state, and, of course, the vital requirements that are necessary to sustain our combat power for today, tomorrow, and beyond.

I want to assure all the members of this committee, in response to the chairman's opening comments, this Army—and I think I can speak for all the Services—deeply, deeply appreciates the leadership, the guidance, and sometimes the shelter that you, the members of this great committee, provide. We not just look forward to, we very much need to continue to work with you in the days ahead.

I wish I had better news to share, frankly, but today we find our Army at what can be described as a dangerous crossroads, one which if we, as a Nation, choose the wrong path, may severely damage our force, further reduce our readiness, and hamper our national security for years to come.

Over the last 12 years, this Nation has built the most combat-ready, capable, and lethal fighting force the world has ever known. From Iraq and Afghanistan to the Horn of Africa and Korea, we have fought America's enemies, protected our national interests, deterred would-be aggressors, and supported our allies with unprecedented skill, determination, and, quite frankly, results. Over the last year alone, we've seen great success in operations ranging from counterterrorism and counterinsurgency to homeland security and disaster response. Soldiers and civilians from all components—Active, Guard, and Reserve—have repeatedly risked their lives to defend our freedom, to save the lives of others, and to support our citizens in recovering from hurricanes, wildfires, and even droughts. There has been no foreign enemy, natural disaster, or threat to our Homeland that your Army has not been prepared to decisively engage.

Unfortunately, today we face an unparalleled threat to our readiness, capabilities, and soldier and family programs. That danger comes from the uncertainty caused by continued sequestration, funding through repeated Continuing Resolutions (CR), and significant shortfalls in overseas contingency accounts.

In fiscal year 2013, the blunt ax, known as sequestration, which struck in the last half of the year, on top of the $487 billion in Department-wide cuts already imposed by the BCA, forced us to take a extraordinary measures just to ensure that our warfighters have the support needed for the current fight. We made those hard decisions, but at a heavy price to our civilian employees, training needs, maintenance requirements, readiness levels, and to a myriad of other vital programs necessary to sustain our force and to develop it for the future.

For the Army, sequestration created an estimated shortfall of $7.6 billion for the remaining 6 months of fiscal year 2013. This includes nearly $5.5 billion in O&M accounts alone, as the chairman referenced. The impact of this drastic decline over such a short period will directly and significantly impact the readiness of our total force. We've reduced flying hours, frozen hiring, and released hundreds of temporary and term workers. We were forced to cancel initial entry training for more than 2,300 military intelligence soldiers, reduce training to the described level for our nondeploying units, and had to cancel again, as the chairman and ranking member noted, all but two of the remaining brigade decisive-action rotations at our NTC. This is on top of the drastic impacts to our depot, vehicle, and facility maintenance programs. Unavoidably, these negative effects will cascade well into the next fiscal year, and often beyond.

Simply put, to continue sequestration into fiscal year 2014 and beyond would not only be irresponsible but devastating to the force, but it would also directly hamper our ability to provide sufficiently trained and ready forces to protect our national interests.

Moreover, full implementation through fiscal year 2021 will require even greater force reductions that will dramatically increase strategic risk. For example, just to maintain balance, we may have to reduce over 100,000 additional personnel across all three components. When coupled with the cuts driven by the BCA already, your Army could lose up to 200,000 over the next 10 years.

Consequently, to mitigate against the continued impacts of such indiscriminate reductions, our fiscal year budget request for 2014, as in the House and as in the Senate resolutions, does not reflect further sequestration cuts. Rather, we attempt to protect some of our most vital capabilities, which were developed over nearly a dozen years of war in a hedge against even further reductions in readiness. We hope that, if additional funding reductions are required, they are properly backloaded into later fiscal years and that we're provided the time and flexibility to better implement them, and do as responsibly as possible.

For all of its challenges, continued sequestration is only part of the danger we face. Since fiscal year 2010, the Army has experienced funding through some 15 different CRs. This has caused repeated disruptions in our modernization efforts, uncertainty in our contracts, and unpredictability for our industrial base. Each CR

prevents new starts for needed programs and creates inefficiencies that often result in wasteful spending for things we no longer need or can no longer afford. This year it was 6 months into the fiscal year before we had an appropriation, and there's more.

While we remain at war with a determined enemy in Afghanistan while simultaneously conducting retrograde operations, we must remember that Overseas Contingency Operations (OCO) funding is essential. Unfortunately, your Army currently faces up to a $7.8 billion deficit in overseas contingency funding. Although, as noted earlier, we will not allow our warfighters to suffer, OCO shortfalls disrupt our ability to repair and reset equipment, and directly impact our organic and commercial industrial bases.

Continued budgetary uncertainty jeopardizes our ability to have the right forces with the right training and the right equipment in the right place to defend our Nation. Our readiness has suffered, our equipment has suffered, and, if we're not careful, our people may suffer, as well.

As such, more than ever before, we need you, our strategic partners, to help ensure that America's Army has the resources, tools, and force structure necessary to meet our requirements both at home and abroad. The Army's fiscal year 2014 budget request is designed to meet those objectives. As you'll see, the fiscal year 2014 submission meets our current operational requirements while allowing us to build an Army to meet future challenges through prudently managing and aligning force structure, readiness, and modernization against strategic risk.

First, it helps us balance readiness across the total force—Active, National Guard, and Reserve. It allows us to refocus training toward core competencies, and supports a steady and sensible transition to a smaller force.

Second, it reinforces the Army's central role in the defense strategy by allowing us to strengthen our global engagements with regionally aligned forces, and ensures that we remain a lynchpin of the rebalance toward the Asia-Pacific theater.

Third, it provides for vital reset and replacement of battle-damaged equipment, helps to support our industrial base, and funds key modernization priorities focused on soldier-squad systems, the network, and enhanced mobility.

Most importantly, it sustains our commitment to soldiers, civilians, and their family members, many of whom continue to deal with the wounds, illnesses, and stresses of war. From suicide prevention and Wounded Warrior programs to resiliency training and sexual assault prevention and prosecution, this budget is designed to strengthen, protect, and preserve our Army family that uses those programs, and uses them in ways that are efficient, effective, and comprehensive. We have a sacred covenant with all those who serve and with all those who support them, and we must not break it.

Nevertheless, we recognize our Nation's fiscal reality. Accordingly, our budget proposal will further these vital goals with a 4 percent reduction from fiscal year 2013's budget base, achieved through prudent, well-planned reductions, not indiscriminate slashing.

In conclusion, on behalf of the men and women of the Army, let me thank you again for your thoughtful oversight, your unwavering commitment, and your proud partnership with this Army. With your support, the Army has become the finest land force in history. Now we need to work together to help protect the hard-fought capabilities developed over years of war and to ensure we have the resources necessary to meet the unforeseen challenges that may lie ahead.

Our soldiers, civilians, and family members are second to none, as I know everyone on this committee knows and agrees. They are patriots, working tirelessly every day to support and to defend freedom. America's Army has succeeded in Iraq and is making progress in Afghanistan, and, at this moment, and as this budget demonstrates, is focused on completing the current fight as we transform into a leaner, more adaptable force. To do so, as I said earlier, we need flexibility, predictability, and the funding necessary to ensure we have highly trained and ready forces to meet the mission. As we face this crossroads together, it's critical that we choose the right path for our soldiers, our Army, and our Nation.

Thank you, Mr. Chairman.

[The prepared joint statement of Mr. McHugh and General Odierno follows:]

PREPARED JOINT STATEMENT BY HON. JOHN M. MCHUGH AND GEN RAYMOND T. ODIERNO, USA

INTRODUCTION

The Army has been in a state of continuous war for the past 12 years, the longest in our Nation's history. More than 168,000 soldiers are deployed or forward stationed in nearly 150 countries worldwide. The global security environment points to further instability, and the Army remains a key guardian of our national security.

The Army's ability to perform this vital role, and field a ready and capable force that meets mission requirements, has been placed at risk by fiscal challenges in fiscal year 2013. The combined effects of funding reductions due to sequestration, the fiscal uncertainty of Continuing Resolutions and emerging shortfalls in Overseas Contingency Operations funding has significantly and rapidly degraded Army readiness, which will translate directly into fiscal year 2014 and beyond. This lack of predictability makes it difficult to address the posture of the Army in fiscal year 2014 with certainty and specificity. However, this document will address some of the potential long-term effects that fiscal uncertainty will have on the Army.

Landpower for the Nation

America's Army is the best-trained, best-equipped and best-led fighting force in the world, providing a credible and capable instrument of national power. Army forces play a fundamental role in all but one of the missions specified by the defense strategic guidance, Sustaining U.S. Global Leadership: Priorities for 21st Century Defense. The Army's ability to provide strategic landpower for the Nation makes it uniquely suited to meet these requirements. Army forces are tailorable and scalable to meet mission requirements. The Army's ability to rapidly deploy task organized forces, from company to corps level over extended distances, sustain them and deliver precise, discriminate results is unmatched. Highly ready, responsive and capable ground forces prevent conflict through deterrence, by shaping combatant commanders' operational environment and, when necessary, winning the Nation's wars.

Missions of the U.S. Armed Forces

From *Sustaining U.S. Global Leadership: Priorities for 21st Century Defense.*

In all but one mission – maintain a nuclear deterrent – the Army is a vital contributor to the Joint Force:

- Counter terrorism and irregular warfare.
- Deter and defeat aggression.
- Project power despite anti-access/area denial challenges.
- Counter weapons of mass destruction.
- Operate effectively in cyberspace.
- Operate effectively in space.
- Maintain a safe, secure, and effective nuclear deterrent.
- Defend the homeland and provide support to civil authorities.
- Provide a stabilizing presence.
- Conduct stability and counterinsurgency operations.
- Conduct humanitarian, disaster relief, and other operations.

Fiscal Challenges

The Budget Control Act of 2011 imposed caps on discretionary spending that required a $487 billion reduction in planned defense spending over 10 years. As a result of these spending cuts and in line with the defense strategic guidance announced in January 2012, we are reducing Active Army end strength from a wartime high of about 570,000 to 490,000, the Army National Guard from 358,200 to 350,000, the Army Reserve from 206,000 to 205,000 and the civilian workforce from 272,000 to 255,000 all by the end of fiscal year 2017. These reductions, which began in fiscal year 2012, represent a net loss of 106,000 soldier and civilian positions.

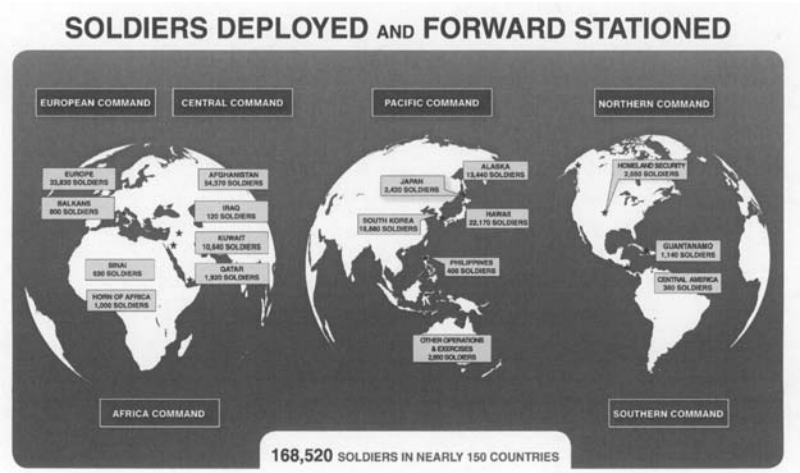
The implementation of sequestration in fiscal year 2013 created a significant shortfall in Army funding, estimated at $7.6 billion for the remaining months of the fiscal year, which includes nearly $5.5 billion in the Operation and Maintenance account for Active and Reserve component forces. We also face up to a $7.8 billion shortfall in Overseas Contingency Operations funding due to increasing costs related to the war in Afghanistan. The sharp decline over a short period of time significantly impacts readiness which will cascade into the next fiscal year and beyond.

The President's budget includes balanced deficit reduction proposals that allow Congress to replace and repeal the sequester-related reductions required by the Budget Control Act of 2011 through fiscal year 2021. In the absence of such an agreement, the Army may not be able to execute the current defense strategic guidance as planned. This may compel actions that break faith with our soldiers, civilians, and families. Full implementation of sequestration and its associated outyear budget cuts will require further force structure reductions that will greatly increase strategic risk. To maintain balance between force structure, readiness and modernization, the Army may have to reduce at least 100,000 additional personnel across the Total Force—the Active Army, the Army National Guard, and the Army Reserve. When coupled with previously planned cuts to end strength, the Army could lose up to 200,000 soldiers over the next 10 years. If steep cuts are required in fiscal year 2014 and beyond, this will create imbalance and significantly compound risk. It will cause a disproportionate investment across manpower, operations and maintenance, modernization and procurement, challenging our ability to sustain appropriate readiness in the near term in support of our current defense strategy.

To some extent, the impact of spending reductions can be mitigated if funding is timely and predictable, and cuts are backloaded, enabling the Army to plan, resource and manage the programs that yield a highly trained and ready force. Continued fiscal uncertainty, on the other hand, poses considerable risk to our ability to maintain a ready force. Each Continuing Resolution prevents new starts for need-

ed programs, limits reprogramming actions, creates inefficiency and often results in wasteful funding for accounts that we no longer want or need. Resource predictability affords the Army the opportunity to plan and shape the Army's force for the future within identified budgetary constraints.

The fiscal year 2014 budget is designed to meet current operational requirements and allows us to build an Army to meet our future needs by balancing force structure, readiness and modernization. It fully supports the Army's central role in the defense strategic guidance. The budget request funds balanced readiness across the Total Force while retaining agility and capacity. It supports reset and replacement of battle-damaged equipment, as well as modernization priorities. A 4-percent reduction from the fiscal year 2013 base budget request reflects the Army's acceptance of measured risk, accommodating a tightening fiscal environment.



AMERICA'S ARMY TODAY

Beyond combat operations in Afghanistan, the Army conducts many missions worldwide in support of national security objectives, as well as within the United States in support of civil authorities. The Total Force provides the foundation for Joint operations. Demand for Army forces in Afghanistan will continue to decrease. However, the requirement for strategic landpower capable of worldwide deployment will endure.

Operations Around the World

The Army has nearly 80,000 soldiers currently committed to operations around the world—in Afghanistan, Kosovo, the Philippines, Horn of Africa, Turkey, Sinai Peninsula and throughout the Middle East. Forward-stationed Army forces, in the Republic of Korea, Japan, Europe and elsewhere, provide Geographic Combatant Commands with an unparalleled capability to prevent conflict, shape the environment and, if necessary, win decisively. About 77,000 soldiers are postured to support operations and engagements in the Asia-Pacific region. During 2012, these soldiers participated in security cooperation engagements in 23 countries across the Pacific. Reductions to our force posture in Europe are underway, but a significant Army presence and commitment remains. Army forces in Europe remain a critical source of timely operational and logistical support for operations in other theaters, such as Southwest Asia and Africa. The long-term impacts of sequestration and the associated outyear reductions, particularly to force structure and readiness, threaten the Army's ability to provide trained and ready forces to perform these enduring and vital missions.

Operations in Afghanistan

The approximately 60,000 soldiers deployed to Afghanistan, in both conventional and special operations units, remain our top priority. The Army provides the corps-level headquarters that form the basic structures for conventional forces in the theater, and provides two division-level headquarters that control the majority of oper-

ational activities in the country. The Combined Joint Special Operations Task Force is built on a foundation of an Army Special Forces Group. The majority of combat units in theater are U.S. Army, and some of the most critical enablers such as tactical unmanned aerial vehicles and route clearance units are almost exclusively U.S. Army. The critical transition to Afghan leadership in security is being enabled by thousands of Army noncomissioned officers (NCO), officers, and soldiers who have been remissioned to advise and assist the increasingly capable Afghan National Security Forces. The Army also provides essential logistics capabilities that sustain the land-locked Afghan theater. In fact, only the Army can provide the theater logistics, transportation, medical and communications infrastructure necessary to support operations of this size, complexity, and duration. The Army has also begun the challenging task of equipment and materiel retrograde and refit from Afghanistan. It is a daunting task by virtue of the sheer volume of the equipment that must be brought home as well; this challenge is compounded by harsh geography, adverse weather and ongoing combat operations. Funding shortfalls threaten to further extend the timeline and increase overall costs.

Missions as a Member of the Joint Force

The Army provides a wide range of capabilities as an indispensable member of the Joint Force. Every day, the Army maintains deployable contingency forces, employs forward-based capabilities, delivers humanitarian assistance and conducts multilateral exercises with partners and allies. The Army maintains a Global Response Force at constant high readiness providing the Nation its only rapid response, inland forcible entry capability for unforeseen contingencies. Army forces set theaters for the combatant commanders maintaining constantly the critical logistical, communications, intelligence, medical and inland ground transportation infrastructure to support all plans and contingencies. We maintain partner relationships that ensure access to critical regions around the world. Army commanders and headquarters lead Joint Task Forces, plan operations and exercise mission command of units across the full range of military operations. Army units provide space, air and missile defense capabilities for the Joint Force. We build and operate the space and terrestrial communication networks that connect our own units, the Joint community, and interagency and multinational partners. Soldiers provide essential logistics infrastructure, delivering food, fuel, ammunition, materiel and medical support that sustain Joint operations ranging from combat to humanitarian assistance. In addition, the Army collects and analyzes the intelligence that informs our actions and measures our progress, and provides the majority of the forces in U.S. Special Operations Command.

Missions at Home and Support of Civil Authorities

The Total Force is prepared to defend the Homeland and routinely conducts critical Defense Support of Civil Authorities operations. As this past year demonstrated through wildland fires, two major Hurricanes (Isaac and Sandy), floods in the heartland and multiple winter storm emergencies, the Army is always ready to respond to the call of its citizens. The Army does so by performing a wide range of complex tasks in support of civil authorities during natural and manmade disasters, including Chemical, Biological, Radiological, or Nuclear incidents, and for counterdrug operations within each State, as well as along the approaches to the United States. After Hurricane Sandy struck the eastern United States, more than 22,000 Active and Reserve component soldiers, which included over 10,000 Army National Guard soldiers from 19 States, provided immediate and sustained relief. Army Corps of Engineers soldiers and civilians pumped more than 475 million gallons of water from the New York City subway system and all tunnels connecting Manhattan.

The Army Vision

The Army is **regionally engaged and globally responsive**; it is an indispensible partner and provider of a full range of capabilities to Combatant Commanders in a Joint, Interagency, Intergovernmental and Multinational environment. As part of the Joint Force and as America's Army, in all that we offer, we guarantee the agility, versatility and depth to Prevent, Shape and Win.

THE ARMY FOR THE FUTURE

The Army for the future will feature regionally aligned and mission-tailored forces designed to respond to combatant commander requirements to prevent conflict,

shape the strategic environment and, when necessary, win decisively. Maintaining credible strategic landpower requires the Army to continually assess and refine how we operate, manage our human capital and increase our capabilities, all while mitigating the effects of significant reductions in funding. We must exploit our advantages in some key areas such as leader development; strategic, operational and tactical mobility; command, control, communications, computers, and intelligence (C4I) and logistics. As we transition over the next 5 to 10 years, this effort will be underpinned by a strong institutional Army. This institutional Army mans, trains, equips, deploys and ensures the readiness of all Army forces. It generates the concepts and doctrine that guides the way we operate. It runs the professional military education system, that provides our country unparalleled thinkers and leaders at the tactical operational and strategic levels. It recruits our soldiers and prepares them for military services. It is the foundation upon which readiness is built, enabling the operational Army to provide landpower capability to the combatant commander. The institutional Army takes a deep look at the future strategic environment to formulate concepts and plans for the best mix of capabilities to meet the Nation's land warfare challenge—the right skills, right doctrine, right equipment and the right qualities in our adaptive leaders.

The Army must strike a balance between force structure, readiness and modernization, in a manner that is mindful of fiscal realities yet also provides the Nation with optimized but capable landpower. The decisions we have made in response to fiscal year 2013 budget reductions will have far reaching impacts on the Army. Clear priorities guided these decisions. All soldiers meeting operational requirements—such as those deployed to Afghanistan, Kosovo and the Horn of Africa or forward stationed in the Republic of Korea—will be prepared and ready. We will fund programs related to Wounded Warrior care. Finally, we will determine whether we have sufficient funds to continue training the units that meet our Global Response Force requirements. The rest of the Army, however, will experience significant training and sustainment shortfalls that will impact readiness this year and will be felt for years to come. The Army's ability to perform its missions, as directed in the defense strategic guidance, will inevitably be degraded.

Globally Responsive, Regionally Engaged Strategic Land Forces

Regional alignment will provide Geographic Combatant Commands with mission-trained and regionally focused forces that are responsive to all requirements, including operational missions, bilateral and multilateral military exercises and theater security cooperation activities. Regionally aligned forces are drawn from the Total Force, which includes Active Army, Army National Guard, and Army Reserve capabilities. Aligned Corps and Divisions will provide Joint Task Force capability to every geographic combatant command. Through regional alignment, the Army will maintain its warfighting skills and complement these skills with language, regional expertise and cultural training. For example, 2nd Brigade of the 1st Infantry Division, stationed at Fort Riley, KS, is aligned with U.S. Africa Command for fiscal year 2013. In support of U.S. Africa Command objectives, the brigade will conduct engagement activities in 34 African nations over the coming year.

Regionally aligned, mission tailored forces play an essential role in the defense strategic guidance, which rebalances to the Asia-Pacific region while maintaining our commitment to partners in and around the Middle East. Lessening demand for forces in Afghanistan allows our aligned units in the Asia-Pacific theater to refocus on supporting U.S. Pacific Command's objectives. In addition, U.S. Army Pacific will be elevated to a four-star headquarters in 2013. I Corps, stationed at Joint Base Lewis-McChord, WA, is developing Joint Task Force command capability, which will provide a deployable headquarters that can meet contingencies across the full range of military operations. These initiatives will enhance the capability and responsiveness of our forces. However, the training shortfalls and readiness impacts of sequestration places the Army's ability to provide these critical capabilities at risk.

Training for Operational Adaptability

In recent years the Army has deliberately focused training on counterinsurgency and stability operations to support requirements in Iraq and Afghanistan. We will build upon that expertise while transitioning to a more versatile Army, with operationally adaptable land forces that will take on a broader range of missions in support of the national defense strategy. Innovative training methods produce ready and responsive forces while optimizing our resources. Army units train at Combat Training Centers, while deployed and at home station. Live, virtual, and constructive training enables Army commanders to conduct multi-echelon events in a complex environment at home station. The Army's Decisive Action Training Environment, which has been incorporated by each of our three maneuver Combat Training

Centers, creates a realistic training environment that includes Joint, Interagency, Intergovernmental, and Multinational partners against a wide range of opportunistic threats.

Sequestration has had an immediate impact on the Army's ability to train at every level—individual soldier, Brigade Combat Team, and deployable headquarters. We were forced to cancel fiscal year 2013 Initial Entry Training (IET) for more than 2,300 Military Intelligence soldiers, and we may have to cancel up to 10 Field Artillery IET classes, which would affect over 200 soldiers. We may also be forced to cancel all but two of the remaining fiscal year 2013 brigade-level Decisive Action rotations at our Maneuver Combat Training Centers unless additional funds become available. Training in fiscal year 2014 and beyond remains at risk as well. With sequestration, the Army will not be able to fully train our soldiers, whether through professional military education or collective unit training, in a way that enables them to operate successfully in a complex environment across the full range of military operations. The long-term readiness impacts of the resulting deficit in trained forces will jeopardize the Army's ability to meet war plan requirements.

People

The soldiers of our All-Volunteer Force are the Army's greatest strategic asset. These professional men and women provide depth and versatility throughout the Total Force—the Active Army, the Army National Guard, and the Army Reserve. As the Army gets smaller, it becomes even more important that we retain and recruit only the highest quality soldiers. With the support of Congress, we will maintain a military pay and benefits package—to include affordable, high-quality health care—that acknowledges the burdens and sacrifice of service while understanding our future fiscal environment. During 2012, 96 percent of the Army's recruits were high school graduates, exceeding the goal of 90 percent. The fiscal year 2012 Active component recruiting effort produced the highest quality enlisted recruits in our history, based on test scores and waivers issued. We are also on track to sustain the high retention rate of the past 3 years. While the Army draws down, it is important that we do so at a pace that will allow us to continue to recruit and retain these high-quality soldiers. A precipitous drawdown, which may be necessary if sequestration and associated reductions in budgetary caps are fully implemented over the coming years, will have lasting impacts on the quality of the force.

The Army is committed to ensuring that female soldiers are provided career opportunities that enable them to reach their highest potential while enhancing overall Army readiness. Over the last year, the Army opened more than 13,000 positions to women. In January 2013, the Department of Defense rescinded the Direct Ground Combat Definition and Assignment Rule, thus enabling the elimination of unnecessary gender-based restrictions for assignment. The Army is currently developing, reviewing and validating occupational standards, with the aim of fully integrating women into occupational fields to the maximum extent possible. We are proceeding in a deliberate, measured and responsible way that preserves unit readiness, cohesion and morale.

Ready and Resilient

Caring for the Army means doing our best to prepare soldiers, civilians, and families for the rigors of Army life. The Army remains committed to providing soldiers and families with a quality of life commensurate with their service. We continue to review our investments and eliminate redundant and poor performing programs. The Army will make every effort to protect essential Army Family Programs, but they will be unavoidably affected by workforce reductions, cuts to base sustainment funding and the elimination of contracts.

The Army's Ready and Resilient Campaign enhances readiness for the Total Force by tailoring prevention and response measures to promote physical and mental fitness, emotional stability, personal growth and dignity and respect for all. An integral part of this campaign is the Comprehensive Soldier and Family Fitness Program, which strengthens soldiers, family members, and Army civilians by addressing physical, emotional, family, spiritual, and social fitness collectively. Healthy soldiers, families, and civilians perform better, are more resilient, and improve unit readiness.

The challenges associated with suicide directly affect the force. It is a complex phenomenon that reflects broader societal problems and defies easy solutions. To better understand psychological health issues, the Army has partnered with a number of agencies to assess mental health risk and help commanders effectively address this persistent problem. In collaboration with the National Institute of Mental Health, the Army is examining risk and resilience factors among soldiers in the largest behavioral health study of its kind ever undertaken. The study will develop

data-driven methods to reduce or prevent suicide behaviors and improve soldiers' overall mental health. The objective is to identify the most important risk and protective factors, and then act on them. Programs that improve soldier and family access to care, while reducing stigma, are essential to our efforts. The Embedded Behavioral Health program, which is being established for all operational units in the Active Army, is a leading example of how we are redesigning behavioral health services to improve the care that our soldiers receive.

The Army is committed to providing quality care for our wounded, ill, and injured soldiers and their families. During 2012, six new warrior transition complexes were completed, which consist of barracks, administrative facilities and a Soldier and Family Assistance Center. Medical innovation and groundbreaking research in areas such as traumatic brain injury and post-traumatic stress disorder are helping us improve the care we provide our wounded soldiers. Our command climate must foster an environment in which soldiers can seek assistance without stigma.

Sexual Harassment/Assault Response and Prevention Program

The Army continues to employ the Sexual Harassment/Assault Response and Prevention Program (SHARP) to eliminate sexual assault and harassment within our ranks. Active and engaged leadership is central to helping the Army community understand that a climate that respects and grants dignity to every member of the Army family increases our combat readiness. The Army will reinforce a culture in our basic training units, our officer training courses and our operational units in which sexual harassment, sexual assault and hazing are not tolerated, and if they occur are dealt with rapidly and justly. We are adding 829 full-time military and civilian sexual assault response coordinators and victim advocates at the brigade level as well as 73 trainers, certifying those personnel, and executing more frequent command climate surveys in units. We have begun the hiring process for the 446 civilian positions.

The Army has increased emphasis on investigations, prosecutions and laboratory resources needed to effectively build cases in order to ensure each alleged incident is adequately investigated, and if found credible, prosecuted to the full extent of the law. All unrestricted sexual assault allegations are referred to the Criminal Investigation Division, where we have added four highly qualified expert criminal investigators and 6 expert military attorneys and 20 specially trained agents who pursue their investigations independent of the command. We have also hired 30 additional Lab Examiners. Our 20 Special Victim Prosecutors educate and support the victim and provide advice and counsel to the criminal investigators as well as commanders. Sequestration and associated civilian furloughs are likely to degrade aspects of our SHARP efforts, from slowing hiring actions, to delaying lab results which hinders our ability to provide resolution for victims.

Develop Adaptive Leaders

One of our greatest advantages is our officers and noncommissioned officers, and the Army's ability to provide strategic landpower depends on the quality of these leaders. While we can recruit and train soldiers in relatively short order, the Army cannot build leaders in a similar timeframe. Army leaders must be innovative, possess a willingness to accept prudent risk in unfamiliar, highly complex and dangerous environments and display an ability to adjust based on continuous assessment. As we face an uncertain future with an uncertain level of resources, we must prudently commit to the one certain, high-payoff investment—our leaders. Training, education and experience are the pillars of our leader development strategy, and we have many initiatives underway to ensure we cultivate, manage and optimize the talent of our leaders. We are instituting a program to match personal history and informal skills to duty assignments. We are implementing and improving our 360-degree assessment programs for officers and are making 360-degree assessments prerequisites to assume command at the lieutenant colonel and colonel levels. We are dramatically increasing the opportunity for and emphasis on broadening experiences and have increased the number of fellowships for our officers in government, industry and academia. Cuts to institutional and unit training, due to sequestration, OCO budget shortfalls in fiscal year 2013 and continuing fiscal uncertainty, will degrade our ability to develop leaders and will have long-term impacts on the readiness of the force.

Equipment Modernization and Reset

As we prepare for the future, we will need to invest considerable time and resources to restore equipment used in combat operations to an acceptable level of readiness through reset operations, a combination of repair, replacement, recapitalization and transition. At the same time, other pressing modernization needs require attention and investment. The long-term nature of sequestration-related budg-

et reductions puts each of the Army's investment priorities at risk. All acquisition priorities and many equipment modernization programs may face unanticipated schedule or cost impacts in the out years.

The Army will require Overseas Contingency Operations funding for equipment reset for 3 years after the last piece of equipment has been retrograded from Afghanistan. This funding will support the substantial workload required for equipment retrograde, induction and repair, a process that can take up to 3 years for some items such as crash and battle damaged aircraft. Fiscal year 2013 budget reductions have already placed the Army at a disadvantage, forcing the cancellation of depot maintenance that will delay required repairs and upgrades.

Organic and Commercial Industrial Base

The Army will deliberately draw down force and production levels to fulfill the strategic guidance we have received. Aware that the future may bring unexpected crises, we must retain the ability to regenerate capabilities quickly in response to unforeseen emergencies. It is critical that we find the right balance between our organic and the commercial industrial bases. The ability to reduce the industrial base in times of peace but surge as required remains essential to equipping the Army, the Joint Force, and, in many cases, our allies and coalition partners. The current fiscal environment threatens the retention of critical skill sets in our depots, arsenals and ammunition plants. Fiscal uncertainty in fiscal year 2013 led to delays in awarding many new contracts. Industry also began laying off workers and postponed hiring actions due to the slowdown in funding.

Acquisition Reform

The Army continues to reform the way it develops and acquires services and materiel through a capability portfolio review process. This approach exposes redundancies and ensures that funds are properly programmed in accordance with combatant commanders' requests, wartime lessons learned, progressive readiness and affordability. The Army develops capabilities through Army research and development processes, collaborating with other Services, industry, academia and international partners to identify and harvest technologies suitable for transition to the force.

Modernization Strategy

The Army must maintain the technological edge over potential adversaries, enabling the force to prevail in all domains. The Army for the future requires capabilities that are versatile and tailorable, yet affordable and cost effective. The Army modernization effort goes beyond materiel and equipment solutions. It is a comprehensive strategy that includes doctrine, organizations, training, leadership, personnel and facilities. The heart of the strategy is the use of mature technologies and incremental upgrades of existing equipment, while balancing research investments between evolutionary and disruptive technologies. The modernization strategy is also supported by a risk-based assessment to identify candidate capabilities for complete divestiture. Divestiture decisions will reduce total costs and preserve our ability to sustain the force.

Soldier Systems

The centerpiece of the Army Modernization Strategy is the soldier and the squad. The soldier portfolio focuses on equipment vital for squad success and empowers and enables squads with improved lethality, protection and situational awareness. It also includes resources to develop leaders and train soldiers to take advantage of new or improved capabilities. Planned improvements for dismounted soldiers include a mission command system that allows soldiers to see each other's positions, mark hazards collaboratively and access on-the-move broadband voice, data and video capabilities. This unprecedented situational awareness, coupled with the continued fielding of advanced sensors and lightweight small arms systems, will ensure that our soldiers and squads remain the best in the world.

The Network and Investment in Cyber Capabilities

The Network, also known as LandWarNet, is critical to empowering our soldiers. Our senior leaders and soldiers must have the right information at the right time to make the decisions essential to mission success. Consequently, the Army is building a single, secure, standards-based, versatile network that connects soldiers and their equipment to vital information and our joint, interagency, intergovernmental and multinational partners. It is critical that network modernization and sustainment efforts meet the ever-growing demand for tactical and business-related information and enterprise services in a timely manner and at an affordable cost.

Ensuring freedom of maneuver in cyberspace and protecting our information and the Network is a continuing Army priority. The Army must strengthen its cyber security and network defense by building secure and resilient network environments, providing greater situational awareness, expanding programs for ensuring compliance with information assurance policies and best practices, and increasing training for all technical and non-technical personnel. To ensure the Army can defeat adversaries in both land and cyber domains, a full range of cyberspace capabilities must be available in support of the combatant commander, including well-trained cyber warriors, cyberspace operational freedom and assured mission command. This will require investment not only in technology, but also in people and process improvement.

Ground Combat Vehicle and Joint Light Tactical Vehicle

The Army's top two vehicle modernization programs are the Ground Combat Vehicle and Joint Light Tactical Vehicle. As a replacement for the Bradley Infantry Fighting Vehicle, the Ground Combat Vehicle will accommodate a full nine-man infantry squad in a vehicle that features increased underbelly and ballistic protection with scalable armor that provides maximum mission flexibility. The Ground Combat Vehicle will also provide sufficient space and power to host the Army's advanced network, increasing the effectiveness of the vehicle in any threat environment. The Army is developing the Joint Light Tactical Vehicle to fill capability gaps in the light wheeled vehicle fleet, carefully balancing payload, performance and protection. The Joint Light Tactical Vehicle combines an increased level of protection with improved mobility and transportability. It is also the Army's first network-ready vehicle. Together, this integrated team of vehicles will be capable of dominating across the range of military operations and allow for incremental improvements.

CLOSING

The American people have learned time and again that they can trust their Army to protect our national interests at home and abroad. Over the past 12 years of conflict, our Army has proven itself in arguably the most difficult environment we have ever faced. Our leaders at every level have displayed unparalleled ingenuity, flexibility and adaptability. Our soldiers have displayed mental and physical toughness and courage under fire. They have transformed the Army into the most versatile, agile, rapidly deployable and sustainable strategic land force in the world.

We live in an uncertain world, which often requires a military response to protect our national security interests. When that time comes, the Army must be ready to answer the Nation's call. We cannot take the readiness of the force for granted. Sequestration budget cuts, and continuing fiscal uncertainty, have placed us on the outer edge of acceptable risk for our future force. The Army must be capable of providing strategic landpower that can prevent conflict, shape the environment and win the Nation's wars. Preventing conflict demands presence, shaping the environment demands presence, restoring the peace demands presence, and more often than not, that presence proudly wears the uniform of an American soldier.

2013 Army Reserve Component Submission

Sections 517 and 521 of the National Defense Authorization Act (NDAA) 1994 require the information in this addendum. Section 517 requires a report relating to implementation of the pilot Program for Active Component Support of the Reserves under Section 414 of the NDAA 1992 and 1993. Section 521 requires a detailed presentation concerning the Army National Guard (ARNG), including information relating to implementation of the ARNG Combat Readiness Reform Act of 1992 (Title XI of Public Law 102-484, referred to in this addendum as ANGCRRA). Section 704 of the NDAA amended Section 521 reporting. Included is the U.S. Army Reserve information using Section 521 reporting criteria. Unless otherwise indicated, the data included in the report is information that was available 30 September 2012. Section 517 (b) (2) (A). The promotion rate for officers considered for promotion from within the promotion zone who are serving as active component advisors to units of the Selected Reserve of the Ready Reserve (in accordance with that program) compared with the promotion rate for other officers considered for promotion from within the promotion zone in the same pay grade and the same competitive category, shown for all officers of the Army.

	AC in RC (%)*	Army Average (%) **
FY 2011		
Major	(73 of 86) 84.9%	93.3 %
Lieutenant Colonel	(6 of 11) 54.5%	86.8 %
FY 2012		
Major	(64 of 81) 79.0%	88.9%
Lieutenant Colonel	(8 of 12) 66.7%	82.7%

*Active component officers serving in reserve component assignments at time of consideration.
**Active component officers not serving in reserve component assignments at the time of consideration.

Section 517 (b) (2) (B). The promotion rate for officers considered for promotion from below the promotion zone who are serving as active component advisors to units of the Selected Reserve of the Ready Reserve (in accordance with that program) compared in the same manner as specified in subparagraph (A) (the paragraph above).

	AC in RC (%)*	Army Average (%) **
FY 2011		
Major	(3 of 57) 5.3%	8.7%
Lieutenant Colonel	(0 of 10) 0.0%	3.5%
FY 2012		
Major	(1 of 57) 1.8%	8.0 %

Lieutenant Colonel	(1 of 10) 10.0%	8.0%

*Below the zone active component officers serving in reserve component assignments at time of consideration.
**Below-the-zone active component officers not serving in reserve component assignments at time of consideration.

Section 521(b)

1. The number and percentage of officers with at least two years of active-duty before becoming a member of the Army National Guard or the US Army Reserve Selected Reserve units.

ARNG officers: 13,653 or 30.7 percent of which 422 were FY 12 accessions.

Army Reserve officers: 10,026 or 32 percent of which 698 were FY 12 accessions.

2. The number and percentage of enlisted personnel with at least two years of active-duty before becoming a member of the Army National Guard or the U.S. Army Reserve Selected Reserve units.

ARNG enlisted: 63,567 or 20 percent of which 1,644 were FY 12 accessions.

Army Reserve enlisted: 36,175 or 24 percent of which 6,068 were FY 12 accessions.

3. The number of officers who are graduates of one of the service academies and were released from active duty before the completion of their active-duty service obligation and, of those officers:

a. The number who are serving the remaining period of their active-duty service obligation as a member of the Selected Reserve pursuant to section 1112(a)(1) of ANGCRRA:

In FY 12, there were five Service Academy graduates released from active duty before completing their obligation to serve in the Army Reserve.

b. The number for whom waivers were granted by the Secretary of the Army under section 1112(a)(2) of ANGCRRA, together with the reason for each waiver:

In FY 12, the Secretary of the Army granted no waivers under section 1112(a) (2) of ANGCRRA to the Army Reserve.

In FY 12, under section 1112(a) (2) of ANGCRRA the Secretary of the Army granted five waivers to the Army Reserve. The waiver provided one Soldier an opportunity to play a professional sport and complete service obligation. Waivers allowed four Soldiers to enter the Health Professionals Scholarship Program. All five Soldiers were appointed Reserve component officers.

4. The number of officers who were commissioned as distinguished Reserve Officers' Training Corps graduates and were released from active duty before the completion of their active-duty service obligation and, of those officers:

a. The number who are serving the remaining period of their active-duty service obligation as a member of the Selected Reserve pursuant to section 1112(a)(1) of ANGCRRA:

In FY 12, there were no distinguished Reserve Officers Training Corps (ROTC) graduates serving the remaining period of their active-duty service obligation as a member of the Selected Reserve.

b. The number for whom waivers were granted by the Secretary of the Army under section 1112(a)(2) of ANGCRRA, together with the reason for each waiver:

In FY 12, the Secretary of the Army granted no waivers.

5. The number of officers who are graduates of the Reserve Officers' Training Corps program and who are performing their minimum period of obligated service in accordance with section 1112(b) of ANGCRRA by a combination of (a) two years of active duty, and (b) such additional period of service as is necessary to complete the remainder of such obligation served in the National Guard and, of those officers, the number for whom permission to perform their minimum period of obligated service in accordance with that section was granted during the preceding fiscal year:

In FY 12, there were no graduates released early from an active-duty obligation.

6. The number of officers for whom recommendations were made during the preceding fiscal year for a unit vacancy promotion to a grade above First Lieutenant, and of those recommendations, the number and percentage that were concurred in by an active duty officer under section 1113(a) of ANGCRRA, shown separately for each of the three categories of officers set forth in section 1113(b) of ANGCRRA (with Army Reserve data also reported).

In FY 12, the ARNG recommended 2,183 commissioned officers for a position-vacancy promotion and the Senior Army Advisor, an active duty officer, concurred with all those promotion actions. The ARNG also recommended 1,234 warrant officers for a position-vacancy promotion, and the Senior Army Advisor likewise concurred with all those promotion actions. Prior to FY 12, warrant officers were not required to go before Federal Recognition Boards for promotion. Therefore, the numbers of warrant officers have not previously been included in the response to this question.

In FY 12, the Army Reserve recommended 62 officers for a position-vacancy promotion and promoted 35.

7. The number of waivers during the preceding fiscal year under section 1114(a) of ANGCRRA of any standard prescribed by the Secretary establishing a military education requirement for non-commissioned officers and the reason for each such waiver.

In FY 12, the ARNG had a total of 14 Soldiers that received a military education waiver. The waivers were granted based on non-completion of the Warrior Leader Course (WLC) due to assignment to a Warrior Transition Unit (WTU) ("medical hold" or "medical hold-Over" units); and non-completion of the Advanced Leader Course or Senior Leader Course due to deployment or training schedule constraints.

In FY 12, the Army Reserve had a total of 7 Soldiers eligible for promotion if recommended that received Warrior Leadership Course (WLC) military education waivers as a result of being deployed or assigned to a Warrior Transition Unit (WTU) (i.e. medical hold). The USAR saw a reduction in waivers due to the Department of the Army (DA), Army Leader Development Strategy that went into effect 1 Oct 11. This policy discontinued waivers for the Advanced Leader Course (ALC) and Senior Leader Course (SLC).

The Secretary of the Army has delegated the authority for the waivers referred to in section 114(a) of ANGCRRA to the Director, ARNG and to the Commander, U.S Army Reserve Command. The National Guard Bureau and the U.S. Army Reserve Command maintain details for each waiver.

8. The number and distribution by grade, shown for each State, of personnel in the initial entry training and non-deployability personnel accounting category established under section 1115 of ANGCRRA for members of the Army National Guard who have not completed the minimum training required for deployment or who are otherwise not available for deployment. (Included is a narrative summary of information pertaining to the Army Reserve.)

In FY 12, the ARNG had 83,728 Soldiers considered non-deployable for reasons outlined in Army Regulation 220-1, Unit Status Reporting (e.g., initial entry training; medical issues; medical non-availability; pending administrative or legal discharge; separation; officer transition; non-participation or restrictions on the use or possession of weapons and ammunition under the Lautenberg Amendment). The National Guard Bureau (NGB) maintains the detailed information.

In FY 12, the Army Reserve had 55,639 Soldiers considered non-deployable for reasons outlined in Army Regulation 220-1, Unit Status Reporting. The population of 'non-available' reflects 28% of the total USAR end strength: 14% do not meet medical readiness standards (e.g., profile, pending medical review boards, adjudication) and 14% do not meet administrative requirements (e.g., initial entry training; pending administrative or legal discharge; separation; officer transition; non-participation; family-care plan, or Lautenberg Amendment restriction). The U.S. Army Reserve Command (USARC) maintains detailed information.

9. The number of members of the Army National Guard, shown for each State, that were discharged during the previous fiscal year pursuant to section 1115(c)(1) of ANGCRRA for not completing the minimum training required for deployment within 24 months after entering the National Guard. (Army Reserve data also reported.)

A total of 65 ARNG Soldiers, with at least 24 months time in ARNG, were losses in FY 12 due to lack of minimum required military education. The breakdown is 19 enlisted and 46 officers.

In FY12, the USAR discharged 32 officers and 7 enlisted Soldiers for not completing the required initial entry training required for deployment within 24 months.

10. The number of waivers, shown for each State, that were granted by the Secretary of the Army during the previous fiscal year under section 1115(c)(2) of ANGCRRA of the requirement in section 1115(c)(1) of ANGCRRA described in paragraph (9), together with the reason for each waiver.

In FY 12, there were no waivers granted Secretary of the Army to the Army National Guard under section 1115(c)(2) of ANGCRRA of the requirement in section 1115(c)(1) of NGCRRA described in paragraph (9).

In FY 12, The Chief, Army Reserve, granted 210 waivers. The Army Reserve was delegated the authority to grant waivers for personnel who did not complete the minimum training required for deployment within 24 months after entering the Army Reserve. The reasons for waivers were categorized as Hardship, Medical or Administrative (i.e. Failed Height/Weight Standards, Failed to obtain Driver License, Accepted ROTC Scholarship, Temporary Disqualified, and Failed to Complete High School).

11. The number of Army National Guard members, shown for each State, (and the number of AR members), who were screened during the preceding fiscal year to determine whether they meet minimum physical profile standards required for deployment and, of those members: (a) the number and percentage that did not meet minimum physical profile standards for deployment; and (b) the number and percentage who were transferred pursuant to section 1116 of ANGCRRA to the personnel accounting category described in paragraph (8).

a. The number and percentage who did not meet minimum physical profile standards required for deployment:

In FY 12, 297,515 ARNG Soldiers underwent a Periodic Health Assessment (PHA). There were 14,233 (4.8 percent of the Soldiers who underwent PHA) personnel identified for review due to a profile-limiting condition or failure to meet retention standards.

In FY 12, 160,864 USAR Soldiers underwent a Periodic Health Assessment (PHA). These PHAs identified 10,879 (6.7%) soldiers for further review due to condition-limiting profiles (temporary or permanent) or failure to meet retention standards. The USAR expects temporary disqualifications to return to duty/deployable status upon resolution of the limiting condition.

b. The number and percentage that transferred pursuant to section 1116 of ANGCRRA to the personnel accounting category described in paragraph (8).

In FY 12, the ARNG transferred all 14,233 Soldiers to a medically non-deployable status who were identified for a review due to a profile limiting condition or failure to meet retention standards.

In FY 12, the Army Reserve identified a total of 7,696 Soldiers through PHAs or other field generated source (medical commands) as having a permanent non-deployable medical condition. These Soldiers are being vetted through a medical evaluation board or a non-duty related physical evaluation board for final determination.

12. The number of members and the percentage total membership of the Army National Guard shown for each State who underwent a medical screening during the previous fiscal year as provided in section 1117 of ANGCRRA.

Public Law 104-106 (NDAA 1996), Div A, Title VII, Section 704 (b), February 10, 1996, repealed Section 1117 of ANGCRRA.

13. The number of members and the percentage of the total membership of the Army National Guard shown for each State who underwent a dental screening during the previous fiscal year as provided in section 1117 of ANGCRRA.

Public Law 104-106 (NDAA 1996), Div A, Title VII, Section 704 (b), February 10, 1996, repealed Section 1117 of ANGCRRA.

14. The number of members and the percentage of the total membership of the Army National Guard shown for each State, over the age of 40 who underwent a full physical examination during the previous fiscal year for purposes of section 1117 of ANGCRRA.

Public Law 104-106 (NDAA 1996), Div A, Title VII, Section 704 (b), February 10, 1996, repealed Section 1117 of ANGCRRA.

15. The number of units of the Army National Guard that are scheduled for early deployment in the event of a mobilization, and of those units, the number that are dentally ready for deployment in accordance with section 1118 of ANGCRRA.

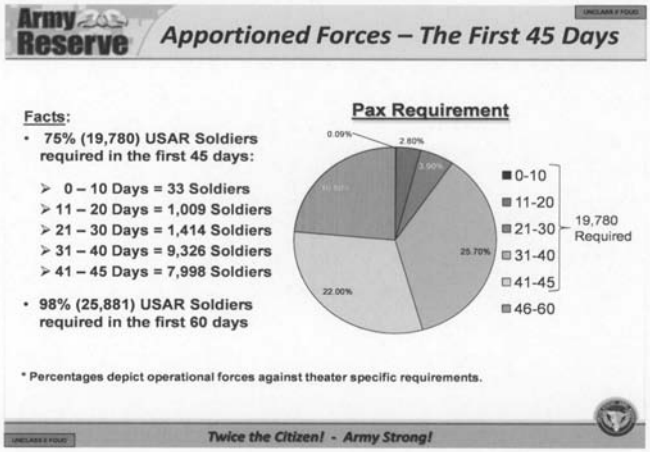
Public Law 104-106 (NDAA 1996), Div A, Title VII, Section 704 (b), February 10, 1996, repealed Section 1118 of ANGCRRA.

16. The estimated post-mobilization training time for each Army National Guard combat unit (and Army Reserve unit), and a description, displayed in broad categories and by State of what training would need to be accomplished for Army National Guard combat units (and AR units) in a post-mobilization period for purposes of section 1119 of ANGCRRA.

USAR Training Strategy IAW the Army Training Strategy executes the progressive training ARFORGEN model (Reset, Train/Ready 1, Train/Ready 2, Train/Ready 3, Available) over a 5 year cycle. The training proficiency achieved at the end of year 3 (Train/Ready) is contingent on Allocated or Apportioned designation.

Effective 1 January 2012, the Secretary of the Army implemented 9-months "Boots on the Ground" (BOG) for the Army. Under this policy USAR units are mobilized for 12 months with 9 months BOG and up to 90 days of post-mobilization training. This allowed the USAR to reduce the training demand on their allocated units while in a pre-mobilization status. For allocated units, the bulk of individual skills training are a pre-mobilization requirement consisting of 24 days of Inactive Duty Training (IDT). Collective training is conducted during 15 days of Annual Training (AT). USAR units will mobilize at no less than a T3 rating and deploy at T2. First Army assumed the training for Theater Specific Required Training (TSRT) on 1 October, 2012.

The USAR generates apportioned units to execute contingency missions, Operational Plans (OPLANS), or other Army requirements during the available year of the ARFORGEN cycle. The USAR is required to provide 26,284 soldiers to the Available Force Pool annually. During a surge requirement the USAR must be able to provide 19,780 (75%) of its total requirement within the first 45 days and 25,881 (98%) within 60 days. The demand for apportioned units within the first 60 days precludes pre-deployment training to achieve deployment readiness after mobilization. The graphic below demonstrates precisely why the Army Reserve must maintain T2 levels of readiness for USAR apportioned formations. The USAR training strategy produces T2 units at the start of the Available Year.



The number of pre-mobilization training days required to train Contingency Expeditionary Force (CEF) units is based on the complexity of the training to achieve T2. The USAR established three levels of training complexity based on the resources required to achieve readiness objectives.

- Level 1 - Most difficult to train based on Decisive Action mission essential tasks, unit complexity, 6 additional training days – T/R 2&3. Ex: Signal Command, Theater Military Police Command, Combat Support Brigade.
- Level 2 - Moderately difficult to train based on Decisive Action mission essential tasks, unit complexity, 6 additional training days – T/R3. Ex: Transportation Battalion, Military Police Battalion.
- Level 3 - Least difficult to train based on Decisive Action mission essential tasks and unit complexity; no additional days required. Ex: Airfield Operations Detachments, Medical and Dental Companies

The Army Reserve has internal training support assets to meet collective training and mission command training requirements. The 84th Training Command (Unit Readiness) is the Army Reserve's Executive Agent for planning, coordinating, and conducting Warrior Exercises (WAREX) and Combat Support Training Exercises (CSTX) rotations. The command's training support brigades and battalions provide Observer, Controller/Trainer coverage for WAREXs and CSTXs. The 75th Training Division (Mission Command) advises assists, and trains battalion and higher staffs in Mission Command. They provide exercise leadership and certified Observer, Controller/Trainers. They focus on developing the exercise architecture by replicating operational environments that facilitate Mission Command training; integrate Live/Virtual/Constructive-Gaming (LVC-G) design and simulations capabilities into seamless exercises that facilitate achievement of training objectives. Training is supported by First Army.

Timely alert for mobilizations—at least one year prior—is crucial to the Army National Guard's mission success. Under the Army Force Generation (ARFORGEN) model, many training tasks previously conducted during the post-mobilization phase now occurs in local training areas before mobilization. First Army, in CONUS, manages and directs post-mobilization training for Reserve Component conventional forces. First Army, in theater, conducts the theater-specified training required and confirms the readiness of mobilized units waiting to deploy.

Army National Guard training and Army Reserve training complies with the ARFORGEN model of progressive training over multi-year cycles and reflects the Army Training Strategy. Units move through the ARFORGEN cycle in three force pools (reset, train/ready, and available). Training progresses through these force pools with the initial focus on individual and leader training, migrating to low-level unit and battle staff, and finally culminating in multi-echelon, combined-arms exercises in the Ready year.

All ARNG units are "Combat Units." Forces Command Pre-Deployment Training, in support of Combatant Commands' guidance, identifies four categories of deploying units:

- Category (CAT) 1 includes units that would rarely, if ever, travel off a Contingency Operating Base/Forward Operating Base (COB/FOB)
- CAT 2 includes units that will, or potentially will, travel off a COB/FOB for short durations

- CAT 3 includes units that travel and conduct the majority of their missions off a COB/FOB
- CAT 4 consists of maneuver units with an Area of Operations (such as Brigade Combat Teams).

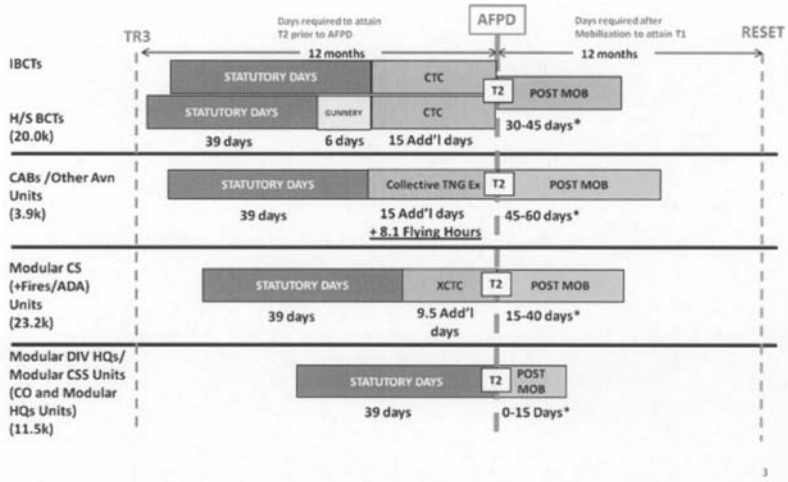
The pre-mobilization tasks increase by category, up to CAT 4. A unit's post-mobilization training time depends on the number of the pre-mobilization tasks completed during pre-mobilization. Army goals for post-mobilization training for Reserve Component headquarters and combat support/combat service support units range from 15 to 45 days, depending on the type and category of the unit (note: this time does not include administrative and travel days). Any pre-mobilization tasks not completed during the pre-mobilization phase must be completed at a mobilization station. The ARNG typically sends units to a mobilization station with a pre-mobilization task completion rate of 90-95 percent. Smaller ARNG units typically arrive at mobilization station 100 percent complete.

Post-mobilization training conducted by First Army typically consists of:

- theater orientation
- rules of engagement and escalation-of-force training
- counterinsurgency operations
- counter-improvised-explosive-device training
- convoy live-fire exercises
- completion of any theater-specified training not completed during the pre-mobilization period

Post-mobilization training days for a CAT 4 unit range from 50-65 training at mobilization station. This training supports a Combat Training Center culminating training event during post-mobilization CAT 4 unit is required to perform in order to be validated and deployed (National Training Center or Joint Readiness Training Center; 30 day training exercises).

Below is an outline depicting post-mobilization training day goals for various units:



The outline below depicts the actual number of post-mobilization training days for various units:*

	Post Mobilization Training Days		
	Current	Goal	Delta
I/H/S Brigade Combat Team	63	45	18
Combat Aviation Brigade	33	60	-27
Military Police (Internment/Resettlement)	27	40	-3
Engineer Battalion (Route Clearance)	37	40	-3
Military Police Company	30	40	-10
Quartermaster Company	23	15	8
Engineer Company (Construction)	29	40	-11
Transportation Company (Heavy Equip Trans)	37	40	-3

** from First Army-approved Post-Mobilization Training Plans.*

17. A description of the measures taken during the preceding fiscal year to comply with the requirement in section 1120 of ANGCRRA to expand the use of simulations, simulators, and advanced training devices and technologies for members and units of the Army National Guard (and the Army Reserve).

During FY 12, the ARNG continued to synchronize the use of existing and ongoing live, virtual, and constructive training aids, devices, simulations and simulators (TADSS) programs. During Army Training Summit III the ARNG-TRS/TRC branches participated in working groups with Department of the Army Management Office Training Support (DAMO-TRS), Training and Doctrine Command (TRADOC) and the Army Training Support Command (ATSC-STIDD) and other Major Commands to develop an ARFORGEN resourced training model. By synchronizing the use of TADSS with current Event Matrix Menu and ARFORGEN cycles for all components.

To support the training requirements of M1A1 Abrams and M2A2 Bradley equipped Brigade Combat Teams (BCT's) the ARNG is continuing to field and train using the Conduct of Fire Trainer- Situation Awareness (COFT-SA) and the Mobile-Conduct of Fire Trainer Situation Awareness (M-COFT-SA). Due to the geographical dispersion of units, the ARNG has a larger requirement for simulations that are Armory based. This brought the ARNG to develop and purchase the M-COFT-SA trainer as a mobile solution to fulfill training gaps. The ARNG continued fielding Tabletop Full-fidelity Trainers and is fielding the Bradley Advanced Training System (BATS) for the M2A2/A3 units. When fully fielded, these devices, in addition to the Conduct of Fire Trainer Advanced Gunnery Trainer System (CAGTS), Mobile Advanced Gunnery Trainer System (M-AGTS) will be the primary simulation trainers to meet the virtual gunnery requirements of M1A1 and M2A2/A3 crews.

The ARNG-TRS continues to participate in the Analysis of Alternatives (AoA) to address the emerging requirement from the Training General Officer Steering Committee (TGOSC) to address the non-stabilized platform gunnery requirements. The ARNG has developed two solutions and updated those devices to meet the non-stabilized Gunnery requirements. The ARNG has fielded the Virtual Convoy Operations Trainer (VCOT) to train crew drills, convoy operations, command and control and non-stabilized platform gunnery. In addition, the ARNG has added an Individual Gunnery Trainer (IGT) to train individual gunners for .50 caliber, MK19, and M240 machine gun non-stabilized gunnery tasks listed in the forthcoming HBCT gunnery manual. Currently, all 54 States and Territories have received the VCOT capability. The IGT is an initiative that is currently being fielded; to date 147 IGT systems have been fielded to ARNG units with 80 more of the Brigade Combat Team solution.

The ARNG has bought down its requirement for 11 of the Non-Rated Crew Member Trainer for aviation crews using National Guard and Reserve Equipment Appropriation (NGREA) funding. This is an Army Program of Record (PoR) trainer that simulates training the aviation crew skills prior to live events.

The ARNG is currently fielding the Operation Driver Simulator that trains transportation tasks in a family of vehicles, at both the unit and institutional levels. This is a recognized "In Lieu Of" training device.

The ARNG is continuing to field the Engagement Skills Trainer (EST 2000) to meet basic and advanced rifle marksmanship requirements. In FY 12 they have bought down their requirements using NGREA funding. This system is a PoR marksmanship training device. The ARNG is also continuing the use of its previously procured Fire Arms Training System (FATS) and phasing out systems that have concurrency issues. The EST 2000 and FATS also provides static unit

collective gunnery and tactical training, and shoot/don't shoot training. The ARMY is currently re-competing this contract and the ARNG has a representative that is on the source selection committee to address the ARNG dispersion challenges and additional training requirements.

The ARNG supplements its marksmanship-training strategy with the Laser Marksmanship Training System (LMTS). The use of LMTS helps to develop and maintain basic marksmanship skills, diagnose and correct problems, and assessing basic and advanced skills. The ARNG has over 900 systems fielded down to the company level. The LMTS is a laser-based training device that replicates the firing of the Soldier's weapon without live ammunition.

The Improvised Explosive Device Effects Simulator (IEDES) supports the training requirements for the detection, reaction, classification, prevention, and reporting of Improvised Explosive Devices. The IEDES kits consist of pyrotechnic and/or non-pyrotechnic training devices to achieve scalable signature effects. The ARNG has fielded 258 total IEDES kits, of which, 194 are non-pyrotechnic kits (A-kits) and 64 are pyrotechnic kits (B-kits). This distribution includes 53 ARNG training sites across 39 states and territories. They have received fielding, New Equipment Training (NET) and life cycle sustainment as of 3rd Quarter FY12. ARNG-TRS is continuing the effort to identify and fill requirements based on the recently completed Army Training Summit III. The latest IEDES innovation is the fielding of the IEDES Transit Cases to support less than company size training scenarios that has started in 3d Quarter FY12. The ARNG has restructured the Training Support section of the G-3 to address this issue and assigned an officer to manage the program of asymmetric warfare.

The ARNG continues to develop its battle command training capability through the Mission Command Training Support Program (MCTSP). This program provides live, virtual, constructive, and gaming (LVC&G) training support at unit home stations via mobile training teams. Units can also train at Mission Training Complexes (MTC). The MCTSP consists of three MTCs at Camp Dodge, IA; Fort Indiantown Gap, PA; and Fort Leavenworth, KS, with two additional sites for the future at Camp Gowen field/Orchard Range and Fort Chaffee. The Army Campaign Plan 2011 requires the ARNG to train 172 units (Brigade equivalents and above). The MCTSP synchronizes ARNG mission command training capabilities to help units plan, prepare, and execute battle staff training. The objective is to develop proficient battle command staffs and trained operators during pre-mobilization training.

In order to provide the critical Culminating Training Event for the U.S. Army Forces Command (FORSCOM) ARFORGEN cycle, the ARNG has implemented the Exportable Combat Training Capability (XCTC) Program. The ARNG XCTC program provides Battalion Battle Staff training to the level organized, coupled with a theater immersed, mission focused training event to certify company level proficiency prior to entering the ARFORGEN Available Force Pool defined as certified company proficiency with demonstrated battalion battle staff proficiency, competent leaders, and trained Soldiers prepared for success on the battlefield.

The ARNG is also looking to procure their requirement of the Dismounted Soldier Training Suite to compliment the Close Combat Tactical Trainer.

The ARNG way-ahead is continuing to use PoR and seven recognized "In Lieu of" devices to train and sustain vital and perishable skill sets and interact with all components to support the live, virtual, constructive and gaming training strategy. The ARNG-TRS is drafting a white paper that will address a well-informed TADSS strategy that is ARFORGEN or Future Forces Generation (FUFORGEN) driven. TADSS are a key function of the ARNG training at home station and are heavily relied upon by commanders at all levels. In times of fiscal uncertainty the use of simulations becomes greater and critical to the readiness of the ARNG.

The USAR executes a training strategy committed to producing trained units and battle staffs for 21st Century operations that are prepared for operational deployment in support of Combatant Commanders and other Army requirements. This requires realistic and comprehensive home station training supported by sufficient number of training man-days, and an appropriate mix of Live, Virtual, Constructive, and Gaming platforms.

The USAR focused on maximizing simulation technology and home station training opportunities in support of commander's Force Generation training readiness objectives. Home station training capabilities must provide a training framework (operational, institutional, and self development) that approximates the conditions of the operational environment while mitigating resource constraints of land, manpower, facilities, and training dollars. The Army Reserve requires blended, integrated, and distributive training capabilities (software, equipment, network capacity, and facilities) to train and educate more efficiently and effectively in support of ARFORGEN, the Army's Training Concept, the Army Learning Concept, and the Army Leader Development Strategy.

The USAR is currently conducting a pilot program which adds ten laptops to ten different USARC locations. These computers are being fielded for Distance Learning (DL) to support commanders in the field and allow Soldiers to meet mandatory DA Electronic Based Distributed Learning (EBDL), Distance Learning (DL), and other training requirements.

The Warrior and Combat Support Training Exercises are the Army Reserve's major collective training exercises conducted on Army Reserve installations. These exercises integrate live and constructive environments to train senior battle staffs and to conduct company and platoon level lanes training. The Army Reserve has made sizable investments in improving facilities and infrastructure in order to leverage technologies to enhance training, reduce costs, and facilitate collaboration. The TADSS and Virtual Battle Space 2 (VGS2) systems have increased the readiness of units trained on them. Additionally, the 75th Mission Command Training Division has integrated a high-tech joint constructive battle staff training simulation to provide more realistic training to rotating soldiers. The next step for the USAR is to link Virtual, Constructive, and Live environments.

The USAR has fifty (50) Digital Training Facilities (DTFs), located in twenty-eight (28) states. Daily, our Soldiers conduct DL training on any of the 562 course, Structured Self Development, and individual or squad and platoon level collective training within these facilities. The Army Reserve is currently focused on using the VBS2 and distributed capability within these facilities as Spokes to the Reserve's five (5) Mission Command Training Centers (MCTCs) to conduct worldwide virtual and or constructive training.

The USAR has identified the Deployed Digital Training Campus (DDTC) as an effective portable capability to provide Gaming and Structured Self Development training to its units. In FY 12, the Army Reserve conducted an analysis to identify training gaps within the Pacific areas of American Samoa, Saipan and Guam. The Army Reserves will conduct a Proof of Principle (PoP) using the DDTC in American Samoa to enhance and improve the Soldiers' proficiency in Structured Self Development and individual, squad and platoon level proficiency. Additionally, VBS2 will be incorporated in Samoa, Guam and Saipan to supplement the current training and enhance training proficiency.

18. Summary tables of unit readiness, shown for each State, (and for the Army Reserve), and drawn from the unit readiness rating system as required by section 1121 of ANGCRRA, including the personnel readiness rating information and the equipment readiness assessment information required by that section, together with:

a. Explanations of the information:

Readiness tables are classified and can be provided upon request. The Department of the Army, G-3, maintains this information. The states do not capture this data. The information is maintained in the Defense Readiness Reporting System – Army.

b. Based on the information shown in the tables, the Secretary's overall assessment of the deployability of units of the ARNG (and Army Reserve), including a discussion of personnel deficiencies and equipment shortfalls in accordance with section 1121:

Summary tables and overall assessments are classified and can be provided upon request. The Department of the Army, G-3, maintains this information. The information is maintained in the Defense Readiness Reporting System – Army.

19. Summary tables, shown for each State (and Army Reserve), of the results of inspections of units of the Army National Guard (and Army Reserve) by inspectors general or other commissioned officers of the Regular Army under the provisions of Section 105 of Title 32, together with explanations of the information shown in the tables, and including display of:

a. The number of such inspections;

b. Identification of the entity conducting each inspection;

c. The number of units inspected; and

d. The overall results of such inspections, including the inspector's determination for each inspected unit of whether the unit met deployability standards and, for those units not meeting deployability standards, the reasons for such failure and the status of corrective actions.

During FY 12, Inspectors General and other commissioned officers of the Regular Army conducted 1,887 inspections of the Army National Guard. Regular Army Officers assigned to the

respective States and Territories as Inspectors General executed the bulk of these inspections (1,833). Of the remaining, First Army and the Department of the Army Inspector General conducted 26 inspections, and U.S. Army Forces Command (FORSCOM), the Communications-Electronics Command (CECOM), and various external inspection agencies conducted 28. Because the inspections conducted by Inspectors General focused on findings and recommendations, the units involved in these inspections were not provided with a pass/fail rating. Results of these inspections may be requested for release through the Inspector General of the Army.

The Army Reserve Office of the Inspector General conducted two special assessments within the last 12 months. The first assessment was entitled "Personnel Transition within the Army Reserve" and was directed by the Chief, Army Reserve on 11 August 2011. This assessment (Personnel Transition within the Army Reserve) was conducted 17 October 2011 through 26 January 2012. A total of 38 units were assessed as part of this assessment. The final report was approved in April 2012. The second assessment entitled "Special Assessment of the Organizational Inspection Program (OIP) within the US Army Reserve" was also directed by the Chief, Army Reserve on 22 August 2012. This assessment began in October 2012 and is concurrently ongoing; the expected completion date is February 2013. To date, a total 30 of the 50 units selected for this assessment have been assessed by members of the Army Reserve Office of the Inspector General. The Army Reserve Office of the Inspector General has also conducted 7 Intelligence Oversight (IO) inspections within the past 12 months. The overall goal of both assessments as well as the IO inspections was not to evaluate a unit's deployability status. However, out of the total 74 units assessed/inspected, nothing was found that would cause a unit to be listed as non-deployable. Results of these inspections may be requested for release through The Inspector General of the Army.

20. A listing, for each ARNG combat unit (and US Army Reserve FSP units) of the active-duty combat units (and other units) associated with that ARNG (and US Army Reserve) unit in accordance with section 1131(a) of ANGCRRA, shown by State, for each such ARNG unit (and for the US Army Reserve) by: (A) the assessment of the commander of that associated active-duty unit of the manpower, equipment, and training resource requirements of that National Guard (and Army Reserve) unit in accordance with section 1131(b)(3) of the ANGCRRA; and (B) the results of the validation by the commander of that associated active-duty unit of the compatibility of that National Guard (or US Army Reserve) unit with active duty forces in accordance with section 1131(b)(4) of ANGCRRA.

The Army continues to meet Congressional intent as it pertains to Active Component (AC) support to Reserve Component (RC) readiness outlined in Title XI of the National Defense Authorization Act of 1993, as amended. Every RC unit that deployed during Fiscal Year 2012 was properly manned, equipped, trained, and certified to meet Combatant Commander (CCDR) requirements prior to employment overseas and in the Continental United States (CONUS) by processes associated with Army Force Generation (ARFORGEN).

The legislated roles and responsibilities formerly given to the commanders of multiple associated AC division and above units continue to be executed by the commanders of First Army (FORSCOM's executive agent for Active Army support for the training, readiness, and

mobilization of conventional RC units in the Continental United States); the 196th Infantry Brigade (U.S. Army Pacific's executive agent for the training and readiness of conventional RC units located in the Pacific Command's area of responsibility); and the U.S. Army Europe (USAREUR) (for the training and readiness of conventional RC units located in the European Command's area of responsibility).

ARFORGEN continues to be the Army's core process to synchronize the progression of unit readiness over time to produce trained, ready, and cohesive units prepared for operational deployment in support of CCDR and other Army requirements. Within ARFORGEN, all active Army, Army National Guard, and Army Reserve units cycle through the ARFORGEN force pools and are designated either for deployment to a validated CCDR operational requirement or for the execution of a contingency mission, operational plan, or other validated Army requirement.

Assessments of the manpower, equipment, and training resource requirements of these RC units and validation of their compatibility with AC forces (as required by sections 1131(b)(3) and 1131(b)(4) of the Army National Guard Combat Readiness Reform Act of 1992) are executed and maintained by First Army, the 196th Infantry Brigade, and USAREUR as the RC units progress through the ARFORGEN process into the deployment window.

On September 4, 2012, the Secretary of the Army signed Army Directive 2012-08 (Army Total Force Policy). This policy establishes a framework for the integration of the Army's Active and Reserve Components as a "Total Force" and includes general guidance on the integration of AC and RC forces for training, readiness, and employment. Implementation guidance is expected to be published in FY 2013.

21. A specification of the active-duty personnel assigned to units of the Selected Reserve pursuant to section 414(c) of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (10 USC. 261 note), shown (a) by State for the Army National Guard (and for the US Army Reserve), (b) by rank of officers, warrant officers, and enlisted members assigned, and (c) by unit or other organizational entity of assignment.

Title XI (FY 12) Authorizations				
	OFF	ENL	WO	TOTAL
U.S. Army Reserve	41	18	0	59
TRADOC	51	12	0	63
FORSCOM	1033	2165	101	3299
USARPAC	30	49	1	80
TOTAL	1155	2244	102	3501

Title XI (FY 12) Assigned				
	OFF	ENL	WO	TOTAL
U.S. Army Reserve	43	30	0	71

TRADOC	26	13	0	39
FORSCOM	869	2108	87	3064
USARPAC	25	46	1	72
TOTAL	963	2190	88	3241

As of February 5, 2013, the Army had 3,241 active component Soldiers assigned to Title XI positions. In FY06, the Army began reducing authorizations in accordance with the National Defense Authorization Act 2005 (Public Laws 108-767, Section 515). Army G-1 and U.S. Army Human Resources Command carefully manages the authorizations and fill of Title XI positions. The data is not managed or captured by state – the chart above provides the best representation of how Title XI positions are dispersed and utilized.

Chairman LEVIN. Thank you very much, Mr. Secretary.

General Odierno.

STATEMENT OF GEN RAYMOND T. ODIERNO, USA, CHIEF OF STAFF OF THE ARMY

General ODIERNO. Thank you, Chairman Levin, Ranking Member Inhofe, and other distinguished members of the committee.

First, I want to thank you for your continued commitment to our soldiers and families, especially over the past 12 years as we've been in combat. This partnership has done a great job in supporting them, ensuring they have what they need, and it helped us to ensure we have success on the battlefield.

Second, I want to thank Congress for its hard work in passing the fiscal year 2013 Consolidated Appropriations and Further Continued Appropriations Act. We very much appreciate your help, which has alleviated nearly $6 billion of the $18 billion shortfall to the Army's O&M accounts in fiscal year 2013.

I'm humbled to be here representing the 1.1 million soldiers, 318,000 Department of the Army civilians, and 1.4 million family members of the U.S. Army. I'm extremely proud of their competence, character, and commitment of our soldiers and civilians, their sacrifice and their incredible accomplishments.

I remind everyone as we sit here today, the U.S. Army has nearly 80,000 soldiers deployed and more than 91,000 forward-stationed in 150 countries, including almost 60,000 in Afghanistan and thousands of others in Korea, and new deployments with command-and-control capability to Jordan, patriots to Turkey, and Terminal High Aptitude Area Defense batteries to Guam and elsewhere around the world.

Our forces in Afghanistan continue to conduct the successful transfer of security responsibility to the Afghan National Security Forces (ANSF), who increasingly demonstrate the self-reliance, confidence, and capability to protect their population and secure a more stable political future.

Today, the Army's primary purpose remains steadfast: to fight and win the Nation's wars. We will continue to be ready to do that, even as we do our part to help the country solve our fiscal problems. But the timing, magnitude, and method of implementing budget reductions will be critical.

In fiscal year 2013, the Army still faces a more than $13 billion O&M shortfall, which includes a $5.5 million reduction to the Army's base budget and a $7.8 billion shortfall to OCO. As a result, we have taken drastic actions to curb spending. In the final 6 months of the year, we have curtailed training for 80 percent of the force, canceled 6 brigade maneuver combat training center rotations, and cut 37,000 flying hours, initiated termination of 3,100 temporary employees, canceled third- and fourth-quarter depot maintenance, and are planning to furlough our valued civilian workforce for 14 days in fiscal year 2013.

The cost of these actions is clear. We are sacrificing readiness to achieve reductions inside the short period of the fiscal year, and readiness cannot be bought back, not quickly and not cheaply. So, I am concerned that the problems created by the over $13 billion shortfall will push into fiscal year 2014 and beyond.

The Army's fiscal year 2014 base budget submission of $129.7 billion enables us to support the 2012 DSG, but it does not account for the decaying readiness that is being caused by our shortfall in fiscal year 2013, and this will impact the Army as we enter fiscal year 2014.

In addition to this base budget, the Army will continue to require OCO funding for operations in Afghanistan and our ability to continue to reset our force. The Army has submitted a separate request for a fiscal year 2014 OCO. It is critical that this request be fully funded.

I would implore all of us to work together so that we receive the National Defense Authorization for Fiscal Year 2014 and fiscal year 2014 budget on time. This will allow us to properly plan for and mitigate the risks associated with a declining defense budget.

It is imperative that we gain predictability in our budget process. If we don't, we'll be unable to efficiently and effectively manage our resources, and it will be impossible to make informed decisions about the future of the Army.

I also think that it is in the best interests of our Army, DOD, and our national security to avert sequestration. The size and the steepness of cuts required by sequestration make it impossible to downsize the force in a deliberate, logical manner that allows us to sustain appropriate balance of readiness, modernization, and end strength. The cuts are simply too steep. We just cannot move enough people out of the Army quickly enough to produce the level of savings needed to comply with sequester. Therefore, we will need to take disproportionate cuts in modernization and readiness. Let me explain.

Under sequestration, the Army would need to again absorb immediate cuts in fiscal year 2014. This would likely force us to cut personnel accounts, reductions that could equate to tens of thousands of soldiers. By the time we paid separation benefits for these soldiers, the cost to separate them would exceed the savings garnered. The maximum we can reduce the force by without breaking readiness and including excessive separations costs is somewhere between 15,000 and 20,000 soldiers per year, but this would only save $2 billion a year. So, right now, almost the full weight of sequester will again fall on the modernization and readiness accounts, where such drastic cuts will take years to overcome. The net result will be units that are overmanned, unready, and unmodernized. The steepness of the cuts in sequestration forces us to be hollow.

Even though I think the level of sequestration cuts are too large, if we backload them into the later years of the sequester period, at least that would allow us the opportunity to properly plan and to sustain the balance we need in these uncertain times.

As we look to fiscal year 2014 and beyond, our foremost priority is to ensure that our soldiers deployed on operational commitments are trained, ready, and able to execute their missions. Simultaneously, we'll continue to draw down the force. We are on schedule to remove 89,000 soldiers from the Army by fiscal year 2017, due to the budget reductions levied by the 2011 BCA. So far, most of these cuts have come from our overseas formations; specifically, in Europe. In fiscal year 2014, future force reduction will affect almost

every Army and joint installation across the United States. We will release our plans for these reductions in June. The key to the current drawdown is to maintain that the balance between end strength, readiness, and modernization so that we are properly sized and ready for whatever the country needs us to do. Such an evenhanded approach is the only acceptable one while the world remains such an unstable place, the most unstable I have seen in my nearly 37 years of service.

Full sequestration will dangerously steepen that drawdown ramp. It will require us to reduce, at a minimum, another 100,000 soldiers from the total Army. That will be on top of the 89,000 already being reduced. This will result in a 14 percent reduction of the Army's end strength and an almost 40 percent reduction in our Brigade Combat Teams (BCT).

In addition, these reductions will degrade support to combatant commanders in critical areas, such as missile defense, special operations, cyber, logistics, intelligence, and communications. Cuts of this magnitude will leave us with excess infrastructure, making a future round of base realignment and closure (BRAC) essential.

Sequestration will degrade our ability to take care of our soldiers and families who have fought so hard and sacrificed so much over the last 12 years, both those who are leaving the Army and those who are staying in the Army. Sequestration will make it impossible to execute a responsible drawdown and will challenge our ability to support the 2012 DSG.

Looking into the future, we are reposturing our force to be globally responsive and regionally engaged. We are aligning our forces with the geographical combatant commanders to provide mission-tailored, -sized, and -scaled organizations for operational missions, exercises, and theater security cooperation activities.

For times of crisis, we'll maintain a global response force capable of conducting force entry on short notice. We will reinvest in our expeditionary capabilities to deploy forces quickly and efficiently anywhere in the world. We are refining the integration of our conventional special operations and cyber capabilities to ensure we can handle a broad range of emerging threats. In this uncertain world, we need an Army that conducts many missions, at many speeds, at many sizes, under many conditions.

Going forward, the Army will evolve into a force that can deploy and sustain capabilities across the range of military operations anywhere in the world on short notice. It will have increased flexibility and agility in both its formations and its acquisition systems.

A modernization strategy will center on the Army's strength—the soldier—making him the most discriminately lethal weapon in the U.S. military. We will provide our soldiers with the network connections to give them unparalleled access to information and intelligence so they can make timely decisions. We will provide our soldiers with the tactical mobility, survivability, and lethality to take decisive action.

As we prepare to operate in an increasingly complex and uncertain environment, our number-one priority is to invest in our leaders. This spring, we will roll out a brand new leader development strategy, which will invest in our soldiers' training, education, and development. It will fundamentally change the way we train, edu-

cate, assign, assess, and promote our leaders. It will be the foundation of our future Army.

We will continue our efforts to take care of our soldiers. Twelve years of war has taught us the importance of building and sustaining the resiliency of our soldiers, civilians, and their families. Just this year, we rolled out the Army Ready and Resilient Campaign. This holistic effort to build the emotional, physical, and spiritual health of our soldiers will pay dividends in all three components.

Caring for wounded warriors and keeping faith with veterans is essential to honoring their service. Our Soldier-for-Life Campaign will ensure that our soldiers transition successfully into civilian life and enrich American society with their Army experience.

With the support of Congress, we'll maintain a military pay and benefits package, including affordable, high-quality healthcare that acknowledges the burdens and sacrifice of service while remaining responsive to the fiscal environment.

Soldier personnel costs have doubled over the last 10 years and now make up 44 percent of the Army's fiscal year 2014 budget. If we do not slow the rate of growth of manpower costs, we will not be able to afford to keep our Army trained and ready.

We are at a strategic point in the future of the U.S. Army and our military. We must strike the right balance of capabilities both within the Army and across the joint force. Our history tells us that if we get out of balance, our enemies will seek to take advantage.

Our soldiers are the finest men and women our country has to offer. Since 2001, more than 1.5 million soldiers have deployed, and more than a half a million have deployed two, three, or four more times. More than 35,000 soldiers have been wounded, and over 4,800 soldiers have made the ultimate sacrifice to defend this great Nation. It is our responsibility to ensure that we never again send soldiers into harm's way that are not trained, equipped, well-led, and ready for any contingency, to include war. It is our responsibility to honor the service and sacrifices of our veterans, whether they remain in uniform or transition back to civilian life.

The strength of our Nation is our Army. The strength of our Army is our soldiers. The strength of our soldiers is our families, and that's what makes us Army Strong.

Thank you, Mr. Chairman. Thank you to the committee for allowing me to testify today.

Chairman LEVIN. Thank you so much, General.

We'll have an 8-minute round for the first round.

Let me start with this question. We were notified recently that the Army's Active Duty end strength at the end of fiscal year 2013 would be approximately 530,000. Now, that's below their authorized strength. It's 22,000 below the authorized strength for the Army, and it's 12,000 below the floor established in law. The President is given the power to waive end strength laws in time of war in order to avoid violating the law. But, nonetheless, those seem to be the statistics.

Now, the Army Times had an article recently in which they said the following, that 11,000 Active Duty soldiers backlogged in the IDES are going to be separated this year, and as many as 15,000

soldiers, according to this article, will be separated this year, "for misconduct or for not meeting the required standards, such as physical fitness and weight control."

So, my question, starting with you, Mr. Secretary—this is a rapid reduction, more than expected, in the Army's fiscal year 2013 end strength. Is that due to the expedited processing in the IDES, or are we removing soldiers who no longer meet the requirements for detention, or both, and to what degree is each involved?

Mr. MCHUGH. Thank you, Mr. Chairman. The answer is both. The article that you cited is pretty correct. The estimates that we have now through the rest of this year will be about 11,000 more soldiers out-processed, and, frankly, as a result of a good-news effort to try to reduce the backlog and the Medical Evaluation Board (MEB) and the Physical Evaluation Board (PEB) process going into IDES. That's a good readiness story, as well. Those soldiers count against end strength, and, obviously, because of their conditions, are not really assigned in any Active Duty details that allow them to deploy. So, we view that as a positive step.

Also, the new era that we're entering does allow us to get back to basics, and that includes our standards for discipline, height, and weight. Commanders across the force have been paying, I think, rightfully, more attention to that; and the result, in large measure, is an expected 15,000-soldier reduction who have been out-processed either for misconduct or other failures to meet up to standard. So, that has brought us down to the numbers that you cite. The end-strength objective for the Army at the end of 2014 will be 520,000, but again, we'll have to measure that against these kinds of factors going forward.

Chairman LEVIN. That 520,000 may be high if these patterns continue, is that right?

Mr. MCHUGH. That's my reference to "we have to continue to monitor." From my perspective, the more we can reduce the backlog to IDES and MEB and PEB, and I'm sure you all agree, is a good thing.

Chairman LEVIN. Right.

Mr. MCHUGH. We want to maintain standards. So, if those trends continue, the 520 may be subject to some amendment, as well.

Chairman LEVIN. Okay. The administration is requesting a 1 percent pay raise for military personnel. They're also proposing to increase fees for military retirees who enroll in the TRICARE Prime healthcare program, instituting enrollment fees for participation in the TRICARE Standard, Extra, and TRICARE for Life programs. They're proposing to increase pharmacy copayments and to increase deductibles and the catastrophic cap. As a result of the 1 percent pay raise for personnel and the—well, let me just focus on those fee increases.

DOD has assumed budget savings of about a billion dollars for the fee increases, and I'd like to ask you about both the pay raise and the TRICARE fee increases, and ask you both whether you support both the amount of the pay raise, at 1 percent, which is a little bit below the expected 1.8 percent, but also whether or not you support those increased TRICARE fees.

So, Mr. Secretary, do you support those items in the budget?

Mr. MCHUGH. I do, Senator.

Starting with the pay increase. Thanks to the great work of Congress and this committee, there have been significant gains against the private-sector equivalents in pay. We think we're now at a fairly good place. The President very much wanted to reflect some increase, based on the continued sacrifice of our soldiers, and 1 percent seems to fit well both within that recognition band but also recognizing the challenges that we have in this budget in the ways going forward.

Our first responsibility to our soldiers is making sure they have the equipment they need, making sure, particularly while deploying, they have all the resources they need. So, that was both our, and I think it would be their, first desire, as well.

As to the TRICARE fees, as we discussed last year, we all wish that things could remain status quo, but, as is happening in the civilian sector, although numbers have come down, to some extent, the increases to the Defense Health Plan and Program have skyrocketed, particularly over the last 10 years. These are matters of ensuring we have the resources necessary to support a very robust and, in the military, a very favorable program, when compared to the private sector, but also recognizing we have to do some things to get those increases and those costs under control.

I think—and the Chief can certainly speak for himself—those proposals were the product of a lot of work from both the civilian and the uniformed leadership, including the noncommissioned officer (NCO) leadership of the Army.

Chairman LEVIN. Thank you.

General Odierno, do you support both that 1 percent pay raise plus the TRICARE fee increases that I outlined?

General ODIERNO. I do, Senator. As I mentioned in my opening statement, we have to reduce the rate of growth of the cost of our soldiers that has doubled since 2001. If we don't, that will require further significant reductions in end strengths across all the Services, but specifically the Army. So, I think there's a way for us to balance. I think this proposal balances proper compensation with what we need in order to sustain the right level of end strength for our Army as we move forward.

Chairman LEVIN. Thank you.

Then, my final question has to do with the management of risk in the industrial base. There are proposals here to reduce the quantities, and also to delay the development, procurement, and maintenance programs for equipment. The question is what actions you're taking to—or, let me put it this way: What criteria or indications in the industrial base are you going to monitor to alert you to the potential or to the imminent loss of capability or capacity to meet the Army's needs into the future? In other words, what's going to indicate some evidence of an unacceptable increase in that risk, or an imminent loss of capacity or capability in the future?

Mr. MCHUGH. Yes, this is an area that troubles us deeply, and it really is a confluence of two factors. You noted correctly, Mr. Chairman, that the sequestration threat, the budget and fiscal realities, going forward will require some changes in how we've done business, but also, the reality of coming out of two theaters of war; it's just natural to assume we'll have less need to buy things.

So, what we have attempted to do is really a two-path track. The first is to work with DOD, through their sector-by-sector, tier-by-tier analysis. That's an across-the-board look at all military suppliers to do what you queried; that is, identify the metrics necessary to measure and eventually assess risk. The first year of that has been completed. It was begun in 2012. The Department is now trying to set up those metrics so we can feed consumption data into it and come up with those kinds of red flags, and it'll provide us at least the opportunity to try to do something about it.

From the Army perspective, the second path, we've started an industrial-base program to do a similar analysis within the Army and also have hired A.T. Kearney, an industrial analyst firm, to study particularly our combat vehicle fleet to make sure that we understand where the threats lie to our industrial base, particularly where we have single point of failures. We will receive that report hopefully in June, which, of course, we'll share with the committee. The first step is knowing where the problems lie. The second is trying to use diminishing resources to protect it. That's why it's important we work on a Department-wide basis.

Chairman LEVIN. Thank you very much, to both of you.

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

General Odierno, we talked about this in my office. There are proposed changes to the Uniform Code of Military Justice (UCMJ) that have, up until now, been the responsibility of commanders. Now, to date, we've only had Judge Advocate Generals (JAG) testify up here before the subcommittee and give their opinions, so I would like to get a commander's perspective. As a commander, we trust you to make decisions that may result in the loss of life in order to protect the Nation and accomplish the mission. We trust you with our sons' and daughters' lives, but we don't trust you, or your discretion, when it comes to UCMJ offenses. This seems a little bit hard for normal people to believe that you would have that responsibility, but not have that responsibility, in terms of what they are doing.

I'd ask first, do you as a commander consider the UCMJ as it is currently structured to be a viable tool to help you maintain enhanced cohesiveness and fighting capabilities of your units?

General ODIERNO. First, the commander's role in the military justice is simply essential. It's critical to our system. It's essential to the commander's authority. The commander is responsible for good order, discipline, health, and morale and welfare of the force. The commander needs the ability to punish quickly, locally, and visibly, which impacts the overall discipline of the force.

So, as we look at changes to Article 60, it's important that we do it deliberately to make sure that it does not take away the commander's authority and ability to maintain standard order and discipline. It's essential to us as we move forward.

Senator INHOFE. General, that's a great answer. I appreciate that very much. I had the staff look up a couple of things for me, and I just got it this morning. In the Marine Corps, only 7 out of 1,768 has the convening authority actually changed a guilty decision. In the Air Force, it's 1.1 percent. The Navy has had 16,056 general court-martials, and in only 2 known cases have they reduced them.

Now, in the Army, it's very similar; since 2008, the Army convening authority has disapproved the findings and sentence of a soldier convicted of a sexual assault and returning the soldier to Active Duty. So, they didn't have any of those.

So, I'm going to put this into the record, but it sounds to me like there is not a serious problem here.

[The information referred to follows:]

THE VICE CHAIRMAN OF THE JOINT CHIEFS OF STAFF
WASHINGTON, D.C. 20318-9999

23 July 2013

The Honorable Carl Levin
Chairman
Committee on Armed Services
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

As General Dempsey and I stated during our reconfirmation hearing, the military services have investigated and prosecuted a number of sexual assault cases after civilian authorities either did not pursue a full investigation or formally declined to prosecute. The Army and Marine Corps statistics we cited are below, as well as additional statistics from the Navy and Air Force. The statistics cover the last two years.

U.S. Army. Commanders exercised jurisdiction in 49 sexual assault cases that local civilian authorities declined to pursue.

- 32 of these cases were tried by court-martial, resulting in 26 convictions—an 81% conviction rate
  - 25 of the 26 (96%) convicted were sentenced to confinement and a punitive discharge or dismissal from the military
  - Six accused were acquitted of sexual assault charges
- Two of the accused were administratively discharged in lieu of trial by court-martial under other than honorable conditions
- 15 cases are still in the pre-trial phase of the military justice system

U.S. Marine Corps. Commanders exercised jurisdiction in 28 sexual assault cases that local civilian authorities declined to pursue.

- All 28 cases were tried by court-martial
- 16 cases resulted in convictions—a 57% conviction rate

U.S. Navy. Commanders exercised jurisdiction in six sexual assault cases that local civilian authorities declined to pursue.

- Three cases were tried by court-martial, resulting in one conviction—a 33% conviction rate
- Three cases are still in the pre-trial phase of the military justice system

U.S. Air Force. Commanders exercised jurisdiction in ten sexual assault cases that local civilian authorities declined to pursue.

- All ten cases were tried by court-martial, resulting in nine convictions—a 90% conviction rate

- Seven of the nine (78%) convicted were sentenced to confinement and/or a punitive discharge or dismissal from the military

I believe these statistics demonstrate the personal ownership commanders take in the discipline of their units—even in the face of often challenging circumstances.

In one case, for example, two soldiers engaged in sexual intercourse with a victim who was substantially incapacitated by alcohol. When questioned, both soldiers lied to civilian law enforcement. A civilian investigator accused the victim of lying, and concluded as much in the official report. After local authorities declined to prosecute, military investigators opened a case, located additional victims, and discovered evidence indicating that the soldiers had conspired to obstruct justice. Both soldiers were convicted by a court-martial, sentenced to confinement, and punitively discharged.

Another case involved a soldier's rape and forcible sodomy of his 10-year-old autistic step-daughter. Lacking physical evidence and a statement from the accused, civilian authorities declined to prosecute. Military investigators opened a case and located a key piece of evidence that corroborated the victim's allegations against the soldier. A court-martial convicted the soldier, sentencing him to 35 years confinement and a dishonorable discharge.

In cases like these and others, which independent authorities declined to pursue, commanders recognized the need to hold service members accountable for their crimes both for the sake of justice, and to preserve good order and discipline.

You also asked whether, conversely, civilian authorities have prosecuted cases that the military services did not pursue. The services currently do not track that information. However, after querying the field, the Army, Navy, and Air Force have responded that they have no recollection of cases in which commanders declined to prosecute, or a court-martial ended in an acquittal, and civilian authorities subsequently prosecuted. From time to time, civilian authorities prosecute cases that the military could prosecute, but that is the result of informal discussions regarding which system is better suited to handle the case rather than a result of a service formally declining prosecution.

I appreciate your energetic support for our determined efforts to eliminate the insider threat of sexual assault, and your continued concern for and support of our men and women in uniform.

Sincerely,

JAMES A. WINNEFELD, JR.
Admiral, U.S. Navy

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Senator INHOFE. Secretary Hagel came out and said that he would take away that jurisdiction from the post sentencing, which I thought was going quite a ways. Now, I've talked to several members who agree with me. Do you think that that's a reasonable compromise?

General ODIERNO. I think they still—the important—what UCMJ gives you is flexibility. So, you have a variety of actions that you can take along the spectrum that allows you to punish appropriately for the offense that's conducted.

Senator INHOFE. Yes.

General ODIERNO. So, that's the important part that the UCMJ—that is not anywhere else in a public judicial system, and that's what allows us to—so, we have to be careful that we don't ever walk away from that ability.

Senator INHOFE. Yes.

General ODIERNO. So, I think, in the proposal, they maintain that for the minor offenses. For the more difficult offenses, they—for the more Federal-conviction-like offenses, then it would be brought forward——

Senator INHOFE. Yes. Well, no, and I appreciate that. Let me ask both of you—because there is an independent panel that is investigating this. They're going to convene in the summer. I don't know exactly when they're going to have the report. But, it would seem to me that, if we're going to take something that is as far-reaching as this, that we should at least wait until we get an independent panel, get the results, and consider their recommendations. Would both of you comment on that or agree with that?

Mr. MCHUGH. The concern I have, Senator, is that, based on over 20 years in a legislative body, myself, in an effort to do understandably good things, we tend to go too far in the first bite. So, what I would simply say—and I'd—obviously, we defer to the judgment of Congress, here—is that we take this in a very measured way and, as the Chief said, recognizing what I think most people who have had the opportunity to look at the UCMJ and the commander's role in it understand, is a positive role. Secretary Hagel, as you noted, Senator Inhofe, has proposed some changes and is pursuing some changes for one aspect, in the commander's right to overturn, in felony cases, in certain circumstances. I personally support that, but any steps beyond that, I think should be done——

Senator INHOFE. Okay, that's——

Mr. MCHUGH.—very carefully.

Senator INHOFE.—a fair answer. But, you say "a measured approach." Wouldn't a measured approach be to take the results of an independent commission that is conducting an investigation as early as this summer, before making a decision? Wouldn't that be valuable?

Mr. MCHUGH. It depends what the commission says. I never like to commit to an outcome before I know what that outcome is.

Senator INHOFE. Yes. Okay, but, at least we'd have the input. Not saying that we're going to do what the commission or the committee says, but we'd have the information from their independent study. Is there any problem with that?

Mr. MCHUGH. I can't, again, judge outcome.

Senator INHOFE. Sure.

Mr. MCHUGH. I would simply say this. To change the UCMJ would, rightfully, take an act of Congress, and we'll defer to Congress as to how to go forward.

Senator INHOFE. Okay, that's fair. I have a couple of other questions. I may have to take some of these for the record. But, you've heard several of us up here talking about the cost of energy. I know when you're cutting defense there are cuts, there are delays. A lot of times, I think the delays, like the 2-year delay on the 179 F–35s, that could end up being a cut. But, the thing that people are not as aware of is putting the agenda, as this President has done,

into the defense budget. For example, why should DOD be paying for biorefineries and solar panels and these things? It's my understanding that right now—the Army budgeted $562 million and approximately $4.2 billion in the Future Years Defense Program (FYDP) for operational energy initiative. Now, down here in the last—it says, "In addition, the Army announced, late last year, an initiative to award $7 billion a contract"—over a period of time, I'm sure—"to procure renewable and alternative energy."

As I look at that and I see the things, General Odierno, that you stated about the crises that we're facing, I would like to have—I'll just wait and get this for the record, because I don't think there's time to give you adequate time to answer that.

[The information referred to follows:]

The Multiple Award Task Order Contract (MATOC) is an Indefinite Delivery Indefinite Quantity (IDIQ) contract vehicle that establishes a pool of qualified firms/contractors for four renewable energy technologies (i.e., solar, wind, biomass, and geothermal) to compete for individual task order contracts. These contracts will be for renewable energy projects located on or adjacent to U.S. military installations. The objective of this acquisition is to procure reliable, locally-generated renewable and alternative energy utilizing Power Purchase Agreements (PPA) or other contractual equivalents. There is no capital or military construction appropriation connected with a PPA. PPAs are third-party funded acquisitions where the Army only buys the power and does not own, operate, or maintain the generating assets that are built on federal land. The intent is to award contracts to all qualified and responsible competing firms, both large and small businesses, whose offers receive the required minimum acceptable evaluation ratings and whose price is reasonable and realistic.

The MATOC's total estimated value of $7 billion refers to the total dollar value of energy available for purchase under all PPA task orders for their entire term (up to 30 years). The authority to entered into such contracts has been provided by Congress to all military departments for renewable energy projects located on land under the Secretary's jurisdiction or privately held.

Senator INHOFE. But, $7 billion in this, to me, is just outrageous. I was around when they established the Department of Energy. That's what those guys, in my opinion, are supposed to be doing.

So, I'd like to have your response to that for the record, since there would not be time to do it now.

Mr. MCHUGH. Senator, can I provide one point?

Senator INHOFE. Yes, of course.

Mr. MCHUGH. The multiple award task order contract (MATOC), the multiple year—30-year contract you've mentioned, that really is private-sector investment money. What it does is allow us, as the Army, to purchase power that is produced through the investments. Those programs, by our analysis, for every dollar of government taxpayer money invested, we get $7 of private investment and a dollar on—in return. So it's just energy independence, it's not a biofuel.

Senator INHOFE. I understand that. But, when the Navy is forced to pay $27 a gallon for 420,000 gallons of gas, a fuel that you can get for $3, that doesn't apply there.

Mr. MCHUGH. I won't speak for the Navy. We don't have that program.

Senator INHOFE. Well, all right.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much.

Senator Reed was sitting right here, and he asked me if he could switch positions with Senator King, and I told him he could do that.

So, Senator King, you would take his place, and I assured him he could leave 10 seconds early and do that so that, then, Senator Reed would take your position, which is near the end of the queue. So, that's very gracious of him to do that.

I hope I didn't in any way mislead you, Senator Donnelly, on this.

Senator DONNELLY. No, and if Senator Reed would like to take my position, so——[Laughter.]

Chairman LEVIN. Now you're really confusing things here. [Laughter.]

Senator DONNELLY. I'm fine with having Senator Reed go before me.

Chairman LEVIN. Thank you both.

Senator King.

Senator KING. Thank you.

Mr. Secretary, we've been talking a lot about sequestation and budgets. We know that the Senate—the budget, that was passed by the Senate several weeks ago, essentially unwinds the sequester in fiscal year 2014, and thereafter, through a different series of cuts and revenues. Have you analyzed the House budget that's been passed and what it does? I've tried to research this, and I'm a little confused. Does the House budget maintain the sequester on into the indefinite future?

Mr. MCHUGH. My understanding—and we do get into a level of semantics, here, that are always troubling—but, both houses, the Senate and the House, do not assume the sequester numbers. However, the two houses accommodate those sequester numbers in very different ways. I would really prefer to defer to the House to analyze their own budget. But, that's why we come here in support of the President's 2014 budget. We think that has a reasonable approach to the issue.

Senator KING. Thank you very much.

General, you were testifying about training. To put it most bluntly, when we cut training, are we putting lives at risk?

General ODIERNO. Ultimately, if we have to deploy soldiers on a no-notice contingency, they will go at a lower training rate, which usually equates to putting their lives at risk, because they will not be able to accomplish their missions effectively or efficiently as we'd like them to be, and they will not have the experience of training, working together. The Army is, probably more than any other Service—maybe the Marine Corps, as well—we have to focus so much on the team, and integrating the team in very complex environments. If you don't have the ability to train on that, that could cost lives, if we had to deploy them without that appropriate training.

Senator KING. Thank you.

On the issue of maintenance, you have mentioned—both of you, I think, mentioned that maintenance is going to have to be cut. In my view, cutting maintenance isn't a savings. It may be a savings this year, but it's ultimately something that's going to have to hap-

pen, and it may be more expensive in the future. Mr. Secretary, do you have a thought on that?

Mr. MCHUGH. I think that's absolutely correct. The other thing it does, particularly when you talk about reset maintenance, bringing products out of theater, and platforms out of theater, ultimately that's where our equipment-on-hand ratings come from. That's how troops, both in the Active and the Guard and Reserve, get their training—or, get their equipment, after we've had a chance to provide the maintenance, and, in the case of coming out of the theater, the reset. So, that degrades their equipment on hand, which degrades their readiness, as well.

So, all of these things are fiscally necessary to keep us on track, but I don't think many people would argue they're fiscally prudent or economically wise.

Senator KING. Thank you.

We had a hearing last week of the Senate Armed Services Committee Personnel Subcommittee with representatives of the veterans organizations. You used terms today like "keep the faith," "breaking faith with our troops," particularly in terms of TRICARE. What does that term mean? The implication from our hearing last week was that the veterans assume a lifetime of health benefits at a much reduced rate as part of their employment package, if you will. Is that the way the Army sees it? What are people told when they enlist?

General ODIERNO. I would just say, when you enlist, you understand you have a series of benefits that are available to you. I think when you enlist, people probably aren't thinking about retirement, but we learn that, over time, what your retirement benefits are and what you expect when you retire.

I think what we're talking about here though is, we're not eliminating benefits, but we're realizing that we have not increased the cost of contributing to TRICARE from when we originally started this program. We started a little bit last year. So the benefit has actually gotten so much better because as inflation has gone up, the TRICARE contributions have not kept up with it. So in reality, the benefit has gotten much better than when they first came in because pay's gone up, inflation's gone up, retired pay continues to go up, and yet the TRICARE contribution did not go up at the same rate. So, what we're trying to do is make it a bit more even now. Because if we don't—and ultimately it's going to—what will cost us not to bring in less soldiers into the Army, Navy, Air Force, et cetera, because the cost of a soldier will be so much to us. So we're trying to get that balance. So we think that's a good way to get after this.

Senator KING. I was struck by your comment—I believe it was yours—that 44 percent of your total costs now are personnel. I presume that includes these health benefits.

General ODIERNO. It does. In fact, it was and it will go up, frankly. It's going to go up, it's not going to come down, if we continue along the path——

Senator KING. Of that 44 percent, do you have, offhand, a figure of what percentage of that is the long-term health cost?

General ODIERNO. I don't, but I can get it for you, sir.

Senator KING. I'd appreciate that.

General ODIERNO. Yes.

[The information referred to follows:]

The fiscal year 2014 Army budget includes 44 percent of the base request in the Military Personnel Appropriations (MPA). Of this, the projected percentage of the total cost associated with long-term health care in fiscal year 2014 is 2.31 percent. This information is reflected as the fiscal year 2014 contribution to the Medicare-Eligible Retiree Health Care Fund (MERHCF) in the budget estimates dated April 2013 for the MPA, NGPA, and RPA appropriations. These documents display a total fiscal year 2014 personnel request of $56.6 billion. This includes MERHCF contributions of $3.0 billion. The MERHCF is for retiree health care for those over 60 years of age. Most health care costs can be found in the Department of Defense health programs budget submission.

Senator KING. Finally, I'm still concerned about the high rate of unemployment among veterans. You're talking about a drawdown, a mustering out of 10,000 to 20,000 soldiers. Are you satisfied with the steps the Army is taking to help those people transition? I raised with Secretary Hagel the idea that you have recruiters. How about having outplacement people at the other end in order to assist with that transition? Because it's just tragic to have these unemployed veterans.

General ODIERNO. I agree with you, Senator. We have two things that we're doing. One, we have the Soldier-for-Life program that we've established. We have a Soldier-for-Life office that is helping to place veterans as they come out. They are organized regionally. They deal with many corporations regionally to help the transition of our veterans. But also the execution of the Veterans Opportunity to Work (VOW) Act that was passed last year which significantly increases the assets we have available to us in order to help soldiers transition, is allowing us to develop programs that are important.

But, we have two—the Army, having the biggest Reserve component, has two issues. First is Active-component soldiers. The second is the Reserve. Frankly, because of the amount of deployments that the Reserve component has had, their unemployment rate is very high, because we—that's what I worry about as we go to the future. We have to get their deployments down because they are citizen soldiers. Because they've been deployed so much, some of them have lost jobs or have had to quit jobs. That's not what we want our Reserve component to do. We want to have that right balance so they are able to maintain their job and not—and we think we have about a 24 percent unemployment rate with our Reserve component. Now those numbers are a little bit fuzzy, but they're high. So we have to really focus on that.

So part of it is not deploying them so much and making life more predictable for our Reserve component and then having capability to place them as we work through the VOW Act and putting into place at all our installations and offices around the country to help them get jobs.

We have some good initiatives going on. We just had one, we did a joint initiative with a welder's union, it was a pilot program out of Fort Lewis, WA, and they ended up placing about 200 soldiers right into jobs, and we allowed them to train their last 2 weeks of Active Duty or Reserve duty, after they retired, they got immediately to a job. Those are the kind of programs we're trying to work so we can place our soldiers as soon as possible.

Senator KING. Good. We can't do anything about it here, because it's a matter of States' law. But one of the things—if you can do an analysis of State laws about certification so that people can get full credit—it's ridiculous to have somebody that's trained as an electrician in the Army have to go through a year-long something or other in a State in order to be licensed. I hope that could be part of your initiative.

General ODIERNO. The one thing we're doing is, we're looking at where we can change our programs in the Army that at least get them closer to a standard that we think is close to a standard or close in the States. We're doing that for things like medics, truck drivers—as you said, electricians—and other capabilities. We're learning more and more about this. I think we are making progress but we still have a ways to go in this area.

Senator KING. Appreciate it. Thank you.

General, Mr. Secretary, thank you.

Mr. MCHUGH. Thanks.

Senator KING. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator King.

Senator McCain.

Senator MCCAIN. I thank the witnesses for their important testimony.

General Odierno, I understand that you were commissioned in 1976. So as a junior officer, you were aware of the condition the Army was in at that time. I'm sure you recall when the Chief of Staff of the U.S. Army, General Meyer, came before this committee and said we had a hollow Army. Can you compare that situation with the situation we're in today, as regards to the impact of sequester? I'm sure you were much smarter in 1976 than you are now.

General ODIERNO. When I first came in the Army there were several things. It's pretty similar, actually. We were just coming—we were out of Vietnam, we were recovering from Vietnam, but our ability to train, our ability to sustain our equipment, was limited. We had discipline issues within the force that were really causing us to have significant problems in allowing us to assure we were able to deploy and meet our future requirements. So, General Meyer was very clear, and he was focused on moving us away from that. So, for the next 15 years, we focused on improving our readiness, improving our modernization, and improving our training programs. We've revolutionized how the Army did the business. I was fortunate enough to grow up in that environment.

What we can't have happen today—we don't have—we can't allow this to get away from us, where it's going to take us 5 or 10 years to recover. That's what I'm worried about. I made a comment early in my testimony, that I came into a hollow Army; I don't want to leave a hollow Army when I leave the Army. I'm focused on that.

So, what I worry about, the steepness of cuts of sequestration could lead us back to where we were in the late 1970s.

Senator MCCAIN. Inevitably? If something doesn't change?

General ODIERNO. If something does not change.

Senator MCCAIN. It's inevitable we would return to the era of a hollow Army.

General ODIERNO. That's right, the steepness of the cuts will not allow us to maintain that right balance between end strength, modernization, and readiness, training, and educational readiness.

Senator MCCAIN. You've stated that possibly or the Secretary stated, you may have to eliminate another 100,000 Active and Reserve soldiers, so we could be near the pre-World War II low of 400,000 members of the Army.

General ODIERNO. We will be headed in that direction, Senator. In fact, I would say 100,000 is the minimum. If we go to full sequestration, it will probably be more than that.

Senator MCCAIN. Does it intrigue you, as it does me, that there doesn't seem to be the concern in Congress that there was back in 1976?

General ODIERNO. I think, what I worry about is our military over the last 20 years has been able to respond to any contingency that we've had. We've been able to do it very well. I worry that we are getting somewhat used to that.

Senator MCCAIN. Arguably, the world is in many ways more dangerous than we have ever seen it. Certainly more complex and dangerous. Would you agree with that?

General ODIERNO. I absolutely agree with that.

Senator MCCAIN. So here we are, on a steep decline as you mentioned, with a world that is fundamentally in turmoil from Pacific to Middle East. It's intriguing.

Also, one of the great intangibles of the military is we find, particularly when we get to know other countries' military, the morale and the willingness of very bright people to remain in the military. Are you sensing amongst the very best, particularly those who are making decisions as to whether to make the Army a career or not, a certain questioning as to whether they should remain in this organization, and perhaps even a sense of frustration that they feel about their ability to train, to operate, to maintain, to lead?

General ODIERNO. I think—I agree with you—right now we're in a position of strength, because of the incredible combat experience that we have and our leaders, both our NCOs and officers. One of the focuses needs to be is keeping these leaders in the Army as we move to our future. We want that experience.

What we have to be careful of is, we are not seeing it yet because we're still involved with some heavy issues with Afghanistan, and the full impact of not having enough money to train has not fully hit yet. It's just beginning to hit. But, if it continues over a 2- to 3-year period, I believe we'll have some real challenges on our hands in terms of people saying, "I want to stay in an organization that's the best organization in the world," they might start questioning that.

So, I think we still have time to ensure that we can keep the best in our Army. We have to act now and make sure we are doing the right thing—get predictable budgets that allow us to prove to them that we're going to have an Army that is right-sized, trained, and ready when they're asked to deploy anywhere around the world.

Senator MCCAIN. On the subject of predictability, Secretary McHugh, you and the DOD; I asked Secretary Hagel about this—are planning on a budget that does not include the effects of sequestration. Is that correct?

Mr. MCHUGH. That is correct. We've——

Senator MCCAIN. So——

Mr. MCHUGH. Sorry, sir. Go ahead.

Senator MCCAIN. So, we're in an Orwellian situation here. All of us decry the effects of sequestration, and there's graphic testimony, such has just been presented, and yet there's no request on the part of the President of the United States or the Secretary of Defense that we repeal sequester. I don't ask you to respond to that, but it's a weird experience to hear our military leaders in uniform decry the effects of the sequestration on the military, yet I don't hear the President of the United States, the Commander in Chief, saying: "This is destroying our military—has the potential to destroy our military, and we want Congress to repeal it."

So I hope that you will continue to—not only to Members of Congress, but to the members of the administration—convey the urgency of this situation, because I don't hear anything from the administration saying we want it repealed, and yet we continue to have testimony as to the draconian effects.

General Odierno, in the unlikely circumstance that there is a conflict on the Korean Peninsula, are we prepared to respond?

General ODIERNO. The units in Korea are obviously at a high state of readiness. We continue to ensure they are. Right now, we have about—I would say, about 40 percent of the forces that would be required, that I would consider to be ready to go there now. The cancellation of the Combat Training Center rotations, the six of them that we've canceled, is having an impact on our ability to potentially respond to the Korean Peninsula, because those decisive-action rotations would have helped them to prepare for this eventuality.

Senator MCCAIN. So, obviously you didn't agree with that.

General ODIERNO. No.

Senator MCCAIN. Finally, in the event of hostilities on the Korean Peninsula, we all know the North Koreans would lose, they could inflict incredible damage on Seoul because of their capability at the demilitarization zone. Is that correct?

General ODIERNO. Their ability to provide indirect fires and other things would have a potentially devastating effect on Seoul.

Senator MCCAIN. Thank you.

I thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator McCain.

Senator Udall.

Senator UDALL. Good morning, gentlemen.

I would note as a preface to the questions I'm going to ask on the heels of what Senator McCain is discussing in regards to sequestration, that when we look at another budgetary crossroads early in the middle of this summer this committee could lead the way in crafting a budget deal that sets aside sequestration with this—with a goal of some of the cuts, more broadly, but giving you all the kinds of flexibility that we hear you need and you should have.

Secretary McHugh, great to see you. You and I served in the House for a number of years, and again, I want to just thank you for your service across the river.

Could you, focusing on the BCT reductions, talk a little bit about your process? Specifically, is the analysis that you're using include fiscal savings to the Army and strategic impacts? Have you also thought about the economic losses that would be felt by local communities?

Mr. MCHUGH. Senator, we are, as you noted, in the process of determining where our restationing will actually occur. There seems to be some thought, amongst some, that this is an action resulting out of sequestration. I think it's important to note that this really comes as a result of the 490,000 end strength through the end of fiscal year 2017 that was put into place in the beginnings of the BCA.

As the Chief mentioned in his opening comments, we have already reduced 6 of the necessary 8 brigades to meet that 490,000, those 2 both coming out of Europe, 2 heavy BCTs, that needs 6 to be assessed across our remaining structure.

Part of the law by which we pursue this is called an environmental assessment—programmatic environmental assessment. We went to 21 installations where we would potentially inflict larger numbers of either increases or decreases. That process has been completed. That from our perspective completes our requirements under the Network Environmental Policy Act and other environmental regulations and laws that essentially found that, in considering the economic impact, that clearly those bases that might lose structure or might lose soldiers would suffer some economic impact. That's just a natural. It was not of the level that would require a full economic impact statement.

We are now in the process of holding public listening sessions in over 30 locations throughout the Army to receive input from the communities that surround places like Fort Carson and others, to make sure that we have the fullest record possible to make those very important decisions.

As to the decisions, we have a listing of criteria that do, indeed, include the cost savings or loss to the Army, geographic distribution, and other kinds of measures that we would be happy to share with you, and I believe we already have shared with the committee staff professional staff.

Senator UDALL. When do you expect that announcement to be made?

Mr. MCHUGH. We hope to get through the hearing process, analyze it, and then come to a decision, probably by June.

Senator UDALL. All right.

General ODIERNO. Senator, if I could just add one thing to this.

One of the things we're trying to make sure everybody understands is, you shouldn't focus so much on flags, but focus on the numbers of people, because we are also looking at reorganizing our BCTs. We have not made any decisions yet, but we might make them larger. So, we might eliminate flags, but it wouldn't be a total loss of a BCT, because we would add a third maneuver battalion to the BCT.

So, one of the things we're trying to tell people is, don't focus on the flags, focus on the number which will be more important in the end, depending on what decisions we make as we go forward.

Senator UDALL. General, you anticipated one of my other questions. I'm not sure I'm going to get to it, but will submit it for the record. That applies to how you're going to align the BCTs, the combat commands, and are you going to come up with a different structure so those realigned teams will have a different look, or will they simply be in those habitual relationships with the——

General ODIERNO. They will rotate through habitual relationships with the combatant commanders. The concept of reorganizing these brigades, we've done an extensive analysis that tries to tell us what is the most capable organization to operate across the spectrum of conflict that we can expect? The results are, it looks like we probably should reorganize. But, the Secretary and I have not made that final decision yet, but that would be part of this process as we announce in June.

Senator UDALL. Yes, again, I'm going off on a tangent and will ask this for the record because I want to turn back to Afghanistan.

But does the division structure become almost obsolete, given the ways in which the division structure will still have application. If you'd respond to that in more detail for the record that would be terrific.

General ODIERNO. Sure.

Okay, let me turn to Afghanistan. We all know that one of your key priorities is modernizing and restoring equipment to an acceptable level of readiness. Are we going to see real savings as the war in Afghanistan scales back or is the cost of repairing, replacing, and modernizing equipment—is that going to overwhelm any savings we might have?

General ODIERNO. Senator, so we have about—there's just about $21 billion worth of equipment that we have in Afghanistan today that we want to bring back. If we had to repurchase that equipment, it would cost us significantly more than it does—cost us to reset and then redistribute to the Army. This will help us increase our equipment on hand in our Active, Army Reserve, and National Guard units. It's essential for us to make sure this redistribution happens as we come out. So that's why that is so important.

Senator UDALL. Okay.

Mr. MCHUGH. Could I add a comment?

Senator UDALL. Sure. Mr. Secretary, please go ahead.

Mr. MCHUGH. Your question goes to our interest in assuring we have 3 years of OCO funding after the end of hostilities. As we bring back that $22 billion of equipment that the Chief noted, it's essential we have the funds necessary to recoup it, to rehab it, and to get it back to the units. OCO's a critical part of meeting that need.

Senator UDALL. Let me stay on the subject of Afghanistan. General, you mentioned last month that sequestration could affect the Army to the extent that we'd have to extend tour lengths in Afghanistan. Do you still have the same concerns? Have you proposed any changes to the deployment patch chart at this point?

General ODIERNO. Thank you, Senator, for asking that question.

Senator UDALL. Yes.

General ODIERNO. We have reworked, I did talk about that. That was one of the decisions that we'd have to make. That's one of the reasons why we have to continue, unfortunately, with 14 days'

worth of furloughs, because that's allowing us to have enough money to invest in the training of the units that would replace those in Afghanistan so we will not have to increase tour lengths. We've had to make some very difficult decisions here in 2013 in order to ensure that we do not extend those tour lengths. They were tough, difficult decisions, but we believe right now that tour lengths will remain the same and we will be able to train the forces that follow up those units.

Senator UDALL. My time's about to expire, so let me ask a question for the record, and you might be able to give a general answer.

If you look at what you all had to say in your opening statements, 200,000 soldiers lost in the next 10 years, with cuts of that size, can you explain what an Army that size can and cannot do?

General ODIERNO. We certainly, we just barely, with 490,000, would have enough capability to do one major contingency, maybe something a bit smaller. If we cut another 80,000 and 100,000 out, we now put into question our ability to respond to large-scale major contingencies, and we certainly will not be able to do anything above that. So, it really puts into question the capabilities that we have to deter potential future conflict.

Senator UDALL. Thank you, gentlemen.

Chairman LEVIN. Thank you, Senator.

Senator Vitter.

Senator VITTER. Thank you, Mr. Chairman.

Thank you both, again, for your service.

I wanted to go back to the ongoing assessment of the restructuring of Active BCTs. I was happy and honored to participate in one of those listening sessions at Fort Polk by Skype very recently. I'll just quickly mention some of the significant factors there in Fort Polk's favor.

The Army's own analysis indicates there wouldn't be any need for military construction to not only retain its BCT, but could accommodate 1,000 more soldiers. It's one of the few Army installations with an active land acquisition program which is ongoing. There's a very unique JRTC there, capable of training forces for exactly the sorts of conflicts we're facing today.

Mr. Secretary, with all that in mind, can you reaffirm to the committee that this process is going to be fully open and transparent using objective criteria, and that you'll release that grading, if you will, based on those criteria?

Mr. MCHUGH. The means by which we arrive at these decisions will be released. I want to assure, not just the good people of Fort Polk, but all across this great country, that we're doing this in the most deliberative, the most objective way possible. I would note as well the reports I received on the public listening opportunity outside Fort Polk was extraordinarily well-attended, so we appreciate that kind of interest.

Senator VITTER. Yes, great.

Can you also confirm that the process will certainly consider the factors I mentioned, including that Fort Polk has a land acquisition program, is growing for mission expansion, and would not need any additional military construction?

Mr. MCHUGH. Yes. All of those factors are critical to establishing military value, are critical to judging the kinds of investments that

may be needed in the future. So, anything that a post, camp, or station is in a posture to do, like adding land, is certainly something we have to judge.

Senator VITTER. Right.

I can't speak for anyone else here, but I think it's going to be a very widespread concern if there's a big military construction bill to shrink the Army in the context of the fiscal situation we've been discussing today.

Finally, on this point will you be releasing the grading, if you will, of facilities according to these objective criteria and the weighting guidance about these different criteria?

Mr. MCHUGH. The commitment we have made to the committees is to ensure both the inputs—in other words, the various criteria—and also to share with the professional staff members the weighting that attends those. Those have not been decided, as yet. Those are still something that the Chief and I need to take a look at and make final determinations. But, based on my experience in past force-changing initiatives, it does not inure to the Army's interests to try to be secretive. We want to be as open as possible, but also as fair as possible, to everyone as we go forward.

Senator VITTER. Okay, great.

General, on the same topic, I know one factor listed is proximity, which appears to mean the Army's desire to have the BCTs close to division headquarters. Why is that important, particularly these days, with all sorts of distance communications available?

General ODIERNO. First, one of the lessons we've learned out of the last 5 or 6 years when we went to full modularity of brigades, is that the oversight—the training and oversight necessary that a division headquarters gives, both from a training perspective, a discipline perspective, a standards perspective—we saw some degradation in that. So we're trying to make some subtle adjustments to get the divisions once again more involved with having training oversight with the BCTs to ensure standards are being sustained, proper training requirements are being met. The development of officers and NCOs becomes a very important criteria as we move forward. So, those are the kinds of things.

That said, it doesn't mean they necessarily have to be colocated to do that, but it is something we want is to have the divisions more involved with the BCTs.

Senator VITTER. Okay. So just to be clear, it doesn't absolutely require close physical proximity.

General ODIERNO. It does not.

Senator VITTER. Okay.

Thank you very much.

Chairman LEVIN. Thank you, Senator Vitter.

Senator Manchin.

Senator MANCHIN. Thank you, Mr. Chairman.

Secretary McHugh and General Odierno, I want to thank you for your service and for being here today to testify.

Also, I think you know in the State of West Virginia we have the utmost respect for all of our servicemembers and all of the veterans. We have a high percentage of veterans in a little State of West Virginia. We're proud of what we've done. We recently saw the National Guard people—it was just so moving to see in Boston

[Boston Marathon bombings on April 15, 2013], as horrible and horrific as that was, to see all men and women in uniform, and National Guard especially, running towards the area of danger. That just speaks volumes of how they're trained and the people that you're attracting to there.

Secretary McHugh, I would like to say that I know DOD was instructed in 2012 really not to plan for the sequester. No one thought it would come to fruition. I know that the Army has always been good at planning for every type of situation. Hindsight being 20/20, do you think that maybe that could have been handled a little differently?

Mr. MCHUGH. I don't think our real problem is that we didn't plan. Our real problem is the depth and the breadth of these cuts. As the Chief noted, and as I've commented as well, it really didn't come just from sequester. We have a $7.6 or $7.8 billion hole in our overseas contingency accounts, which is really unrelated to sequester, per se. The fact that we've had CR after CR that has caused us to do what, in the longer-term, were inefficient things. So, we can do the math of sequester. The problem is, the math is so hard and it's so devastating——

Senator MANCHIN. Let me ask both of you, and maybe, General, you might want to chime in on this one, but right now you have $42.5 billion of cuts that have to come under sequestering between now and September 30, right? October 1? If we in Congress were able to give you the flexibility to make those adjustments—and I have every confidence that you'll make the $42.5 billion—would it be a lot different than what we're seeing today if you had the ability to recommend to us what you'd want to change and cut?

General ODIERNO. Yes, I would say for 2013, there's nothing we can do. Because there's flexibility—there is no flexibility——

Senator MANCHIN. If we could give you, if we came right back now and gave you the flexibility——

General ODIERNO. 2013?

Senator MANCHIN. Right now, for the rest of 2013, and say: "General, tell us how you could do it."

General ODIERNO. Yes. So, it would help us if we could move more money between accounts, because if we would do that, we would be able to probably invest a bit more in our O&M accounts. That would allow us to mitigate much of this.

Senator MANCHIN. By Congress not giving you the flexibility, we're basically just shooting ourself in the foot, if—literally.

General ODIERNO. It's making it more difficult.

Senator MANCHIN. More difficult.

General ODIERNO. Now, what I want is in the out-years—that's why we talk about backloading. If you backload it, it then gives us the ability to plan and do this right. Because you can't take the amount of people out you have to in an efficient way, the way it's set right now. It costs too much to take the people out, because you have to pay benefits.

Senator MANCHIN. Right.

General ODIERNO. So, you lose the ability to do the right balance of modernization, readiness, and end strength.

Senator MANCHIN. With that being said, let me ask you—I know you're going to—you're thinking about a 100,000 troop-level cut, in

that neighborhood, correct? Why wouldn't you move those to the National Guard?

General ODIERNO. I'm not going to move all of it to the National Guard. There'll be more out of the Active component. But, there has to be a balance that we have to maintain. We have a total Army—and I think we've proven the value of the total Army over the last 10 or 12 years—we need an Active component that can respond to crises, are at a higher readiness level. We need our National Guard and our Army Reserve to provide us depth and capabilities to give us operational depth, to conduct operations as well as they need capabilities to respond to the Governors. So, it has to be a combination of that. We've already taken 80,000 out of the Active component. We've already said that. If we have to take 100,000 more, at least 50,000 of that's going to come out of the Active component.

So as I look at the formula and the capabilities that I need across the total Army, we're going to have to take a little bit out of the National Guard and Army Reserve in order to continue that right balance.

It is about sustaining the balance of the different qualities and capabilities we have in each one of the forces. They are all valuable. They are all valuable and we have to keep that right balance.

Senator MANCHIN. From the business standpoint, I'm just looking at it—if I had—and I know it's not a business model, but a business model would be, if you had this type of expertise that's been well-trained, and you can bring them up when you need them, and basically keep them in a readiness state, that——

General ODIERNO. No, because in order to do that, the cost goes up. If you want to keep them at the same readiness level as an Active component, you have to spend more and more money. So, it doesn't work that way.

What we're investing in our National Guard is an ability to expand over a period of time. Thirty-nine days a year, they train. Active component trains over 250 days a year. There's a huge difference in readiness levels.

So if you decide to go that way, you're taking significant risk in being able to respond to unknown contingencies with predictability.

Senator MANCHIN. But, they've been able to just about meet every——

General ODIERNO. Two years notice for deployments to Iraq and Afghanistan. Two years. If we have to respond to Korea, I can't give them 2 years notice and slowly build up readiness. I need both.

Senator MANCHIN. I see.

General ODIERNO. I'm not telling you I don't need the National Guard or the U.S. Army. I need both.

Senator MANCHIN. If there's an opportunity, I'd love to come and sit down and make sure I understand it better.

General ODIERNO. Sure.

Senator MANCHIN. Secretary McHugh, if I may ask you—I asked this question, I believe, about the expense of the private contractors that we have with all different branches. You told me one of the major initiatives we have is to diminish significantly the number of contractors that we employ. So my question would be pretty

straightforward. How many contractors did the Army have last year, and how many do they have this year?

Mr. MCHUGH. I'd have to get you the actual numbers for the record.

[The information referred to follows:]

In compliance with statutory requirements in 10 U.S.C. 2330a, the Army does not generate contractor inventory data until the end of the fiscal year in order to minimize reporting requirements on contractors in accordance with the Paperwork Reduction Act. The Army's contractor inventory is captured in the Contractor Manpower Reporting Application (CMRA) Report. For its Fiscal Year 2012 CMRA Report, the Army reported approximately 150,535 contractor full-time equivalents for the generating force and 90,319 contractor full-time equivalents in the operating force (which includes Overseas Contingency Operations).

Mr. MCHUGH. I can tell you, it depends how you define "contractor." But one of our major initiatives, in part to respond to the current challenges we're facing, was to go through all of our hundreds upon hundreds of thousands of contractors and to change up the requirements. We've actually reduced our contracting cost by double-digits.

Senator MANCHIN. I basically look at contractors—those jobs that the military men and women can do, and have done, in some period of our past that have been taken over by contractors. If you look at the graph, it basically starts our post-war era, whether it be Korea to Vietnam to the Cold War to today. It's just exponentially what are increased amounts of people and costs in contractors versus what military used to do. Some of that could have been because of the draft. You had more people you were using differently.

Mr. MCHUGH. I think probably it had more to do with the war. Over the last 10 years, we've needed every man and woman, or certainly every possible man and woman in uniform, to go do things that contractors can't do.

Senator MANCHIN. Contractors are doing the same job as some of our military, side by side.

Mr. MCHUGH. In some places, that may be true, but if you're saying they're fighting the war, I wouldn't agree with that.

Senator MANCHIN. You don't agree that we have contractors that we're paying to do the same exact job as a person in uniform?

Mr. MCHUGH. It depends what job you're talking about.

Senator MANCHIN. I'm talking about fighting forward operating base (FOB).

Mr. MCHUGH. Carrying a rifle out——

That's why we were——

Senator MANCHIN. Security?

Mr. MCHUGH. That's why we rely upon contractors. I'd also note that we're using——

Senator MANCHIN. How can a contractor carry a rifle better than a military person trained to do it? I'm just saying——

General ODIERNO. Excuse me——

Senator MANCHIN. Why would we have anybody in contracting doing what the military——

Mr. MCHUGH. Because if you don't use contractors, you have to use military, and that takes away from the warfight.

General ODIERNO. Yes. The missions that they do are missions that are nowhere near what we ask our military to do, carrying a weapon. But, I would say this. If you don't want contractors to do

that, you have to significantly increase the size of the Army. So the reason we've gone into this strategy is, we can't afford an increased size in the Active and National Guard and Army. You'd have to increase it 200,000 to 300,000 in order to be able to meet these commitments, if we had to go to war.

Senator MANCHIN. But we have as many contractors or more contractors now than ever. You're paying high prices. It would be cheaper to increase the end strength size.

General ODIERNO. No, it's not. The analysis has been done that says in order to sustain 300,000 for a lifetime—it's about benefits, it's about retirements, it's about—it's significantly more than hiring contractors for short periods of time. I would love to be able to use soldiers for this. I would much rather have soldiers doing all of those jobs. But I don't think we can afford it. I don't think we can—hell, we're cutting 100,000 more right now. This sequester, I'm going to cut 200,000 soldiers out of the Army.

Senator MANCHIN. How many contractors? No one can ever get—every time I ask the question, I never get an answer. I get—this is not disrespectful—I never have gotten an answer——

General ODIERNO. It's because when we contract out, you contract for a capability. The number of people that do that capability changes from month to month, based on what's needed. That's why it's difficult to give an exact number of contractors, because it's based on the dollar figure of the contract.

But the point is, when we go to war, we get OCO funding, we get operational funding that allows us to do this. We do not have the base budget to sustain the Army at the size necessary for us to fill all the needs we have. So unless we're willing to increase the base budget of the Army significantly, we're going to have to live with this—contractors on the battlefield. As a commander, I'd much rather have military. I'm with you, Senator. I really am, I'm with you. But, we can't do it in our base budget.

Senator MANCHIN. Thank you.

My time is up. I'd like to continue this later.

Chairman LEVIN. Thank you, Senator Manchin.

Secretary McHugh, will you get these numbers to Senator Manchin, at least as of one particular point in time, how many contractors we have? Because that is a knowable number. So, if you would.

Mr. MCHUGH. That absolutely is. I just wasn't prepared to answer it exactly 1 year to the next.

Chairman LEVIN. All right. That's fine.

That's fine, but I think that—anyway.

Mr. MCHUGH. Absolutely.

Chairman LEVIN. Thank you.

Senator Blunt.

No, wait, excuse me. No, I think Senator Ayotte came back here in time, beat you out.

My note says "Blunt," but my other note says "Ayotte." So, Ayotte is next.

Senator BLUNT. Go with your heart. [Laughter.]

Chairman LEVIN. Senator Ayotte.

I was half-tempted to say that, but I avoided it. Politically incorrect. [Laughter.]

But, Senator Ayotte.

Senator AYOTTE. Thank you, Mr. Chairman.

Thank you, Senator Blunt.

I certainly appreciate, General Odierno, Secretary McHugh, your service during challenging times.

In your prepared statement, you discuss the serious problem of suicide in the Army. As I understand it, in 2012 there were 182 potential Active Duty suicides—some have been confirmed, some are under investigation—and 143 potential suicides in the Guard and Reserve.

You've mentioned that the Army's partnering with a number of agencies to identify the most important risk and protective factors, and then act on them for best practices. Obviously, we want to do everything we can to prevent suicides and to give people the support that they need in difficult circumstances.

We have a program in New Hampshire that has received national recognition. It's achieved tangible results. We've prevented at least one suicide directly, but we've also assisted many servicemembers and their families with mental healthcare, employment, and homelessness, many factors that can contribute to someone feeling that they have to take their own life.

It's called the Deployment Cycle Support Care Program. It's a unique program. In 2012, actually, we intervened successfully in 29 suicide-risk situations in the State of New Hampshire alone. I recognize this is a difficult problem, so I would ask that—I believe, if—are you both aware of the program in New Hampshire?

General ODIERNO. I am, Senator.

Senator AYOTTE. To what extent are you looking at best practices around the Nation, both within the Army, Active Duty, and then obviously, with the Guard and Reserve, we have different challenges because they're going back in their communities. One of the things I'm very proud of in New Hampshire is that we be able to bring the private sector in this to leverage resources. What are your thoughts on this issue? What more can we do?

Mr. MCHUGH. We absolutely are looking at best practices. You mentioned the Guard and Reserve, very correctly. The way by which they redeploy and disperse makes reaching out to them and making sure that we're detecting any emerging problems as quickly as possible is particularly challenging.

The Guard has done a good job, nationally, through a variety of programs, particularly what's called the Resilience, Risk Reduction, and Suicide Prevention program, that establishes councils in every State and territory to help coordinate and, in places like New Hampshire, take advantage of things that are working particularly well. As part of that, they have appointed 54 suicide prevention program managers and 78 directors of psychological health to ensure that a soldier knows where he or she can call or go and get the kind of referral that's necessary.

But one of the things that we're working on—and it isn't just for the Guard and Reserve, but I think it's particularly well-suited to them—are telebehavioral health programs. We have increased those programs. I believe the contacts have gone up by over 900 percent—about 10 percent of those are Guard and Reserve, the increase—that allows people in remote locations to get somebody and

actually do a face-to-face discussion, and to get a referral, if absolutely essential.

Of course, while the Guard and Reserve are deployed and coming back for redeployment, we put them through the same behavioral health screenings that we do every deploying soldier. There are five touch points: predeployment; about 90 days before the sector redeploy and three times after coming back.

We're trying to make sure that we have both the behavioral health specialists necessary—for the first time in my nearly 4 years as Secretary, we're actually exceeding the requirement for those behavioral health specialists—and trying to destigmatize the continuing challenge of helping soldiers realize it's okay to ask for help, that it doesn't make you any less of a soldier, and that it won't ruin your career.

I think we're making inroads. But as you noted, Senator, this is something that plagues, yes, the military, but as a member of the National Alliance on Suicide Prevention that I am, as appointed by Secretary Gates, I can tell you it's something that plagues the civilian sector as well, as you, of course, understand very clearly.

General ODIERNO. Senator, if I could just add—unfortunately, in 2013, we're seeing a rise in suicides, specifically in the National Guard and Army Reserve, so it's very concerning to us. They have the most difficult problem; I don't have to tell you this. But because the commanders don't have control of their soldiers all the time, because of their civilian jobs, although they're doing a great job of trying to outreach and stay in contact. So this private governmental relationship is critical for us to help our National Guard, U.S. Army Reserve. So we have to figure out ways how we can get this work with the States in order for them to adopt this program, because it's critical to what we want to do as we move forward.

Some other things that we've done is, we've also improved our ability to share information. We're working very hard and getting to better share information with people who have some discipline issues with their health issues, with other issues that all contribute to potential suicide. Our ability to share this information and bring that together is helping to identify those who are at risk.

Then, as the Secretary mentioned, in my mind the most important thing is the intervention or what I call bystander mentality, those who are willing to not only come forward themselves, but those people who are closest to them who start to see the signs, to come forward. We're starting to gain some traction. We're not where we need to be yet, but we're starting to gain traction.

But I'm worried because we're doing a lot and we're putting in a lot of assets, but we are not seeing any substantial improvement yet in the lowering of suicides. I think this has become a societal issue that—and we're trying to—we have a bit more controlled environment to try to deal with it, but we are not yet seeing the success that we need to see in this. So, there's lots of work that needs to be done yet.

Senator AYOTTE. Thank you, General. I do hope—obviously, I know you're familiar with our program, but I think it is a very important model. Not every State has had everyone coming together around this issue like New Hampshire. We hope that we can, obviously, continue to improve our program—it's a terrific program—

but also to bring it to the rest of the Nation, because this is a huge issue and something we have to address, not only in the general population, but, in particular, for our military, with this rise that we're seeing. So, I appreciate very much how concerned you are about this.

I also wanted to follow up on. There's something that, as serving on the Senate Armed Services Committee Readiness and Management Support Subcommittee, that I think it's important for everyone here to understand. I serve on the Senate Budget Committee, other committees, and everyone around this place seems to have their eyes on OCO funding for some other purpose. Go into any other committee in this body, and you'll find somebody else with their eyes on OCO.

So, let me be clear. General, the Army needs 3 years of OCO funding for reset after the last piece of equipment returns from Afghanistan. Why is that? I think it's very important that people understand that if we don't do that, we will have a hollow Army, and we will not be able to reset, because—people need to understand that, so that this money isn't grabbed elsewhere.

General ODIERNO. What this does is, as the equipment comes out, it immediately goes to a depot or some other commercial entity that allows us then to upgrade it or because of years and years of use in a combat environment. It then goes back to the units, in the National Guard, Reserve, and Active component, to ensure they have the equipment on hand so they're ready to use it, wherever it might be, for whatever mission we give them.

The reason it takes 3 years is because of the load that we have in our organic industrial base. It takes a period of time to get the equipment through there. If it does not get funded, that means it has to come out of our base budget, which has not been budgeted for, and it'll take money away from the daily readiness that we need in order to be prepared to meet any operational missions that we have.

Senator AYOTTE. Thank you.

Chairman LEVIN. Thank you, Senator Ayotte.

Senator Donnelly.

Senator DONNELLY. Thank you, Mr. Chairman.

Secretary McHugh, it's wonderful to see you again. It was an honor to serve with you in the House together.

General Odierno, thank you for your leadership. Thank you for your service. We're greatly appreciative of it.

This is a little bit of a follow-up in regards to the Guard that we were talking about. We had two groups from Indiana ready to go, and they were off-ramped less than 6 weeks before. So, they're now dealing, right now, with loss of TRICARE, trying to figure out where they're going to go to work, because in many cases, their jobs, they went back and somebody had already gotten in that position and the employer is wondering what the heck to do. I'm just following—and we're willing to take our cuts. We understand that. We're willing to take our chunk and then some extra. All we're trying to do right now, April 21 was the day that their TRICARE ended. All they ask for is, "Can we extend it for 180 days?" In regards to—they reenlisted to go to the Horn of Africa, to go to Egypt. A lot of them had to reenlist. They got a bonus with that.

All the Guard is asking for is, "Can we keep our bonus? Can we have 180 days of TRICARE?" Because they're trying to figure out a whole lot more than that right now.

I wanted to ask both of you. I had talked to Secretary Hagel about this, and he said, "You know, we're going to look into this." We were told yesterday it's in the front office. I don't know who the front office is, but you look like the general manager to me, Mr. Secretary.

Mr. MCHUGH. First, let me say that these kinds of off-ramps—and the Indiana Guard and the people of Indiana should be aware of how forward-leaning you have been in trying to present their interests—is not something we—as I said, that we do lightly or do easily. This was something in light of the current fiscal circumstances that we felt we had to do to save some $85 million in the process. I would say, just generically, in light of where we find ourselves financially, it's likely that we'll have to take similar actions into the future.

I would defer to the Chief as to the actual discussions that occurred, leading up to this, with Guard officials.

Senator DONNELLY. Great.

Mr. MCHUGH. I assure you, we will do everything we can to maximize every benefit that is available to them.

My understanding—and I would ask for a little time to check this more fully.

Senator DONNELLY. Sure.

Mr. MCHUGH. My understanding is, the availability of TRICARE for 180 days pre and 180 days post, it would not be available to these soldiers, given the conditions of their off-ramping. I do believe, however, that they are eligible, and I would certainly encourage them to pursue TRICARE Reserve Select, which is paid for, about 74 percent of that is paid for by the Federal Government.

Senator DONNELLY. I wanted to ask you another Indiana-specific question. That is in regards to the Humvees. There's $100 million that's been appropriated as part of fiscal year 2013 to be spent to purchase, it was allocated to be spent to purchase new Humvees. The adjutant generals have asked that it be spent for new Humvees. It is the Army's decision. It is being talked about that it will possibly be used for recapitalization instead. The adjutant generals have asked for new ones. So, I just wanted to put that on your radar.

Mr. MCHUGH. Yes. We need to get into that as well. My understanding previously was that the Guard Bureau and the U.S. Army were in agreement on the recap proposal, but we'll check that out.

Senator DONNELLY. Maybe we can talk a little bit more about that.

Mr. MCHUGH. Yes.

Senator DONNELLY. Then, General, what is your biggest fear over the next 6 months in Afghanistan?

General ODIERNO. I think, in Afghanistan—not fear, but I think what we have to watch——

Senator DONNELLY. Biggest challenge, then.

General ODIERNO. The biggest—what we have to watch is the confidence of the ANSF as we go through this fighting season. We think they're ready. They're in the lead in about 73 percent or 75

percent of the country. It is about helping them to ensure they're able to themselves to get through the fighting season, protect their citizens in a way where they continue to have the confidence, so when we leave in 2014, they are prepared to do this on their own. So for me, that's the most important thing.

So far, we're pretty confident.

Senator DONNELLY. Are we on target right now? In the planning we have, as to the end of 2014, are we where you expected to be?

General ODIERNO. I think, actually—I was over there a couple of months, and, frankly, a little ahead of where I thought we were, to be honest with you. I think the ANSF has had an exponential improvement, because of the teams that we've put with them, and how we've readjusted, it has increased their capability quite significantly. I think they are prepared to take this over.

The thing that we have to do now is make sure they have the right enablers as we leave, because we now still provide them of some enablers, whether it be improvised explosive device (IED) protection, whether it be some aircraft capability, whether it be logistics capability. We now have to make sure that they have the right enabler. I guess that that would be my biggest concern, that they would build the enablers necessary for them to be successful once we leave.

Senator DONNELLY. Okay. In regards to North Korea—and this is to you, General, or to you, Mr. Secretary—have you seen any change in the last week or 2? Is there any walking back on their part or is it right where it was or getting worse at this point?

General ODIERNO. I try to defer all of these to General Thurman, but from what I've read, I think things are calming a bit, but I think we have to watch it very carefully. I know that we're doing that.

Senator DONNELLY. Have you seen any indication that Kim Jong has even thought about a potential off-ramp for himself or for the country in this process?

General ODIERNO. I think it's hard for all of us to predict what Kim Jong-un is doing, or will do, and that's what makes this such a tense situation in my mind because we simply don't know what he's thinking. I think that's what makes it even more problematic for us.

Senator DONNELLY. I know I have less than a minute left, and it is certainly not a fair amount of time for you to answer this question, but, in regards to Syria, what do you see as the best path forward for the United States at this point?

General ODIERNO. I would just say I think we have to continue to watch and leave options open, because Syria is dynamic. I think deploying the command-and-control headquarters into Jordan is a good capability that allows us to do planning and allows us to develop several different options. They've been working very closely with the Jordanians and others. I think things like that help us, whether it's dealing with—if we have to—so it then provides the President options. That's what we owe him. We owe him a range of options that allow him to choose from what happens based on this year, because it's still not quite predictable enough to really figure out what's going to happen in Syria. We're all obviously watching very closely about the use of chemical and biological

weapons, which is something that we think is quite significant. We'll continue to watch that very carefully. It's also important for us to ensure that we take care—we help and assist and take care of some of the citizens, which we've been doing.

It's a combination of all these factors, but it's about working with our friends and allies in the region to come up with a solution that we do together in order to solve this problem. I think that's what we're trying to work towards.

Senator DONNELLY. General, thank you and your family for all your dedication to the country, and, Mr. Secretary, for all your service.

Thank you.

Chairman LEVIN. Thank you, Senator Donnelly.

Senator Chambliss.

Senator CHAMBLISS. Thanks, Mr. Chairman.

To both of you, you're not only my personal friends, but you're heroes, and I'd just thank you for your service to our country.

With respect to what's going on in the Army now—and the same is true for the other branches—there seems to be a lot of uncertainty. First, we have sequestration staring us in the face, and you guys are struggling with that, just as we are, to try to make life easier for you there. Second, that you're going to be downsizing your force structure.

How is this affecting those individuals who have been a part of this great Army that we have developed over a couple of hundred years into the finest Army in the world? How are those men and women who are coming back from 10 years of experience in combat dealing with these issues? What are you doing about the potential for combat brain-drain loss, with that uncertainty steering a lot of your NCOs and particularly a lot of your younger officers?

General ODIERNO. Senator, if I could, what we're seeing so far is the trends are good. In fact, our attrition rates right now of NCOs and officers is the lowest it's been for some time.

That said, I have the same concerns you do. We are working this very carefully and making sure that they understand about the path ahead for the Army, because we need them to help us to bring the Army forward, where we want to be 5 years from now, 10 years from now. We need their leadership. We're looking at our new leader development program to help adjust them and help them stay interested in order for them to help us to develop what we're going to look like.

I think it's exciting for them to look at how we will develop our Army in the future. But the one thing that would help us tremendously in doing this is predictability. As I said earlier, it's predictability in our budget so we can clearly outline where we are headed as an Army. If we don't get this predictability, it's going to cause all kinds of problems. It's going to cause potential hollowness in the Army. It's going to cause potential loss of leadership that we developed over a long period of time.

So for me, if we can just get some predictability that allows us to put a solid plan together, that Congress and us have worked together on for our Army, that will, frankly, reduce a lot of angst that's out—in both the civilian and military workforce.

They still want to serve. That's not the issue. But if we continue along this unpredictability, it's going to start to whittle away at our leaders, and I think it becomes a real problem if we don't solve this predictability issue.

Mr. MCHUGH. Could I add just a couple of words?

Senator CHAMBLISS. Sure.

Mr. MCHUGH. The Chief's absolutely right. I think so far the folks in uniform are willing to see if we can get this right, even though they are concerned.

Senator Chambliss, I know you've been to Iraq and, of course, Afghanistan, and you've seen as I have these captains and lieutenants, young men and women, out there making decisions that usually had to have an O6 full-bird colonel insignia to make. They want to come back into this Army and stay challenged. One of the biggest problems we have as we attempt to deal with sequestration is funding the training opportunities, the schoolhouses, the kinds of things that we're going to need to make as robust as possible and as available as possible to these young leaders so that they stay challenged and they stay excited about being in the Army. So that's why predictability is so critical for us.

The other side the Chief mentioned is civilian workers. I'm deeply worried about the morale of the civilian workers. As this committee knows, we're discussing in the Department 14 days of furloughs or some variant thereof. That comes on top of 3 years of pay freezes for the civilian employees. They feel a part of this Army as well and we believe they should; they've been critical to the fight. Their morale is, I think, on the downswing.

Then there are 50,000 U.S. Army civilians who today could walk out the front door with full retirement benefits, and another 25,000 who are eligible to go and receive early retirement benefits. I'm concerned again if we don't get this straightened out so we can at least see a straight path forward, whatever that is, those civilians are going to start to walk on us as well. In their own way, they're absolutely as important to this fight as every soldier is as well.

General ODIERNO. As an anecdotal example, I was down at the San Antonio Military Medical Center (SAMMC), as we now call it. They are starting to be concerned because of the furloughs and the unpredictability of future budgets. They're starting to see some of their—as they get offered jobs, they're starting to walk away. They're walking away to the Department of Veterans Affairs (VA), they're walking away to other facilities, because there's more predictability in their future.

So we're starting to lose some people because of this unpredictability. That's an anecdotal example, but that's the kind of thing that we'll continue to face unless we can tell them, "This is what our future is going to be."

Senator CHAMBLISS. Yes.

As you look at downsizing and make your plans for the next couple of years, what are you doing with respect to flag officers? Are we going to be downsizing there also?

General ODIERNO. We are in the process of downsizing. I would just say the Army has the lowest ratio of general officers to soldiers than any other Service. I think we're 1 to 1,700 or 1,800. So we have been very cognizant of doing this. We have met, or are going

to meet, the initial reductions that we put in for ourselves by the end of next year. We'll continue to review this as we downsize the Army.

Now, I will say that a lot of our general officers are now in the joint and combatant command world, and so we have to work with the joint and combatant commands to work some of these positions. But within the Army itself, we have downsized, we have reduced ranks, and we have the lowest general officer to soldier ratio of any Service, to include the Marine Corps.

Senator CHAMBLISS. General, as we come out of Afghanistan—I heard what you just said in response to Senator Donnelly. I look at what's going on in Iraq now. The violence appears to be on the rise. We have no idea, obviously, what difference it would have made had we left a residual force in Iraq. But I know that's under consideration right now as to what we're going to do, what size of a residual force needs to be there. What's your thought with respect to how we're going to ensure, number one, that the violence in Afghanistan does not start on the upswing like we're seeing in Iraq? Then, number two, what size residual force do we need to have to make sure that the Afghans are able to do what we expect them to do?

General ODIERNO. There's a couple of things. I would just make a quick comment about Iraq.

I don't think that's a sense, that's not a mark against the capability of the security forces. I think those are political issues that are driving that violence. There's been some political divide within the country that's causing, I think, some violence. I think it can be fixed by some political agreements and other things between the parties there.

In Afghanistan, it's important that we sustain a long-term commitment from not only the military but a government-wide commitment to them. If we do that, continuing to help fund for a period of time their security forces to continue to help them develop in several different areas, I believe that will help us significantly in tamping down the violence. Because the security forces, I believe, will have the capability based on the trajectory we were on in Afghanistan. It's now solving some of the other issues that are necessary to go along with the security capability that will be key to ensuring violence remains low once we leave, Senator.

Senator CHAMBLISS. The size of the force?

General ODIERNO. I think they're looking at anywhere from 0 to 12,000 to 13,000. I think it depends on the type of missions you want them to do. I think we want to do training and advising at higher levels. I think we want to be able to have some special operations capability on the ground. My opinion is somewhere around 9,000, 8,000 is probably about the right number. We're continuing to work that, and I'd leave that up to the commander on the ground, General Dunford.

Senator CHAMBLISS. Thank you.

Chairman LEVIN. Thanks, Senator Chambliss.

Senator Reed.

Senator REED. Thank you very much, Mr. Secretary and General Odierno, for not only your testimony but for your service. A lot of the questions that have been raised today go to the reduction-in-

force of the Army. Let me ask a question and either the Secretary or the Chief can take it.

In terms of force structure, where is the excess personnel? At what ranks?

General ODIERNO. In reality, as we've gone through natural attrition, where we'll see some access right now is at the O6 level, the O5 level, and then, for some year groups, O3s, and then senior NCOs, sergeant first class, master sergeant, sergeant major. Because we've been able to do everything else by attrition, we'll have to see where we'll have some actions where we will have to make some selections, and it's going to be by year group, because it's about balancing it across the years as we go forward. We'll have to make some of those decisions pretty shortly.

Senator REED. You, in fact, are contemplating a selective early retirement board?

General ODIERNO. We are. I think we've already announced it, Senator, for August.

Senator REED. Which is, in the old terminology, a reduction-in-force.

General ODIERNO. Except that they get to retire.

Senator REED. Okay.

General ODIERNO. Yes, so this will be for lieutenant colonels and colonels.

Senator REED. Who have been vested, then will retire, but they will——

General ODIERNO. But, they—right.

Senator REED.—they'll be—or get to retire. No? So you don't contemplate the need, given the force structure, to go in, having involuntary separations?

General ODIERNO. We don't yet, but, I think, before we get done with this process, we're going to have to have involuntary separations.

Senator REED. Okay.

One of the consequences, not just the budget, but the completion of operations in Iraq and soon, Afghanistan, is a shift from almost an exclusive focus on counterinsurgency, in terms of training, in terms of equipping, in terms of everything else, to what I think you described as a more full-spectrum approach. Can you give us an indication of that? Just as a footnote is that one of the most labor-intensive and one of the most difficult challenges is Phase 4 in counterinsurgency. So as you shift away from that and shift to more conventional forces, what does that do to your flexibility and to force structure and to the need for resources?

General ODIERNO. Sir, we are not shifting away in our training base from counterinsurgency. However, what we are doing is, as we do our decisive-action rotations, which are being developed at NTC/JTRC, that's a combination of stability, counterinsurgency, and combined arms operations, all going on at one time, because that's what we believe we will see in the future. It will be a combination of all of those, because our enemies learn from what they've seen, and we'll have to conduct that simultaneously. So we're training our units to do that, both in our leader development programs, as well as our training centers, both for divisions and corps as well as brigades and below.

I think we're integrating what we've learned over the last 10 years into this, and we're developing scenarios that are very complex and very difficult. But that's what we think our leaders will face in the future.

In terms of force structure, there have been some decisions in the 2012 guidance that we were given that we would not be sized to conduct large-scale stability operations. So although we will still be able to do them, we would not be able to do them at the size we have done over the last—and duration—of what we've done over the last 10 or 12 years.

Senator REED. Let me ask a related question. A lot of the equipment that we required was very specialized for both Afghanistan and Iraq—the mine-resistant ambush-protected (MRAP) vehicles, the type of suspension systems, everything was necessarily thrown in to protect our men and women in these situations. Do you find yourself now with equipment that you don't need because of this shift from the full-scale operations together with a deliberate decision to conduct much smaller-scale counterinsurgency operations?

General ODIERNO. I think, for example, the problem we have now is we're out of balance. We have to always balance mobility, survivability, and lethality in all our equipment. Right now, we're out of balance towards survivability. We've limited our mobility and given up some lethality because of the counterinsurgency. As we develop our new systems, it's important that we integrate them where they have all three of those at the right balance.

In terms of MRAP vehicles and things like that, we will have to divest ourselves of MRAP vehicles. We have a strategy to keep a portion of the MRAP vehicles that we'll lead, and we'll invest in the force, and we'll also keep a portion of them where we put in storage, so if we need them for other small-scale contingencies, that they would be available.

We will divest probably of about 60 percent or so, a bit higher, the number of MRAP vehicles now. We'll keep about—and we'll do it in such a way where it's efficient and effective for us to——

Senator REED. That will allow some limited cost savings, nothing spectacular, but some limited cost savings.

General ODIERNO. That's right.

Senator REED. There's another aspect of this too, particularly as sequestration rolls forward. That is, some functions that have routinely been done for the last 20 years by contractors, like mess halls, like cutting grass, et cetera, in fact, I think there's a whole generation of soldiers that post support is something that their fathers spoke about. Do you anticipate that you're going to have to make adjustments along those lines, too? Which has a definite tradeoff with training and readiness?

General ODIERNO. We've already done that, Senator. Guarding gates is another one.

Senator REED. I remember.

General ODIERNO. Roger. So dining facility, guarding gates, maintenance of facilities—there'll be some more troop labor used to do that. I think it's okay. We can work our way through that. All of those things require leadership and organization, so there's always some training value in it. I believe that we'll do that.

We do have to be careful that we don't trade off so much that it does impact our training. That's that balance that we have to meet. But we've already started to do that, and I see that continuing beyond this fiscal year into next, and the close coming up.

Senator REED. I remember the training time being a mess officer. [Laughter.]

Mr. MCHUGH. For whatever it's worth——

Senator REED. Mr. Secretary, I'd like you to just finish up my time by making any comments you have on the range of questions I posed.

Mr. MCHUGH. I appreciate it very much. I just wanted to piggyback onto the Chief's comments about what we're calling, in the near-term, borrowed military manpower, that trading for contractors, the military. We had planned about 8,000 of those switches this year. We're actually running a little bit lower than that. But I think that'll still come to be pretty close to the number. As the Chief said in a very careful way, we need to ensure that we continue along that path, but don't do it in a way that excessively erodes the readiness levels that are already, as we've discussed here today, a challenge.

Senator REED. Thank you very much, gentlemen, for your service.

Thank you.

Chairman LEVIN. Thank you, Senator Reed.

Senator Blunt.

Senator BLUNT. Thank you, Mr. Chairman. The advantage of waiting is you get to hear lots of good questions. I was glad to get to hear my colleagues' questions.

It's good to see both of you here today, particularly Secretary McHugh, who we worked so closely together for so long.

Secretary McHugh, you mentioned the problem of CR after CR. How much of that was taken care of in what was done last month? What are your priorities moving forward in terms of structuring for the next spending year what you'd hope would be there?

Mr. MCHUGH. Public Law 113–6, I believe was the number, gave us what the Chief and I have been talking about. That is, predictability and stability. It was an important step with respect to being able to redirect funds. We were initially estimating that a year-long CR would cost us about $6 billion. So by interrupting that progression, it saved us some money, but most importantly, allowed us to take funds and do what we consider our prime objective for the moment and that is to continue to provide for the warfighters.

As to the way ahead, I think it's important for everyone to understand that the things that we're going to have to do, the things we've already done here in 2013, will, in some instances, take a year, multiple years, to fix, regardless of what we may do in 2014 in adopting either the Senate resolution, the President's proposed budget, or the House resolution, because we're just creating holes that don't get fixed overnight.

For example, at the Aviation Center of Excellence at Fort Rucker, sequestration will probably require the reduction of more than 500 training seats. Those just don't get recreated in a year's time. The Chief mentioned about how we'll only be able to do two BCT rotations at our NTC. All of those other rotations will be put

back into the queue. It's not like they'll make up that readiness in a 6-month period.

So those are holes that are, even under the best circumstances as we can see it, that we're going to be dealing with for some time. But at least with predictability and an on-time budget and, if not the elimination, certainly the control of CRs, we're going to be significantly challenged in the way ahead.

Senator BLUNT. That'd be great if we could eliminate CRs. It's our job, and we ought to do our best to do that.

You mentioned the OCO accounts. I want to be sure I understood what your concern was there.

Mr. MCHUGH. Well, money.

Senator BLUNT. That there's too much money in contingencies you no longer need?

Mr. MCHUGH. No.

Senator BLUNT. Or there's not enough money in contingencies?

Mr. MCHUGH. There's not enough money. In the current OCO account, our estimation is that we're about $7.8 billion short of what the Army needs to fund the warfighters through the end of this year. That's why we're having to make all of these cuts that degrade readiness, that go into our base budgets, because we're moving money out of our base into what should be the funded OCO accounts, in our view, to support that warfighter. Our prime goal is not to send anyone into harm's way or into Korea or as part of the global response force that has without what they absolutely need. That's the commitment we make. But, right now, we're hard-pressed to do that.

Senator BLUNT. Okay. Thank you.

General, following up on your conversation with Senator Reed, how has the recruitment strategy been impacted by the reduction strategy?

General ODIERNO. Sir, the one thing that we have to be able to do is sustain the balance of people coming in the Army as they leave. So, for example, because we had a larger number of people leave the Army this year than anticipated, we increased our recruiting level by about 5,000 this year and in the Active component, we're meeting that.

We have to always sustain the balance between recruiting and as soldiers leave, because if you don't do it by year group, and you get out of balance, you create holes in your force over time. So as we've increased the amount of soldiers leaving, we've had a small increase in those we're recruiting.

The quality of recruits that we're bringing in this year are the highest they've been, and over the last 3 years, we've had the least amount of waivers, the highest level of education that the Army has seen since we've been keeping track of records.

So for now, we're doing okay. But we are worried, 2014, 2015, 2016, as the economy continues to get better and, frankly, this unpredictability that we have, how will that contribute to people wanting to come into the Army? We're concerned about the out-years because even though we're reducing, you have to keep those fresh people coming in every single year.

Senator BLUNT. Some of the reductions would actually not impact in a negative way your intake numbers. Your intake numbers are still going to be pretty high. Is that what I understand?

General ODIERNO. It is. When we were growing the Army, they were much higher, but they're about 65,000 this year, is how many we're bringing in to the Active component, and we're bringing in more to the National Guard and Army Reserve. So that number continues. We have to stay consistent with that number.

As the overall end strength of the Army goes down, that will reduce. It'll probably get down sometime in 2 or 3 years from now, to about 55,000 a year. But we have to continue to bring people in every single year.

Senator BLUNT. Right. To repeat some of what's been said—as you look at the BCT restructuring the facility I'd be most familiar with would be Fort Leonard Wood, the two things that occur to me there are the proximity to the schools, to the training and doctrine schools, and then the location of that and other bases if, at some point, you need to support civil authorities because of incidents that happen here. I would hope those would be two of the things you'd put into the matrix of trying to make that decision.

Mr. Secretary, do you want to respond to that?

Mr. MCHUGH. I would tell you, one of the newer criteria or factors is that geographical balance. That's something we're going to look at very carefully. That, frankly, responds to the issue you said, so that we are located to work and support our civil authorities where and when as necessary, but it also helps with keeping the Army relevant to the American population as a whole. I worry about us becoming isolated unto ourselves. The more places we can maintain presence and American communities can look across a patch of land or a piece of water and see, in this case, an Army base, a camp, post, or station, I think is a good day.

Geographic dispersal in equity is part of our consideration.

Senator BLUNT. Okay.

General Odierno, we had General Alexander, from U.S. Cyber Command (CYBERCOM), in the other day, and when you were talking earlier, I think with Senator Manchin, about Guard versus the readiness of the full-time force actually, in talking to him and some things we're looking at, I think CYBERCOM could be a place where guardsmen and reservists are likely to be doing every day in the private sector the same kind of skill set that we are going to need in CYBERCOM. Would you like to respond to that?

General ODIERNO. Yes. As we look at cyber warfare as we go forward, there are several things. One is national cyber capability, and then we have both operational/tactical cyber capability that we have to sustain in the Army as we go forward. So what we have to do is, we're building structure in the Active, and we have to have mirrored structure in the National Guard and Reserve, because as you say, we think that's a good place for us to have some of this key capability that we would need to do operational, tactical, national-level cyber capability. So, as we are looking, as we're waiting for CYBERCOM to develop its requirements, and then we will develop to meet the requirements they have for each one of the Services, and then we have to develop our own requirements for operational and tactical cyber.

What we want the National Guard and Reserves to do is mirror our structure, because we're going to need them as we move forward. Then, of course, what comes along with that is training and everything else. So we'll make sure that they get the matched training, because that's something, I think, would be an important mission.

What we have to balance, though, is the requirements of the State with the requirements that we have federally. That's what we have to think our way through.

Senator BLUNT. That's true. At one time, when I was Secretary of State of Missouri, the securities responsibilities of investment were in my office, and the securities commissioner worked for me and others. My view was that every time we brought in somebody from the private sector, they actually had some strengths that diminished as they got away from that daily contact with the bigger of the private sector.

I think in cyber you're going to see some of that same thing, so people who are out there trying to protect their own networks, trying to do the things that are going to be critical in that responsibility. I think this is a place where the Guard and Reserve component is more likely, frankly, particularly if they're well-placed in their civilian role, more likely to be kept up-to-date than they might be in some of the other areas you were visited about earlier. I just would hope we'd all keep that in mind as we look at the potential of some of these cyber units in the Guard.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Blunt.

Senator Blumenthal.

Senator BLUMENTHAL. Thank you, Mr. Chairman.

Thank you both for your service to our Nation. Thank you for being here today and for your leadership in difficult times.

If I may begin, General, by focusing on part of your testimony dealing with the service of women in new career opportunities, particularly in combat positions. I note that the Army has opened 13,000 more positions to women and is in the process of developing occupational and validating standards, as you say in your testimony.

Could you give me some idea of how soon women will be integrated into infantry officer positions in the Army?

General ODIERNO. Senator, we don't know exactly yet. What we're trying to do now is, we're doing the studies of standards in order for us to make sure we integrate them properly. We're looking at probably in the next 2 to 3 years we'd be able to do that.

We actually are doing a pilot right now with field artillery officers. Women were always able to serve in field artillery, but they were limited in the units they could go to. We are now doing a pilot that will put them in the positions for them to do this. So we're doing that first, and then we'll move—and as we get the standards developed and what we need them to do—and they would be standards that are the same for everybody—and once we establish those and everybody understands what those are, we will start to attempt to begin to run pilots with the women. I see that about 2 years down the road from now. We're going to slowly move our way towards that.

What we don't want to do is rush to failure. In other words, I want to set our females up for success. So when we give them the opportunity, they have the opportunity to succeed in what we're asking them to do. I'm afraid if we rush too quickly they might not succeed, which would cause problems for them to integrate fully when we really need them to.

I'm a believer it's about talent management. I have to make the most of the talent that's available to us, and we have to take advantage of the talent that our females bring to us. I want to make sure we set them up to be successful when we make this decision and to move forward.

Senator BLUMENTHAL. So 2 years would probably be the timeline for——

General ODIERNO. It might be sooner, but within the next 2 years, when we first begin to integrate officers, it'll be done after we do some assessments and what's the best way for us to do that, assess them and set them up to be successful as we go forward.

Senator BLUMENTHAL. Enlisted would probably follow that?

General ODIERNO. That's right, NCOs. Because the issue is, you want to develop a cadre of officers and NCOs. Since you can't grow them, we're going to have to move them from other positions and train them, and we have to figure out how we do that to make them successful. Then the soldiers would follow. That's the model that we think is the most successful model.

Senator BLUMENTHAL. Let me shift if I may to a subject that I don't think has been covered. You and I have discussed it in the past and that is the continued threat of IEDs in Afghanistan. I know you've been very active, concerned, and devoted to the well-being of our troops, in protecting them from these devices. Am I right in assuming, as I've been told within at least the past couple of months, that IEDs continue to cause more than half of all the casualties in Afghanistan to our troops?

General ODIERNO. That's correct.

Senator BLUMENTHAL. Do you note any progress in either protecting troops on the ground or stopping the Pakistani sources of the fertilizer and other components of the bombs?

General ODIERNO. First, the number of casualties, although it's still greater than 50 percent, is way down. So that shows some of the progress that we've made in protecting our soldiers. So we are continuing to make progress.

This is a very dynamic piece. We adjust, they adjust; we adjust, they adjust; and we have to constantly figure this out.

I think there's been some things put into place that have enabled us to slow the movement of capability from Pakistan into Afghanistan. They just did some work with the Pakistani army. I think we have put some procedures in place with the Afghan army and ourselves to prevent that. We certainly have not stopped it, but there's some progress being made in the interdiction of this.

IEDs are still being used. We continue to try to come up with capabilities that allow us to detect at the point of attack but we're still really focused on how do we get there to the left? That's where we made our most progress, in trying to develop and understand the networks and get involved with the networks, identify the

things necessary that are made to use and build IEDs. We've made some good progress there.

But we still have an issue with IEDs.

Senator BLUMENTHAL. Do you think the threat from IEDs will grow or diminish as we draw down?

General ODIERNO. I think it is a weapon that the enemy will continue to use. It's cheap, it's inexpensive, and it gets them the effect that they want.

I also believe that IEDs will be used by many people into the future. It is a weapon system now that will be used quite regularly. Frankly, that's what we saw in Boston this week, it was an IED. That's what people, when they try to make a statement or they try to conduct operations against a military that they know they're overmatched against, they will continue to find irregular ways to attack them. We're going to have to be prepared to deal with this for a very long time, in my opinion.

Mr. MCHUGH. Could I add a comment?

Senator BLUMENTHAL. Yes, Mr. Secretary.

Mr. MCHUGH. If I could just add on, because it really goes back to an earlier discussion we had about what we're doing to get ourselves more modernized for the future. One of the things we're keying upon as we look at such future platforms is the GCV, the JLTV, and others, is to be able to operate with mobility as the Chief mentioned earlier, but also in an IED environment. Because we have no reason to suspect we will see anything but more of those into the future.

Senator BLUMENTHAL. Yes, you and I, and the General and I, have discussed this issue over the years. I think the investments we've made in Afghanistan in combating IEDs will pay off in the future, because it is the asymmetrical weapons platform for terrorism in the future. Unfortunately, it also, obviously, is the type of device that was used recently in Boston, tragically and horrifically there. That was one of my first thoughts when I saw and heard more detail about the explosion, that it fit all the criteria for an IED that you've been seeing in Afghanistan over many years.

Let me just finish talking about Afghanistan. Is there an estimate as to the total amount—the value of equipment and hardware, so to speak, that we have on the ground in Afghanistan?

General ODIERNO. Senator, there's $28 billion worth of equipment on the ground now, is our estimate. That's all equipment. There's about $21 billion of that that we think we'll bring back in order to reset and redistribute to the force.

Senator BLUMENTHAL. What's the estimate—and I apologize if I'm asking you to repeat testimony you've already given—on the cost of how much will be necessary to bring the $21 billion back?

General ODIERNO. I will get back to you with that number; I have not said that.

[The information referred to follows:]

As of February 13, the Army had $28 billion worth of Army equipment in Afghanistan with the requirement to retrograde and reset $21 billion to meet Army requirements. The estimated cost to do so is between $1.8 billion and $3.2 billion in Overseas Contingency Operations funding. This range of costs is based on numerous variable conditions such as the viability of the Pakistan Ground Lines of Communication, the availability of overflight/landing rights at multi-modal sites, the condi-

tion of combat operations on the battlefield, and political/election unknowns. A worst-case scenario, in which all equipment must be flown from Afghanistan directly to the United States by military aircraft, could cost as much as $6 billion.

General ODIERNO. It's a combination of transportation costs and others. But I will tell you we've done the analysis and the cost of the transportation and the cost to reset is much cheaper than the cost to have to repurchase new equipment.

Senator BLUMENTHAL. Despite what you very aptly describe in your testimony as the harsh weather conditions, the adverse geography, and the need for sufficient funding to do it, because I think, to state the obvious, although it may not be obvious to most Americans, the difficulty of withdrawing that equipment from Afghanistan is far, far greater than it was in Iraq.

General ODIERNO. It is, yes.

The specific numbers, the calculations, there's quite a difference in the cost if we had to repurchase this equipment new, and we think we can reset it, as I've walked through our depots and everything else, when we reset equipment, it is like new. Our ability to do that and bring it back, we'll do it much cheaper than if we had to buy it new.

Senator BLUMENTHAL. Thank you. I look forward to that additional information. Thank you so much for being here today.

Thank you.

Chairman LEVIN. Thank you, Senator Blumenthal.

Senator Hagan.

Senator HAGAN. Thank you, Mr. Chairman.

Secretary McHugh and General Odierno, I'm always honored to have you before our committee, and I thank you both for your service and your commitment to our country. So, thank you. It's a pleasure to see you.

The Army's fiscal year 2014 military construction request is over 35 percent less than last year's. The Army has stated that this request reflects a return to a more historical level of funding, following the completion of the Grow the Army and the 2005 BRAC changes and investments. One of the concerns that I have with this is that there are no transportation projects at Fort Bragg in fiscal year 2014, and there's also nothing planned for the FYDP either. Roads and these other projects have not kept up with the facilities projects in the growth of that base. It's created a serious safety problem at one of, I believe, the Army's most elite bases, including an increase in over 400 percent of traffic accidents since 2005. With an increase of over 200 percent in injuries also during the same period, it appears to me that investing in transportation infrastructure there would be a smart and critical safety investment. In our current fiscal environment, this seems like low hanging fruit in terms of payback to the Army.

So my question is, could you give me your thoughts on my concern on the lack of transportation projects at Fort Bragg.

Mr. MCHUGH. Senator, I have no doubt that there are projects such as that spread across the Army that, had we the money, we could expand upon. What this budget, as I mentioned in my opening comments, attempts to do is balance the wide range of needs against the available funding. The statements, you are absolutely correct, and the posture that notes this is historically a number

that reflects our past military construction numbers, that doesn't necessarily reflect the statement that we're meeting every one of our needs in this budget.

We try to do the best job we can, taking the military construction appropriation availability and dispersing it across the projects, as necessary. That doesn't mean we get it perfectly correct every time. We're certainly happy to sit down and take a look at whatever description and materials you might want to make available to us. We begin a next budget cycle as soon as we've completed the last. I don't want to make any promises, but I'm sure we can do better.

But, we do feel, as was noted in the posture statement, the very significant expenditures on new construction embedded in the 2005 BRAC that met so many of our needs, and the high level of military construction investments that have been occurring over the last 10 years, that this budget account is reflective of our affordability.

General ODIERNO. Yes, I would just say, Senator, certainly we will take a look at it. I think we do have some money in Fort Polk which I think is important. That's something that has to be taken care of. So we put that probably at a higher priority, based on the military construction dollars that we were able to allocate, and we believe that's in very much need of help down in Fort Bragg.

As I go down there, first, I'm very pleased with the work that the State is doing outside, increasing the road network coming into Fort Bragg, which I think will help a lot coming off of I–95, there.

Senator HAGAN. It will.

General ODIERNO. I hope that that will help us. So as that project gets developed, we'll probably have to review how does that impact the rest of the transportation network around Fort Bragg? Is there some things that we have to do as we do that? That'll be something that we'll ask our commanders down there to take a look at and get back with us.

Senator HAGAN. Okay. I appreciate that. I am concerned about the traffic issues, the accidents, and obviously the injuries associated with that.

I want to ask a couple of questions on sexual assault. Recent research by the VA suggests that about half of the women who have deployed to Iraq and Afghanistan report being sexually harassed and almost 25 percent say they were sexually assaulted. I've spoken personally with a number of the female servicemembers and veterans that when they were deployed they actually stated that when they were at a forward operating base, they had to decrease their water intake so they wouldn't have to use the latrines at night. I know there's been significant changes with lighting and safety conditions and things like that, but it is an issue that you're thinking, "Oh, my goodness. You know, why in the world, when we have our women serving us overseas, fighting for our country, do they have to think about an issue like that, how much water they take, much less the threat of a sexual harassment or sexual assault?"

What's the current state of the problem with our deployed Army units? What's specifically being done to address the issue of sexual assault while on deployment?

General ODIERNO. First of all, having just been over there, and actually, I had a discussion about this with all of the commanders on the ground about this specific issue, not only while deployed but also when they come back. First, I know people are tired of hearing me say this but we have to change the culture. It's about commanders setting the environment that becomes nontolerant of any of this activity. We have to start from the time there are cadets at West Point, ROTC cadets, basic training, and we're really starting to make a difference and try to emphasize this.

But that said, let's put that aside, because that's a long-term solution. It is about commanders' awareness of being able to see themselves. I asked them, we have to increase the assessment tools that you have in theater that allows you to assess where are the problem areas and what are you doing to reduce the risk to our female soldiers that are forward deployed? They are increasing the amount of sensing sessions, they're increasing surveys, they're increasing other techniques that they use in order to understand that environment so they can make the corrections.

Then we emphasize, obviously, that it's about maintaining discipline and standards and taking swift action when something is found, so that people realize that this kind of behavior simply will not be tolerated.

It's a combination of those kinds of things that we have to do, and then the constant awareness training and lecturing and everything else you need to do to make soldiers aware that this is not acceptable.

It is just about constantly talking about this problem, and constantly ensuring that people understand we are going to take this seriously. It's as frustrating to all of us, I know, as it is to you, Senator.

Senator HAGAN. General Odierno?

General ODIERNO. I wish I had a better answer for you, frankly.

Senator HAGAN. Of all these commanders that you're talking to, how many are women?

General ODIERNO. Probably about 20 percent—15 to 20 percent.

Senator HAGAN. Okay.

Let me ask about reporting the sexual assault. Part of the challenge faced by soldiers in deployed units relates to the geographical dispersion and remoteness of many of these units, which obviously necessitates creative and adaptive measures to ensure that the reporting resources are readily available and that the victim's privacy is protected. I know you're talking about the extra training, sensing sessions, but what are you doing to ensure that the deployed units are prepared to process reports of sexual assault and that the deployed victims are also cared for equally with those in the garrison? If you could just emphasize a little bit about the predeployment training that's required to ensure that our deployed servicemembers actually know what the Services are available to them while deployed, if, hopefully, not needed.

Mr. MCHUGH. If I could just start and then defer to the Chief.

As to predeployment, it goes to the part of the comments that the Chief made about making sure that our lessons on sexual harassment, sexual assault, are not just confined to a single touch-point during initial entry training. We have embedded this into virtually

every aspect of our training, through all ranks and through all processes that we offer to our soldiers, and not just for 1 day, not just 1 time, but repeatedly. That includes part of their predeployment counseling.

The way in which we're attempting in part to deal with the problems in theater are as directed by this Congress to ensure that every brigade has a sexual advocate, an assault advocate, and a sexual assault response coordinator there so that soldiers feel confident they can go to someone whose responsibility is to be caring about these, to know kinds of things, to know about the process and to protect their interests so they don't feel like they'll be victimized again. The deployed environment is a very challenging one, but if you look across the Army—and I haven't seen the breakout of the data specifically for in-theater, but our propensity to report has gone up significantly. It was about 28 percent just a few years ago. Our latest statistic is at 42 percent.

Now that's not perfect, and it's a long way from where we need to be. But, I do think it shows that female soldiers are no longer willing to just sit back, that they're going to take action. The data seems to confirm that.

This is something that has to be imbued at virtually every level of our Army. I was out just a few weeks ago at Charm School, as they smilingly call it, for our new brigadier generals, and I told them very frankly: "You can succeed, from this day forward, in virtually every aspect of your military career, but if you fail at this"—and that is leading on the issue of sexual assault—"you've failed the Army," because there's nothing more important to the very bedrock upon which this Army is built. Clearly, a long way to go but I can only tell you, Senator, we're dedicated to doing everything we possibly can to help fix it.

Senator HAGAN. Thank you.

General ODIERNO. Senator, if I could just add a couple of things.

One is, we've also increased the number, we've trained criminal investigation command-qualified experts, we have also trained prosecutors, and we've increased those numbers in Afghanistan, so they are available to conduct investigations and make sure that we have the expertise over there as we move forward. So as we have increased them around the Army, we also have that increased expertise there as well.

So anyhow, we're doing what we can. But as I said, this is about commanders and this is about them setting the right tone at all levels. I have a lot of confidence in our brigade and battalion commanders, but it's how that translates down into our company commanders, our platoon leaders, our platoon sergeants, and our squad leaders, because they're the ones who actually lead, they are the first ones to touch these women in many cases and we have to make sure they understand, and they understand the requirements that we extended.

Senator HAGAN. I know my time is running out but Secretary McHugh, you said that 42 percent of the sexual-assaults reporting has increased, but are you seeing an increase in the number of sexual-assaults percent or a decrease?

Mr. MCHUGH. The actual number reported went down by, I believe, about 16 percent with the propensity to report going up.

Senator HAGAN. Thank you.

My time is up. Thank you.

Chairman LEVIN. Thank you very much, Senator Hagan.

We're in a second round. I have a few questions to submit for the record which I would ask you to reply to.

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

I was out of time when you corrected my assumption concerning some of the commitments that we're making in terms of energy policy. I wanted to ask the question about that because there was an Army plan that was announced that said that $7 billion—that's where the number came from.

Mr. MCHUGH. That's correct.

Senator INHOFE. The $7 billion would be over a period of time. There's going to be contracts that over a period of time, maybe 10, 20, 30 years, in terms of the amount or the percentage that would go to renewable sources. I guess the multiple award task order contract would use the power purchase agreements by the Army for a long-term contract. Is that correct?

Mr. MCHUGH. That is correct, yes.

Senator INHOFE. Which would be 10 to 30 years?

Mr. MCHUGH. Probably 30 years, I believe, is the multiple award task order contract length, sir.

Senator INHOFE. Those contracts would commit the Army to a specific price for the purchase of renewable energy I assume. Is that correct?

Mr. MCHUGH. It would commit us to purchasing energy from a private developer at a set price, that the objective is to reach a price that is at least at parity, if not lower, than what we would pay otherwise.

Senator INHOFE. That may be the objective but you're projecting out a number of years and decades in this case, and how in the world could we accurately do that? I just wonder at the wisdom of why we would want to lock in a price and not allow the Army at some future date to take advantage of the many changes that are taking place out there, whether that's a wise thing to do.

Mr. MCHUGH. A couple of things. One, the creation, the generation of energy, Senator, is an incredibly expensive undertaking, one that frankly we don't think the taxpayers, insofar as the Army base budget is concerned, can afford to bear. Where we can encourage private investment to come in and to make those kinds of commitments, as we did with the Residential Communities Initiative and privatized housing, can be a good value for the Army. It also helps us posture ourselves to bring energy independence, of a kind, to our individual bases, which we consider to be a very critical strategic move.

Senator INHOFE. Is the request for proposal already out or is it planning to be out?

Mr. MCHUGH. On the multiple award task order contract, it has been released, yes.

Senator INHOFE. Oh, it has been released.

Mr. MCHUGH. That is my understanding. I'll check that though.

[The information referred to follows:]

The U.S. Army Corps of Engineers, Huntsville Center issued the solicitation notice for the Multiple Award Task Order Contract in August 2012. Proposals for prequalification were due to the Government in September 2012. Individual Multiple Award Task Order Contract awards are being staggered by technology and are anticipated for release through the remainder of calendar year 2013. The intent is to award contracts to all qualified and responsible offerors, both large and small businesses, whose offers receive the required minimum acceptable evaluation ratings and whose price is reasonable and realistic. Individual project task orders will be competed amongst those qualified offerors on a project-by-project basis.

Senator INHOFE. Okay. What I'd like to get, and I think it's a reasonable request, is a copy of it. I'd like to see how the wording is stated and to be able to look at it.

Mr. MCHUGH. Of course, absolutely.

Senator INHOFE. If the concern, of course, is in the future to be able to take advantage of our independence, there's a lot easier way of doing it than exploring new technologies in the future. I think, going back to what I stated a little bit earlier, that's what the Department of Energy was supposed to be doing initially.

Mr. MCHUGH. We'll be happy to come and provide you all the materials that are available, and certainly to talk and try to answer any questions you may have.

Senator INHOFE. Yes, because we have enough problems, as pointed out by both you and General Odierno, with the current problems that are there, and then relating that, as General Odierno did, to other times in our history when we've had a hollow force and all things like that that are coming out there. I just would like to see how it's worded, then be able to sit down with you and discuss where to go, we go from here.

Mr. MCHUGH. Absolutely.

Senator INHOFE. Also, how I might be able to impact that.

Mr. MCHUGH. Absolutely, Senator.

Senator INHOFE. Thank you. Thank you very much. I appreciate it.

Chairman LEVIN. Thank you, Senator Inhofe.

I think, actually, all of us would be interested in seeing that request for proposal, if you could submit that to the committee.

Mr. MCHUGH. Sure.

Chairman LEVIN. Actually, one of my four questions that I'm going to ask you to answer for the record does relate to the renewable energy technologies and how they actually, in some cases, can enhance combat capability. We'll save that for the record.

We thank you both very much, again, for your service, for your testimony. Thank you for joining us this morning, Secretary McHugh and General Odierno.

We will stand adjourned.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR CARL LEVIN

MANAGEMENT OF RISK IN THE COMBAT AND TACTICAL VEHICLE INDUSTRIAL BASE

1. Senator LEVIN. Secretary McHugh, given the fiscal year 2013 and now fiscal year 2014 and beyond reductions in the Army's ground combat and tactical vehicle investment accounts, what, in your view, are the risks, if any, to the combat and tactical vehicle industrial base and what actions, if any, is the Army taking to mitigate these risks?

Mr. MCHUGH. In the overall combat and tactical vehicle industrial base, single point failures and the loss of critical component suppliers are a concern. These disruptions would negatively affect overhaul and rebuild operations. The Army is tak-

ing action to keep production lines open to minimize these risks. Using the Abrams tank as an example, the Army has extended production of 67 M1A2SEP v2 tanks for 2 years through December 2014. In addition, there is every indication that both "Firm" and "High Potential" foreign military sales (FMS) production will maintain a minimal level of sustaining work flow through fiscal year 2016.

The Army is also conducting a comprehensive Combat Vehicle Portfolio Industrial Base Study through A.T. Kearney, a global management consulting firm. The 21-week study is assessing the Commercial and Organic Combat Vehicle Industrial Base, viable strategic alternatives, and sustainment of the Combat Vehicle Industrial Base in a constrained fiscal environment. A final report will be submitted to Congress later this year.

USE OF SOLAR ENERGY IN OPERATIONS

2. Senator LEVIN. Secretary McHugh and General Odierno, in Afghanistan, the smart use of alternative energy directly translates into an enhanced combat capability that enables soldiers to accomplish their missions, save lives, and increase efficiency. How do these renewable energy technologies enhance the combat capability of our soldiers deployed around the globe?

Mr. MCHUGH and General ODIERNO. The Army is fielding renewable energy technologies in both its soldier power systems and on its contingency bases. The Army has been fielding the Rucksack Enhanced Portable Power System, which combines lightweight solar panels, connectors, and adapters that can charge most common military batteries in 5 or 6 hours, and can also be daisy-chained together for more power. This system reduces battery requirements enabling greater mobility and extended resupply intervals.

On its contingency bases the Army is installing hybrid power systems that help to reduce fuel consumption and improve the reliability of electrical supply for critical systems. These fuel savings lead to enhanced mission effectiveness by returning combat power to commanders through reduction in resupply missions, which reduces the risk to the warfighter.

We have a dedicated effort underway, lead by the Army G–4 and the Army's Training and Development Command to incorporate operational energy lessons learned in Afghanistan into our doctrine and into our training centers in order to ensure they are part of all future, global operations.

3. Senator LEVIN. Secretary McHugh and General Odierno, how do these technologies affect soldiers' fuel consumption demand and logistical resupply efforts?

Mr. MCHUGH and General ODIERNO. Renewable energy technologies, along with other operational energy efforts in theater, such as improved generators and minigrids, significantly reduce fuel consumption on Army outposts and contingency bases. These investments are improving performance of critical equipment, reducing the logistic footprint, increasing efficiency, creating energy alternatives, and assuring availability of supply. The combined effect of these efforts is a reduction in resupply missions to our outposts and contingency bases, which in turn allows the return of combat power to commanders.

ARMY ROLE IN STRATEGIC SHIFT TO ASIA-PACIFIC

4. Senator LEVIN. General Odierno, what, in your view, is the impact on the Army of the new Asia-Pacific-oriented strategy?

General ODIERNO. The Army's contribution to the region will only increase as the Department of Defense (DOD) rebalances toward the Asia-Pacific region, pending fiscal decisions. The Army already maintains a robust presence through forces assigned to U.S. Pacific Command (PACOM) and the placement of Army pre-positioned equipment sets in Korea, Guam, Japan, and Diego Garcia. Three of the Army's four forward-stationed Patriot battalions are located in the region. In recognition of the importance of the region, the Army has upgraded U.S. Army Pacific Command to a four-star headquarters. At a time of fiscal difficulties and downsizing, we are preserving the readiness of forces stationed in Korea at the expense of other forces. The Army recently deployed one of its two Theater High Altitude Air Defense systems to Guam in support of regional objectives. Beginning next year, the Army will rotate an additional Combined Arms Battalion and Attack Reconnaissance Squadron to Korea. Another important focus for the region is building partnership capacity. Acknowledging the region includes a number of U.S. treaty allies and 7 of the world's 10 largest armies, we will strengthen relationships with

our key partners while cultivating relationships with nations that share our common values.

ARMY FORCE STRUCTURE CHANGES

5. Senator LEVIN. General Odierno, with respect to increasing the size and capability of armored and infantry brigades by adding a third maneuver battalion, will the Army need to further reduce the number of combat brigades to find the troops necessary to implement this change, and if so, by how many more and over what period of time?

General ODIERNO. The Army announced its force structure decision on June 25, 2013. The reorganized Brigade Combat Team (BCT) provides a third maneuver battalion, a brigade engineer battalion, improved fires and other capabilities and directly addresses capability gaps identified by extensive modeling and by tactical commanders based on their experiences with the modular BCTs. As announced, this conversion required a further reduction of BCTs beyond the eight previously announced resulting in fewer, more capable BCTs. This will allow us to reduce some overhead and maintain more combat capability. We have performed significant analysis in U.S. Army Training and Doctrine Command (TRADOC) using a series of 34 vignettes and conducting extensive interactive interviews and modeling with both the Army's Division commanders and with current or recent combat veteran BCT commanders (23) across the range of military operations, and in every case the three-maneuver battalion brigade outperformed the two-maneuver battalion brigade. The Army National Guard's (ARNG) BCTs would also be reorganized to the same design. The reorganization will begin in fiscal year 2014 and continue through fiscal year 2017. This does not take into account sequestration. If sequestration is allowed to continue, the Army will have to further reduce end strength and adjust force structure across all three components.

QUESTIONS SUBMITTED BY SENATOR CLAIRE MCCASKILL

BRIGADE COMBAT TEAM REORGANIZATION

6. Senator MCCASKILL. Secretary McHugh and General Odierno, following the 2005 Base Realignment and Closure (BRAC) round, the Army made a conscious effort to co-locate Army schools with related operational units because doing so enhances Army readiness and welfare. Does the Army continue to see value co-locating U.S. Army Forces Command and TRADOC units?

Mr. MCHUGH and General ODIERNO. The 2005 BRAC round did recommend co-locating a number of operational units on TRADOC installations, though the analysis underpinning the BRAC did not treat any benefit deriving from co-location as a singular factor. Rather, TRADOC installations offered other benefits such as available training land and ranges. The same considerations would apply as part of the programmed 80,000 reduction in Active component Army end strength.

7. Senator MCCASKILL. General Odierno, you have testified that you believe it is important to reconfigure BCTs by adding a third maneuver battalion, and have stated that you do not believe there are enough engineers within the brigades. What analysis has been done to justify this conclusion?

General ODIERNO. In the overall combat and tactical vehicle industrial base, single point failures and the loss of critical component suppliers are a concern. These disruptions would negatively affect overhaul and rebuild operations. The Army is taking action to keep production lines open to minimize these risks. Using the Abrams tank as an example, the Army has extended production of 67 M1A2SEP v2 tanks for 2 years through December 2014. In addition, there is every indication that both "Firm" and "High Potential" FMS production will maintain a minimal level of sustaining work flow through fiscal year 2016.

The Army is also conducting a comprehensive Combat Vehicle Portfolio Industrial Base Study through A.T. Kearney, a global management consulting firm. The 21-week study is assessing the Commercial and Organic Combat Vehicle Industrial Base, viable strategic alternatives, and sustainment of the Combat Vehicle Industrial Base in a constrained fiscal environment. A final report will be submitted to Congress later this year.

8. Senator MCCASKILL. General Odierno, was this analysis based on the Army's experiences over the last 10 years of war, or was it based on likely scenarios that

would stem from the Defense Strategic Guidance (DSG) announcement by DOD in January 2012?

General ODIERNO. The decision to reorganize the BCTs was based on both lessons learned in our recent wars and on our perception of the needs of the Army as we move forward into a different security environment—which was in turn informed by scenario guidance stemming from the January 2012 DSG. Working with the Office of the Secretary of Defense (OSD) and the Army Staff to develop a range of possible visions of the future demands for the Army and for BCTs, TRADOC then conducted extensive analysis.

TRADOC's analysis can be broken into three primary areas. First, using a series of 34 vignettes and conducting extensive interactive interviews and modeling with both the Army's division commanders and with 23 current or recent combat veteran BCT commanders, TRADOC established how the force would use the different BCT designs differently in order to accomplish the full range of missions—from Homeland Defense/Security missions, to full-scale combat missions, to a wide variety of stabilization and other missions. Understanding commander's preferences and concerns about the different BCT designs and mixes (Stryker, Infantry, and Armored) and how they would be employed, TRADOC then did force-on-force modeling to understand the differences in outcomes from over 6,500 hours of simulated combat examining four organizational options across three vignettes (ranging from 7 to 72 hours of operations) and measuring success and speed in winning battles/engagements, casualties (friendly and enemy), other combat losses (equipment), and ability of the unit to continue on to a subsequent mission or the amount of time it might need to reconstitute prior to performing a subsequent mission. At the strategic level, TRADOC's analysis looked at multiple different mixes of future demand using campaign level criteria such as how long it took to deploy and how well the Army could sustain supplying BCTs over time to a wide range of different mission demands at acceptable levels of stress on the force.

Across all of the different levels of analysis the new BCT design, with its third Maneuver Battalion and other combat support enablers, represented the clear best choice for the Army. From a Headquarters, Department of the Army perspective, the new design also allowed us to reduce some overhead and maintain more combat capacity than would have been possible if we stayed with the older design.

9. Senator MCCASKILL. General Odierno, in April at a speech at the National Defense University, Secretary Hagel announced that he had tasked Deputy Defense Secretary Carter and General Dempsey to lead a Strategic Choices and Management Review (SCMR). How will the findings of this review inform the Army's ultimate decision on any reorganization of its BCTs?

General ODIERNO. The Army has been an active participant in the SCMR. We anticipate that the output from this review will be used to frame fiscal guidance for 2015. At this point we don't expect the results of the SCMR to affect the Army's decision on whether to reorganize the BCTs. As you know, we have completed a very lengthy and complex analysis to inform our decisions on the organizational design of the Army's BCTs. The SCMR results will provide fiscal guidance to help inform the size of the operating force that will remain in the Army.

CHEMICAL, BIOLOGICAL, RADIOLOGICAL, NUCLEAR, AND ENVIRONMENTAL RESPONSE

10. Senator MCCASKILL. General Odierno, last month General Charles H. Jacoby, Jr., USA, testified that, "U.S. Northern Command, in close collaboration with the National Guard Bureau and our other military and civilian partners, has made significant progress improving our ability to respond in the aftermath of chemical, biological, radiological, nuclear, and environmental (CBRNE) hazards incident by increasing the overall readiness of the Nation's CBRNE Response Enterprise. Following a series of external evaluations and confirmatory exercises, the Enterprise achieved full operational capability (FOC) on October 1, 2012. Despite the FOC designation, important work remains to be done to realize the full potential of the enterprise."

In September 2012, Mr. John W. Newman, Special Assistant to the Assistant Secretary of the Army for Manpower and Reserve Affairs (M&RA), visited Fort Leonard Wood, the Maneuver Support Center of Excellence (MSCoE), to discuss the need for an Emergency Management (EM) training program to ensure that the Active and Reserve component personnel supporting future Defense Support to Civil Authorities (DSCA) missions are fully prepared and/or can train others in DSCA operations. Fort Leonard Wood already has a training program for CBRNE training that qualifies DOD and interagency personnel; however the program is not accredited for of-

fering civilian educational credit. The Missouri National Guard has offered the MSCoE the use of its Regional Training Institute for a proposed EM training program that could be combined with an existing University of Central Missouri bachelors and master degree program that could be merged with existing CBRNE training to offer MSCoE an accredited degree program for EM. The Assistant Secretary of the Army for Manpower and Reserve Affairs directed a review of EM and DSCA with a projected completion by March 1, 2013. What are the findings of this review?

General ODIERNO. The Assistant Secretary of the Army (Manpower and Reserve Affairs) directed TRADOC to study a range of issues related to EM and DSCA. TRADOC is in the early stage of its analysis, and is not anticipated to report its finding to Headquarters, Department of the Army until late in fiscal year 2013.

QUESTIONS SUBMITTED BY SENATOR JOE MANCHIN III

UNEMPLOYMENT IN THE ARMY

11. Senator MANCHIN. General Odierno, the Army has spent more than $3 billion dollars on unemployment compensation over the last 10 years. Last year, you said that the Army was working on a single portal than links up soldiers and jobs. Can you update me on the progress of this single portal concept?

General ODIERNO. Yes. The Army uses Hero2Hired (H2H) as a single portal for both soldiers who will transition from Active Duty and employers who want an expedited way to connect soldiers to their various employment opportunities. The H2H portal makes it easy for soldiers to connect to employers and find jobs, explore careers, translate military skills to civilian careers, find hiring events, and post resumes. Employers get free, direct access to qualified soldiers, who in many cases already have background checks and security clearances.

C–23 DIVESTURE

12. Senator MANCHIN. General Odierno, language in this year's appropriation bill states that no funds shall be used to retire C–23 Sherpa aircraft. What is the Army going to do with C–23s that were scheduled to be divested?

General ODIERNO. In order to comply with Public Law 113–6, which prohibits the expenditure of funds to retire C–23 aircraft in fiscal year 2013, Headquarters, Department of the Army is implementing a semi-flyable storage plan for its C–23 fleet for fiscal year 2013. No fiscal year 2013 appropriated funds will be used to retire C–23 aircraft. This semi-flyable storage plan will result in approximately $30 million in savings and allows for eight C–23 aircraft to remain assigned to the Army National Guard. The intent will be to use these savings for higher priority mission requirements.

13. Senator MANCHIN. General Odierno, will the C–23s prohibited from divesture continue to be used in support of the National Guard's domestic mission?

General ODIERNO. The Army no longer has a Fixed Wing Cargo mission. The September 2009 Resource Management Decision 802 transferred all direct support (cargo) missions and program requirements to the U.S. Air Force. In October 2009, a Memorandum of Agreement (MOA) was signed between the U.S. Army and the U.S. Air Force to implement this direct support mission. Eight C–23 aircraft assigned to the Army National Guard will likely continue flight operations until placed in storage at the end of fiscal year 2013.

ARMY END STRENGTH REDUCTIONS

14. Senator MANCHIN. Secretary McHugh and General Odierno, the 2014 defense budget does not conform to the caps set under sequestration. While we all want a more balanced approach, the Budget Control Act (BCA) is the law of the land. If no deal is reached, at some point, between now and October, DOD will have to adjust to the sequester levels. If the sequester remains in place, what type of end strength cuts, by Army component, do you project for the Army in fiscal year 2014?

Mr. MCHUGH and General ODIERNO. The Army is already reducing 80,000 out of the Active Army, 8,000 out of the Army National Guard, and 1,000 out of the U.S. Army Reserve based on the initial $487 billion reduction in the BCA of 2011. If full sequestration is implemented, the Army may have to reduce up to an additional 100,000 soldiers across the Active Army, Army National Guard, and U.S. Army Reserve and further reduce the civilian workforce in future program submissions. In doing so, the Army would strive to maintain a balance between end strength, readi-

ness, and modernization. The Army is assessing the distribution of such reductions across the Army components to strike the best possible balance for the future, but our assessment is that the Army that results in the near years will be forced to accept hollowness in our modernization and readiness accounts.

15. Senator MANCHIN. Secretary McHugh and General Odierno, in your estimation, when would that decision need to be made?

Mr. MCHUGH and General ODIERNO. The Army has been an active participant in the SCMR. We anticipate that the output from this review will be redefined DSG which will be used to frame fiscal guidance for 2015. That fiscal guidance combined with direction from the OSD will be the basis for any further reductions in Army end strength. Once the Army is provided with guidance from the OSD to execute plans to accommodate long-term sequestration of our budgets, the Army would initiate the actions to draw-down the force over time. The sooner those decisions and actions are taken, the sooner savings from personnel draw-down could materialize. The Army is beyond the window for any decisions that would generate large changes to strength in fiscal year 2014 that would save fiscal year 2014 resources. We are fast approaching the decision window for actions that would adjust fiscal year 2015 strength. If sequestration remains unaltered through 2023, the Army will be forced to initiate further reductions in order to properly balance end strength, readiness, and modernization, and ensure our formations are prepared for any contingency.

TRAINING DAYS FOR THE RESERVE COMPONENTS

16. Senator MANCHIN. General Odierno, in the hearing, you gave the following statement regarding training days in the National Guard: "What we're investing in our National Guard is an ability to expand over a period of time—39 days a year they train." It is my understanding that 39 days is the statutory minimum for a member to perform in the selected Reserve and that most soldiers in the National Guard train in excess of 39 days. Is this a correct assessment?

General ODIERNO. According to 32 U.S.C. Section 502, the Army Reserve/National Guard units are required to assemble for at least 48 drills (2×4-hour drills=1 Inactive Duty Training (IDT) day) and 15 days of annual training each year. As a result, a unit must conduct a minimum of 39 days of training annually. However, individual soldiers may be excused from this training for a variety of reasons—for example, attendance at military school, Special Training, mobilization, etc.—resulting in some soldiers training at less than the unit minimum. In fact, a majority of National Guard soldiers train 39 days or less, though soldiers can add to their total number of training days by conducting military duty in other statuses, such as Active Duty for training or operational support.

17. Senator MANCHIN. General Odierno, what is the average annual number of training days for a soldier in the Army National Guard?

General ODIERNO. The average annual number of training days executed in fiscal year 2012 (the most recent fiscal year with complete data) per drilling soldier was 18 days of IDT (36 drill periods) and 12 days of annual training, for a total of 30 training days. Of the total average drilling strength, a portion do not participate in all Annual Training/IDT for various reasons (e.g. military school attendance, Special Training, mobilization, etc.). Thus, the average annual number of training days is fewer than 39 days. If the non-participating population is removed from the data, the average annual number of training days per soldier increases to 42 days—26 days of IDT (52 drill periods) and 16 days of annual training.

ARMY CONTRACTORS

18. Senator MANCHIN. Secretary McHugh, what is the approximate number of contractors the Army presently has in its inventory?

Mr. MCHUGH. The Army's contractor inventory is captured in the Contractor Manpower Reporting Application (CMRA) Report that is generated at the end of the fiscal year. For the fiscal year 2012 CMRA Report, the Army reported approximately 150,535 contractor full-time equivalents for the generating force and 90,319 contractor full-time equivalents in the operating force (which includes Overseas Contingency Operations (OCO)).

19. Senator MANCHIN. Secretary McHugh, has this figure gone up or down since last year?

Mr. MCHUGH. In compliance with statutory requirements in 10 U.S.C. 2330a, the Army does not generate contractor inventory data until the end of the fiscal year in order to minimize reporting requirements on contractors in accordance with the Paperwork Reduction Act. The Army's contractor inventory is captured in the CMRA Report. For purposes of comparison, between fiscal year 2011 and fiscal year 2012, contractors in the generating force increased by 15,870 contract full-time equivalents and contractors in the OCO part of the contractor inventory decreased by 21,940 contractor full-time equivalents.

SUPPORT FOR MILITARY SPOUSES

20. Senator MANCHIN. General Odierno, in many cases, servicemembers convicted of Uniform Code of Military Justice (UCMJ) violations lose their retirement pension and benefits. When this happens, innocent family members also suffer. Can you tell me about the Victims' Transitional Compensation Benefit Program?

General ODIERNO. As currently structured, the Transitional Compensation program helps ease the unexpected transition from military to civilian life for eligible family members who have experienced a dependent-abuse offense. The program was established by Congress as an entitlement for abused dependents of military personnel in the National Defense Authorization Act (NDAA) for Fiscal Year 1994 (P.L. 103–160). The Act authorizes temporary payments for families in which the Active Duty soldier has been court-martialed with a qualifying sentence or is being administratively separated from the military as a result of a dependent-abuse offense. Crimes that may qualify as dependent-abuse offenses include, but are not limited to, sexual assault, rape, sodomy, assault, battery, murder, and manslaughter. Under current law, crimes such as larceny of military property, desertion, and those not related to directly abusing dependents do not qualify for Transitional Compensation. There are still some dependents who are not adequately covered. I encourage Congress to review the legislation further.

The Army provides benefits and entitlements for 36 months to eligible family members. Eligible family members receive monthly payments based on the current monthly dependency and indemnity compensation rate. During the entitlement period, beneficiaries are also entitled to commissary and exchange privileges. They are also eligible to receive medical care, including behavioral health services, as TRICARE beneficiaries. Dental care services may be provided in dental facilities of the Uniformed Services on a space available basis.

21. Senator MANCHIN. General Odierno, could this program be expanded to protect families in other cases?

General ODIERNO. Broadly speaking, the Transitional Compensation program could be expanded to protect families in other cases, but such an expansion would require congressional action.

As the DOD is the proponent to implement the policy, assign responsibilities, and prescribe procedures under 10 U.S.C. section 1059, they would have the lead in providing views on any changes to existing law. The Army stands ready to partner with DOD and Congress to consider shortfalls in the existing program and ensure any change to the law is affordable, supportable, and inclusive of all Services.

QUESTIONS SUBMITTED BY SENATOR JEANNE SHAHEEN

ARMY SUSPENSION AND DEBARMENT BACKLOG

22. Senator SHAHEEN. Secretary McHugh, on March 27, 2013, I joined a bipartisan group of Senators in a letter to you and General Odierno expressing our continued concern and deep frustration over the Army's apparent lack of progress to date to thoroughly process the 43 debarment referrals involving individuals and companies with links to terrorist groups, including the Haqqani Network and al Qaeda, as identified by the U.S. Central Command (CENTCOM) Commander under the Section 841 designation and the Department of Commerce, Bureau of Industry and Security, Entity List. Given the serious nature of these cases, we strongly believe that special and immediate consideration from the Army is required. In our letter, we requested the Army Suspension and Debarment Official commit to thoroughly reviewing these 43 cases and to make a determination on each within 30 days, and to notify us of the final decisions of each case. How soon can we expect to receive a response to our March 27 letter?

Mr. MCHUGH. As discussed in my April 15, 2013 response to your March 27 letter, the Army's Procurement Fraud Branch (PFB) initially received the Special Inspector General for Afghanistan Reconstruction's (SIGAR) recommendation concerning these 43 cases (9 based upon section 841 designations and 34 based upon Department of Commerce (DoC) decisions to place individuals and entities on the Entity List) on September 4, 2012. Initially, the 43 recommendations did not include any supporting evidence, but merely cited the fact that these individuals or entities were so designated. After a number of requests from PFB, on November 13, 2012, SIGAR provided the classified documentation on which SIGAR relied to support the nine Section 841 designations, which consisted of classified intelligence summaries derived from unidentified sources of "unknown" or "varying credibility/reliability." The summary reports are unattributed and include neither indicia of reliability nor evidence of corroboration, and amount to mere suspicion. While such reports may be adequate under Section 841 and for the DoC Entity List decisions (both of which have severely limited due process and reduced burdens of proof), they are not an adequate basis to propose debarment. SIGAR did not provide supporting documentation on the 34 Entity List recommendations. On December 18, 2012, PFB returned the 43 recommendations to SIGAR with a detailed explanation of the basis for their return, and requested supporting evidence underlying the summary reports and Entity List decisions.

23. Senator SHAHEEN. Secretary McHugh, where is the Army in the review process and on making final determinations for these 43 cases?

Mr. MCHUGH. On December 18, 2012, Army PFB returned the 43 recommendations to the SIGAR with a detailed explanation of the reason for their return, and requested supporting evidence underlying the summary reports and Entity List decisions. On March 14, 2013, SIGAR and the DoC made a number of classified documents available for PFB review concerning the one company on SIGAR's referral of DoC Entity List companies that appeared to do business with the Army. These documents consisted of summaries from un-named sources of varying credibility/reliability which were legally insufficient to support the initiation of debarment action. Subsequently, on April 4, 2013, PFB requested that SIGAR and DoC provide all available supporting documentation to enable PFB to conduct a thorough review of all 34 individuals/entities on the DoC Entity List. SIGAR notified PFB that it is coordinating with DoC and the Defense Intelligence Agency to make additional documents related to the 34 Entity List recommendations available for PFB to review. PFB continues to work with SIGAR and DoC, but PFB has not yet received any additional supporting evidence upon which to conduct a review.

24. Senator SHAHEEN. Secretary McHugh, will you commit to ensuring these 43 cases are thoroughly reviewed and processed in order to make sure that these individuals and companies are not funneling U.S. taxpayers' dollars to our enemies?

Mr. MCHUGH. Once the SIGAR and the DoC make additional evidence available for review, the Army PFB will promptly review the material for legal sufficiency in accordance with the requirements of Federal Acquisition Regulation (FAR) 9.406.

25. Senator SHAHEEN. Secretary McHugh, is the Army committed to preventing U.S. taxpayers' dollars from flowing to insurgent and terrorist groups?

Mr. MCHUGH. Yes. The Army fully supports the comprehensive exercise of both authorities under Section 841 (to include the authority to restrict the award of future contracts to designated 841 entities) and Suspension and Debarment action under FAR 9.406 when such action is warranted and supported by sufficient credible evidence. Army PFB attorneys will continue to work with the SIGAR staff to develop supporting evidence to proceed with recommendations from SIGAR. In fact, just since October 1, 2012, the Army Suspension and Debarment Official has taken 156 suspension and debarment actions on cases from the Afghanistan theater of operations, 127 of which were forwarded to PFB by SIGAR.

QUESTIONS SUBMITTED BY SENATOR KIRSTEN E. GILLIBRAND

PROGRAMMATIC ENVIRONMENTAL ASSESSMENT

26. Senator GILLIBRAND. Secretary McHugh, I want to ask you about a place you know well—Fort Drum and the 10th Mountain Division. Over the last decade, the 10th Mountain Division has been one of the most deployed divisions, demonstrating its importance to the Army and the Nation. I am very proud of the work these soldiers have done and am honored to represent them. As we begin to transition away

from combat operations in Afghanistan, I want to make sure the 10th Mountain Division is still seen as a vital division for the Army. As you analyze the findings from the Programmatic Environmental Assessment, what metrics will you use to make force reduction decisions?

Mr. MCHUGH. The Army realignment and stationing decisions are based on quantitative and qualitative factors that ensure that the Army is properly stationed at installations where we can best train and deploy to meet the Army's worldwide mission.

To begin its analysis, the Army uses the Military Value Analysis (MVA) model to evaluate five broad operational categories critical to BCTs including: (1) training; (2) power projection; (3) well-being; (4) mission expansion; and (5) geographic distribution. Within each category, the Army weighs a number of attributes. For example, in analyzing an installation's ability to support training, the Army considers available maneuver land, range sustainability, training facilities, indirect fire capabilities, and available airspace. Power projection evaluations look at an installation's deployment infrastructure, aerial port of embarkation and sea port of embarkation proximity. Factors that impact soldier well-being include access to medical care, family housing availability, the general quality of life of an installation (e.g., access to Army Community Services, child care development centers, fitness centers, chapels, and youth centers), and the quality and quantity of brigade facilities and barracks. Mission expansion considerations include buildable acres, urban sprawl, and telecommunications infrastructure. Finally, we will evaluate geographic distribution by examining the dispersion of the Army's BCTs in order to support civil authorities for disaster response, minimize vulnerability to a catastrophic attack or natural disaster, and keep our All-Volunteer Force connected to the American people.

Using the MVA model scores as a baseline, the Army applies qualitative factors, including environmental and socioeconomic impacts, military construction (MILCON) costs, readiness, command and control proximity, and support to National Defense Strategy to evaluate various courses of action in order to reach an optimal stationing solution that is both feasible and acceptable.

27. Senator GILLIBRAND. Secretary McHugh, will you make these metrics available to our military communities so that they can understand your decisions?

Mr. MCHUGH. Yes. The Army recently completed Community Listening Sessions at 30 installations in order to explain the process that the Army is using to make these difficult decisions and to receive community input before any final decisions are made. The Army's brief detailed the operational categories contained in the MVA model—training, power projection, well-being, mission expansion, and geographic distribution, as well as the qualitative factors outside the MVA model that the Army is using, to include strategic considerations, command and control proximity, MILCON costs, readiness impacts, environmental and socioeconomic impacts, and community input.

CYBER CAPABILITIES

28. Senator GILLIBRAND. General Odierno, the fiscal year 2014 budget indicates a large investment in our military's cyber capabilities. DOD approved a major expansion of the U.S. Cyber Command (CYBERCOM), to include growing its ranks from around 900 to 4,900 personnel or cyber warriors which I understand will: (1) fortify DOD's own networks; (2) help plan and execute offensive attacks; and (3) protect critical infrastructure like power grids and power plants. What is the Army doing to recruit the best and brightest cyber talent?

General ODIERNO. The Army, as part of a Joint Service research team, is making strides in efforts to screen new recruits to assess their ability to perform cyber-related functions. The Information and Communication Technology Literacy Test (ICTL), an Air Force sponsored test, is designed to measure aptitude for cyber security specialties. The Army Research Institute (ARI), through the testing of tens of thousands of applicants at U.S. Military Entrance Processing Stations, is gathering data to validate the ICTL instrument to determine its viability for Army use. The Army's signal proponent is conducting a pilot study of ICTL for use in selecting soldiers for cyber-related occupations. The ICTL also appears to have potential for use in the selection process for military intelligence cyber occupations. ARI researchers believe the instrument will prove to be a credible screening tool. The Army has also greatly expanded its targeting of applicants with Science, Technology, Engineering, and Mathematics (STEM) degrees to improve production of officers with these skills. The Army in the last 2 years has increased by nearly one third the number of acces-

sions with these degrees into our technical branches and is on a path to have nearly half of new officer accessions in these branches hold these degrees.

29. Senator GILLIBRAND. General Odierno, what mechanisms do we have in place to encourage cyber studies at West Point and in Reserve Officer Training Corps (ROTC) programs across the country?

General ODIERNO. On October 19, 2012, the Secretary of the Army established the Army Cyber Center at West Point to serve as the Army's premier resource for strategic insight, advice, and exceptional subject matter expertise on cyberspace-related issues affecting Army operations, organizations, and institutions. With a view towards building the Army's cadre of cyber-qualified leaders, the Army Cyber Center will develop the educational and training programs to foster the rigorous study of the intellectual underpinnings of cyberspace operations to enhance the competencies of Army personnel in the cyber domain.

All cadets attending the U.S. Military Academy (USMA) complete an information technology course that provides cyber-related topics, a technology tour, and hands-on cyber security demonstration to encourage cyber-related studies as part of their West Point curriculum. A majority of juniors take another course that focuses on cyber security and cyber operations overall. A new five-course cyber minor allows cadets to take focused coursework in cyber studies and the minor will be annotated on the cadets' transcripts. Additionally, a new three-course engineering sequence focusing on cyber, one of seven such sequences at USMA will also be available and is required for non-engineer cadets.

The USMA has several other cyber-related programs that encourage participation in cyber studies. Some of the activities include a cyber warfare club that offers a robust guest-speaker program, cadet-organized lessons on cyber topics, and hands-on learning opportunities; the club boasts over 250 cadet members. Another program is the Cyber Defense Exercise, an intensive competition between all the Service Academies.

A program that covers both USMA and ROTC cadets is the cyber internship program for cadets from all academic disciplines. In 2013, there are 86 cadets from USMA and U.S. Army Cadet Command participating in internships at the National Security Agency, CYBERCOM, Army Cyber Command, and other government and industry organizations. Participating cadets receive a TS–SCI clearance.

U.S. Army Cadet Command has set conditions for meeting cyber challenges by using scholarships to increase production of STEM graduates in general, and cyber studies in particular. Currently, there are 3,334 (30 percent) ROTC scholarship cadets studying in STEM fields. We currently have 535 cadets studying in the cyber field. Other large concentrations of academic STEM studies that would facilitate future cyber support are Computer Science (225), Information Systems (147). We also have cadets studying Software Engineering, Computer Science, and Computer Engineering/Artificial Intelligence. We reward cadets by using extra points for degrees in engineering, hard sciences, math, and computer science in our Order of Merit System that determines branching. The points awarded improve cadet standing for those with STEM qualifications. Additionally, cadets with cyber compatible majors who have a 2.75 or higher GPA may be preferentially branched to our Signal Corps where a majority of cyber skill requirements reside.

30. Senator GILLIBRAND. General Odierno, is the Army considering an incentive pay system that helps in the retention of military members with high level cyber skill sets?

General ODIERNO. Yes. We have four tools available to recruit, retain, and stabilize this critical population. We have the Current Station Stabilization Reenlistment Option, the Conversion Bonus, the Selective Reenlistment Bonus, and the Critical Skills Retention Bonus to target recruitment and retention of soldiers with high level cyber skills. The Army will monitor retention trends to maximize use of these incentives as the career field matures.

31. Senator GILLIBRAND. Secretary McHugh, leveraging citizen soldiers who work in the cyber industry every day and also serve their country in uniform through the National Guard and Reserve is imperative. Senator Vitter and I have introduced a bill to create and leverage a Cyber Guard. I received a positive letter from General Alexander and the National Guard Governors Association about the idea. At the DOD posture hearing, I asked General Dempsey about the bill and he was also supportive. I'd like to work with you to ensure that we implement every available tool to recruit and retain a capable cyber force. Does this sound like legislation the Army will support?

Mr. MCHUGH. The Army does not support the legislation as written, but like you, we are committed to a cyber strategy that leverages the cyber civilian skills existing in our Guard and Reserve Forces. Our concern is that this legislation would likely compete directly with Joint Staff's efforts to build Reserve Component Cyber Protection Force units inside the CYBERCOM Force Build. The Army is collaboratively working with the Army National Guard and the Office of the Chief, Army Reserve on an Army Reserve Component Cyber Integration Strategy to identify specific contributions the Reserve component could make toward the CYBERCOM Force Build. The optimal solution is one in which the Active and Reserve component cyber force structure complements each other to establish a total Army solution to providing cyber forces for defense of the Nation.

SEXUAL ASSAULT

32. Senator GILLIBRAND. General Odierno, I have enormous respect for the men and women who serve in the military. That is why I am committed to ending the violent crime of sexual assault among those in uniform. The new DOD Health Related Behaviors Survey of Active Duty Military Personnel was released this week, and I am very disturbed that it indicates more than 1 in 5 women in the Active Duty Armed Forces reported experiencing unwanted sexual contact by a fellow servicemember. That is unacceptable. The men and women who serve in our Armed Forces are the military's most precious resource, and clearly the system is failing to protect them from the worst kind of violence. As you may know, I am drafting legislation that will remove the initial disposition authority from commanding officers and put it in the hands of experienced military prosecutors. Over the past few months, we have been examining this change and one of the concerns that has been voiced is that it will disrupt the good order and discipline of the unit. In your opinion, what precisely about this change would disrupt good order and discipline?

General ODIERNO. Command authority under the UCMJ and the maintenance of good order and discipline are inextricably linked. The only way that a commander can be effective in enforcing good order and discipline is by having the authority to dispose of criminal offenses—quickly, visibly, and locally.

Put another way, commanders are individually responsible and accountable for everything that goes on in his or her command, including good order and discipline. Soldiers understand that, and they look to the commander, no one else, for enforcement of all standards. Command authority, particularly in the context of military justice, is and will remain the most critical mechanism for ensuring discipline, accountability, cohesion, and integrity of the force. A commander's ability to execute the responsibilities of command will be severely disrupted if that command authority is diminished in any way.

33. Senator GILLIBRAND. General Odierno, what other recommendations do you have for dealing with this crisis and actually getting results?

General ODIERNO. On May 28, 2013, the Secretary of the Army directed the Assistant Secretary of the Army (Manpower and Reserve Affairs) to establish a department-wide working group "to explore other options for ensuring the qualifications and suitability of, and incentivizing service as, a SARC or Sexual Assault Victim Advocates to ensure that the best-qualified and most suitable individuals seek out and are selected for service in these positions." The group's recommendations will be provided to the Secretary of the Army not later than October 31, 2013.

QUESTIONS SUBMITTED BY SENATOR JAMES M. INHOFE

CIVILIAN FURLOUGHS

34. Senator INHOFE. Secretary McHugh, I am concerned about the potential impact of civilian furloughs on the Army's critically important family support programs. If furloughs take place, do you expect any cutbacks in your operating hours at commissaries, exchanges, and child development centers or curtailment of Morale, Welfare, and Recreation (MWR), Department of Defense Education Activity (DODEA), Transition Assistance Program (TAP) or military spouse employment programs?

Mr. MCHUGH. As a result of funding reductions/furlough guidance, each commissary will close 1 day per week. Operations at 7-day stores will reduce to 6-day operations; 6 days to 5; and 5 days to 4. At overseas locations, stores will be closed 1 additional day a week unless adequate local nationals are available to keep them

open. HQ/Areas Operations will be closed to coincide with store closures. There will be no impact on operating hours at the Exchange.

As far as DODEA, furloughs will not affect the end of the 2012–2013 school year. Though furloughs will be in place at the start of the 2013–2014 school year, the number of days has not been confirmed. Regardless, DODEA will ensure that all students have a robust academic year. School staff will ensure students receive a full year of academic study even within a slightly shortened academic year due to the furloughs.

Transition counseling services are contracted by a fully-funded contract through September 30, 2013. There will not be a decrease/delay in providing transition services to soldiers and their families. However, the program is overseen at most installations by Transition Services Managers (TSM), who are civilian employees. Garrisons will have a civilian employee or military personnel available to oversee contract operations during the time the TSM is furloughed. At smaller installations, transitioning soldiers will utilize virtual counseling services to meet Veterans Opportunity to Work Act requirements.

Family, Morale, Welfare, and Recreation (FMWR) programs and services are currently frozen at fiscal year 2012 levels. Nonappropriated Fund (NAF) employees are currently exempt from furlough, which includes 2,637 full-time Child Development Center (CDC) and School Age Center (SAC) employees. These individuals will continue to maintain 5-day coverage of centers to accommodate the needs of soldiers and families.

Although NAF employees are the primary service providers for most FMWR programs and services, appropriated fund (APF) employees are utilized within Army Community Service (ACS) Centers and, in some cases, Community Recreation programs. These employees are subject to furlough and some services will be impacted. Installation Senior Commanders and Garrison Commanders will determine the optimum method of furlough implementation with the goal of minimizing disruption to critical soldier and family programs. Some of these key programs include spouse employment, victim advocacy for sexual assault and domestic violence, Army emergency relief, support to exceptional family members, child abuse prevention and intervention support, support to wounded warriors and their families, and support to survivors. In most cases, our ACS Centers plan to close 1 day per week during the furlough period. In order to mitigate the effect of furlough, ACS Centers will develop strategies to ensure 24/7/365 coverage for key services such as victim advocacy and child abuse/domestic violence response. We encourage our Centers to rely on electronic resources such as Army OneSource and Military OneSource to provide information and link up service providers to our soldiers and families.

35. Senator INHOFE. Secretary McHugh, if civilian furloughs, in response to sequestration, impact the mission of the Military Entrance Processing Stations, then what options does the Army have to ensure your recruit accessions are not disrupted?

Mr. MCHUGH. By shifting funding, the Army addressed the risk of accession mission failure in fiscal year 2013 and fiscal year 2014 due to sequestration. Civilian furloughs will not affect the ability of Army accessioning agencies to achieve fiscal year 2013 accession missions. However, if the U.S. Military Entrance Processing Command curtails operations in fiscal year 2013 due to civilian furloughs, some delays in contracting new soldiers for entry into the Army in fiscal year 2014 may occur. For example, the Military Entrance Processing Stations will be shut down for 1 day per week. This will significantly increase applicant travel costs and adversely affect the streamlined process of new recruits. The Army plans to mitigate these delays by processing these soldiers after the beginning of the new fiscal year.

INTEGRATED DISABILITY EVALUATION SYSTEM

36. Senator INHOFE. Secretary McHugh, it is unconscionable that servicemembers must wait many months to receive a disability determination from the Department of Veterans Affairs (VA). While DOD and VA have made some progress in decreasing the amount of time it takes to get disability claims completed in the Integrated Disability Evaluation System (IDES), more work must be done. What is the Army doing to help DOD and VA to expedite claims through the system?

Mr. MCHUGH. To assist the VA in managing this additional workload, the Army is providing personnel to perform administrative procedures so that VA adjudicators can focus on rating activities. The Army is also making additional entries into the Veterans Tracking Application to allow VA to better manage cases in the benefits delivery phase of IDES. VA estimates this assistance will lead to a 10 to 15 percent

increase in the number of Ready for Decision cases over the 90-day period. We continue to explore and implement other solutions to provide the information that VA needs to finalize their rating decisions in a more timely manner.

37. Senator INHOFE. Secretary McHugh, do you believe the VA is doing all that it can do to decrease the amount of time for disability case reviews and claims adjudication?

Mr. MCHUGH. Yes, I believe our partners in the VA are doing everything they can to decrease the amount of time for disability case reviews and claims adjudication.

38. Senator INHOFE. Secretary McHugh, does the VA need additional resources to hire more claims adjudicators?

Mr. MCHUGH. The Army does not know if VA requires additional resources to hire more claims adjudicators.

PROTECTING PROSPECTIVE RECRUITS

39. Senator INHOFE. Secretary McHugh, a recent tragic case in Maryland appears to have been a murder/suicide incident involving a prospective recruit and her recruiter. What guidance has the Army provided to ensure that prospective recruits and their parents or guardians are fully aware of the limits for relationships with recruiters?

Mr. MCHUGH. Army recruiter contact with newly contracted soldiers, prospects, and applicants is highly restricted by Army policy. Recruiters who violate the regulations governing this contact are subject to disciplinary action, relief, or separation. Cards describing sexual harassment prohibitions and what the prohibited activities are for recruiters and applicants are given to all applicants upon first contact, as well as to their parents. These cards are used by the U.S. Army Recruiting Command in its recruitment of Regular Army and Army Reserve applicants. The Army National Guard has similar cards in development. In addition, all recruits in all the Army's components sign contracts that include descriptions of sexual harassment prohibitions and what the prohibited activities are for recruiters and members of the Delayed Entry Program (DEP).

40. Senator INHOFE. Secretary McHugh, what information does the Army require to be provided to prospective recruits to ensure that they have immediate access to assistance and intervention, if necessary, if they believe a recruiter is intending to take improper advantage of them?

Mr. MCHUGH. Army recruiter contact with newly contracted soldiers, prospects, and applicants is highly restricted. Cards describing sexual harassment prohibitions and what the prohibited activities are for recruiters and applicants are given to all applicants upon first contact, as well as to their parents. These cards are used by the U.S. Army Recruiting Command in its recruitment of Regular Army and Army Reserve applicants. The Army National Guard has similar cards in development. Applicants and recruiters are offered a Hot Line phone number on the card to report any improper actions. In addition, all recruits in all the Army's components sign contracts that include descriptions of sexual harassment prohibitions and what the prohibited activities are for recruiters and members of the DEP. The contract also provides the applicant a recruiting agency senior leader's telephone number for reporting sexual harassment or prohibited activity violations.

DEFENSE SEXUAL ASSAULT INCIDENT DATABASE

41. Senator INHOFE. Secretary McHugh, DOD has told us they have achieved full-deployment of the congressionally-mandated Defense Sexual Assault Incident Database (DSAID). Is the Army providing data to populate the database, and if so, what information, specifically, is this database providing Army leadership concerning sexual assault incidents?

Mr. MCHUGH. The Army has a Memorandum of Agreement (MOA) with DOD that allows us to continue to use our Sexual Assault Data Management System (SADMS), which has been operational since 2005. Under that MOA, the Army "pushes" the required sexual assault data to DSAID from SADMS on a monthly basis. Accordingly, the sexual assault information provided to Army leadership comes from SADMS through our Sexual Harassment/Assault Response and Prevention (SHARP) Program Office. This information includes the type of reports (Restricted or Unrestricted), type of assault (rape, forcible sodomy, aggravated sexual contact, et cetera), gender, rank, location (on/off post), investigation status, disposi-

tion status (court-martial, non-judicial punishment, adverse administrative action, et cetera) and victim services (counseling, healthcare, advocacy, legal, et cetera).

SEXUAL ASSAULT

42. Senator INHOFE. Secretary McHugh and General Odierno, before this committee, DOD witnesses described the recently revised DOD-wide policy on Sexual Assault Program to standardize prevention, health care, victim safety, training and response efforts, and to clearly convey the role of servicemembers and employees in sexual assault prevention and recovery. This committee is concerned that medical care providers were not fully aware of their obligations concerning restricted reports, including the obligation to withhold disclosure to the chain of command. What actions have been taken to ensure standardization with response to protecting the sanctity of Restricted Reports?

Mr. MCHUGH and General ODIERNO. The Army follows DOD policy and requires our healthcare providers to notify a Sexual Assault Response Coordinator (SARC) when a sexual assault victim seeks care at a Military Treatment Facility (MTF). The SARC (if not present with the victim) will then respond to the victim as quickly as possible.

Health care providers are trained to safeguard the confidentiality of medical information and maintain it in accordance with current Health Insurance Portability and Accountability Act (HIPAA) guidelines regardless of whether the soldier elects restricted or unrestricted reporting. Improper disclosure of covered communications and improper release of medical information are prohibited and may result in disciplinary actions under the UCMJ, loss of credentials, or other adverse personnel or administrative actions.

Additionally, each Army MTF has a Sexual Assault Care Coordinator, Sexual Assault Clinical Provider, and a SARC who train other health care providers and health care personnel on their requirements regarding the preservation of restricted reports, including withholding protected information from the chain of command.

43. Senator INHOFE. Secretary McHugh and General Odierno, what additional challenges do you see in attaining the required level of standardization?

Mr. MCHUGH and General ODIERNO. I do not see any challenges with respect to protecting sanctity of restricted reports in standardization that the Services and DOD, working together, have not already addressed. Two examples include the decisions by DOD to standardize SARC and Victim Advocate credentialing requirements and train sexual assault investigators from all Services at the U.S. Army Military Police School.

44. Senator INHOFE. Secretary McHugh and General Odierno, what additional tools does the Army need in order to continue to reduce—with the goal of eliminating—sexual assault?

Mr. MCHUGH and General ODIERNO. The Army possesses the tools needed to achieve the goal of resolving the problem of sexual assault in the military, but additional refinement is needed. We look forward to the results of the Response Systems Panel, which will highlight components of the UCMJ that may need to be changed, while at the same time thoroughly exploring the second and third order effects of those refinements. However, we know it is our responsibility to establish the positive organizational climate and culture needed to protect victims, and appropriately prevent and respond to sexual assault.

45. Senator INHOFE. General Odierno, some have suggested that it would be appropriate to incorporate standardized assessments of commanders' performance in prevention, investigation, accountability, advocacy, and assessment of sexual assault response and prevention lines of effort. What is your assessment of the feasibility of implementing commanders' performance in Service-specific performance appraisals?

General ODIERNO. It is feasible and very appropriate to assess all officers and noncommissioned officers (NCO) on their enforcement of sexual assault prevention and response principles, including their establishment or support of a positive command climate. The current officer and NCO evaluation reports allow for comments regarding support of Equal Opportunity (EO) and Sexual Harassment. AR 600–20, Army Command Policy, also encourages comments for this topic. The future officer and NCO evaluations will continue to stress this topic and the Army Doctrine Reference Publication (ADRP) 6–22, Army Leadership under the Leader Competency of Trust reinforces this in leader development. We are exploring methods to reinforce

the SHARP effort by including SHARP and EO topics as part of the performance evaluation and including a directed comment in both the officer and NCO evaluations reports, both of which are currently under revision.

46. Senator INHOFE. Secretary McHugh, the annual report on sexual assault at the Service Academies revealed that many people who enter the armed services have experienced and report sexual assault or unwanted sexual contact that occurred before they entered the Service Academies or the armed services. What could the Army be doing to improve support to men and women in the accession process, to identify whether individuals have experienced sexual assault?

Mr. MCHUGH. The USMA does not screen applicants for a history of sexual assault but does provide all new cadets information about the Army's SHARP Program.

When a new cadet self-identifies during cadet basic training, or subsequently over the course of their career as a cadet, the cadet is referred to a SARC or Victim Advocate who provides essential support and care to the victim.

This support includes, but is not limited to, providing information on available reporting options (restricted and unrestricted), available resources to assist the victim in the healing process (e.g., on- and off-post counseling, chaplaincy, DOD SafeHelpline), and due process and investigation procedures (legal assistance and/or law enforcement to include Criminal Investigation Division—even if serving in a liaison role between civilian law enforcement and the military for off-post incidents).

The Victim Advocate provides continual support until the victim states that s/he no longer requires assistance or until departure from the Academy, at which point s/he receives information about resources available after departure.

COMMAND CLIMATE ASSESSMENTS

47. Senator INHOFE. Secretary McHugh and General Odierno, what percent of your commands conduct command climate assessments?

Mr. MCHUGH and General ODIERNO. Per Army regulations, all Active component company commanders (or equivalents) must administer a command climate survey within 30 days of assuming command, then again at 6 months, and annually thereafter. Reserve component company commanders receive 120 days to complete command climate surveys upon assuming command. I have also directed command climate surveys at all levels of command through Division level. Revised policy will require command climate assessments to be conducted at all command and major organization levels and for results to be reviewed with the next higher level commander or leader.

Unfortunately, the Army is unable to respond to the specific question of the percent of commands which have completed fiscal year 2013 company-level assessments. The Defense Equal Opportunity Management Institute provides automated organizational climate survey services, and this service was shut down for several months during this last year. While this service was down, the Army conducted its assessments manually (paper and pencil surveys). A way ahead is being planned for Army automated survey administration, tracking, and accountability mechanisms.

48. Senator INHOFE. Secretary McHugh and General Odierno, what is the Army doing to improve the regularity of command climate assessments?

Mr. MCHUGH and General ODIERNO. We updated Army Regulation 600–20 in September 2012 to read "Company level commander (or their equivalents) will conduct a unit command climate survey within 30 days of assuming command (120 days for ARNG and USAR), again at 6 months, and annually thereafter. Assessments must include a facilitated small group discussion of topics. Company level commanders (or equivalents) may supplement any survey efforts with individual and group interviews, the analysis of unit records, and statistical information (awards, promotions, reenlistments, incidents of misconduct resulting in UCMJ, and EO complaint reports)." We report and track the compliance rates for command climate surveys. I have also directed command climate surveys at all levels of command through Division level.

49. Senator INHOFE. Secretary McHugh and General Odierno, what is the Army doing to evaluate the results of the command climate assessments to ensure necessary follow-up action?

Mr. MCHUGH and General ODIERNO. Current Army policy requires company level commanders to administer command climate surveys within 30 days of assuming

command (120 days for Army National Guard and Army Reserve), again at 6 months and annually thereafter. I have also directed command climate surveys at all levels of command through division level. Revised policy will require command climate assessments to be conducted at all command and major organization levels and for results to be reviewed with the next higher level commander or leader. Additionally, revised evaluations policy will include mandatory comments on unit climate. Results of an ongoing 360 Assessment Pilot will provide information for a decision to expand this assessment to all brigade and battalion commanders. Completion of command climate assessment survey requirements will be tracked and reported to Army Senior Leaders as a part of the Army's Ready and Resilient Campaign.

FEDERAL VOTING ASSISTANCE PROGRAM

50. Senator INHOFE. Secretary McHugh, what is your assessment of the performance of the Army's Federal Voting Assistance Program (FVAP)?

Mr. MCHUGH. In my view, the Army has a very robust voting assistance program. We have a large network of Installation Voting Assistance (IVA) offices and Unit Voting Assistance Officers (UVAO), who are providing voting assistance on a year-round basis. In 2012, the Army voting assistance program had over 7,800 appointed and trained Active Duty UVAOs who provided information to eligible voters within their organizations. The Army also created Public Service Announcements (PSA) that were seen overseas and State-side and participated in Absentee Voters Week and Armed Forces Voters Week to encourage eligible voters to register and vote. The Army voting assistance program has also successfully leveraged social media by using Facebook and Twitter, and established and maintain a vigorous communications strategy. We empower individual voters and continue to provide voting assistance and guidance to soldiers, civilians, and their dependents.

51. Senator INHOFE. Secretary McHugh, what Army-specific initiatives have you implemented to improve compliance with FVAP and to maximize the opportunity for servicemembers to exercise their right to vote?

Mr. MCHUGH. The Army welcomes the responsibility for providing voting assistance to our servicemembers, their family members, and our civilian employees. Before the 2012 elections, we made weekly phone calls and/or e-mail communications to IVA offices to ensure proper manning and updated any changes to office contact information. The Army continues to complete monthly phone and/or e-mail communications to the IVA offices. To maximize voter participation, over 7,800 Active Duty UVAOs provided voting assistance at the unit level. They presented registration and voting information during meetings, training sessions, and formations. The UVAOs provided assistance and encouraged servicemembers to access the FVAP website for fast and efficient voter registration and assistance. Some of the Army voting activities for 2012 included participation in Armed Forces Voters Week and Absentee Voters Week with IVA offices setting up voting information tables in high traffic areas. To increase voter awareness and participation, the Army Voting Assistance Program uses Facebook, Twitter, PSAs, print media, and mass e-mail distribution. The Army continues to use collaborative tools and information sharing with FVAP to push current and relevant voting information to our voting assistance personnel and eligible voters.

OPERATIONAL TEMPO OVERSIGHT

52. Secretary McHugh, what is your assessment of the Army's operational tempo (OPTEMPO) reporting and how well are we meeting our OPTEMPO requirements to reduce stress on our servicemembers and their families?

Mr. MCHUGH. Overall, the Army is meeting its OPTEMPO, with the exception of the Army Reserve. The Active component goal is a ratio of 1:2 (time deployed vs. time home). The Active component is exceeding this goal with a ratio of 1:2.46. The Army National Guard is achieving the goal of 1:4 (time deployed vs. time home). The Army Reserve is continuing to improve; however its current ratio of 1:3.5 is below the goal of 1:4. A number of high demand military occupational specialties such as interpreters, aviation maintainers, and engineer specialties fall below the goals, with ratios ranging from 1:1.5 to 1:2. However, given the expected reduction in demand for ground forces in support of Operation Enduring Freedom (OEF), we expect ratios to improve.

LANGUAGE AND CULTURE TRAINING

53. Senator INHOFE. Secretary McHugh, military members with language and culture training are essential to a U.S. global force. The NDAA for Fiscal Year 2013 authorized the Secretary of Defense to transform the National Language Service Corps (NLSC) from a pilot to a permanent program, and also to enhance the ability of our Federal agencies to hire people with strategic foreign language skills and as National Security Education Program awardees. What are the Army's goals with respect to the capabilities represented by the NLSCs?

Mr. MCHUGH. The Army continues to support and leverage the capabilities provided by the NLSC under the NDAA. Currently, the Army works with NLSC's recruiters to hire language proficient soldiers departing the Army to work at NLSC. We display NLSC advertisements on various portals targeting language qualified soldiers and civilians. Additionally, the NLSC provides an overview of their organizational opportunities to our 09L soldiers (native speakers of foreign languages who serve as interpreters) planning to depart military service. The Army is very active in supporting this program's growth. In addition, the Army leverages NLSC capabilities to fill short-term foreign language requirements that cannot be met from within. Some of these categories include: role players, interpretation, translation and analysis, training (instruction), and administrative language support services.

To respond to increasing demands for foreign language skills, the NLSC plans to increase membership from the current 4,200 to at least 5,500 personnel. The number of languages/dialects represented is expected to increase from 283 to at least 350 by fiscal year 2015. The Army continues to work with the Secretary of Defense to actively expand the NLSC membership, reaching out to groups in which the government has already invested while seeking to leverage the capabilities of this organization.

MARKETING AND ADVERTISING

54. Senator INHOFE. Secretary McHugh, one effect of sequestration was that the Services quickly moved to end service advertising, marketing, and outreach programs that have been used to aid in recruiting. What is your assessment of the value of funding these programs, and the projected impact to recruiting if these programs are not funded?

Mr. MCHUGH. It is essential that the Army conduct a vigorous and sustained marketing and advertising program in order to recruit a quality force capable of handling 21st century mission challenges.

INTEGRATED ELECTRONIC HEALTH RECORD

55. Senator INHOFE. Secretary McHugh, DOD and VA have been working on an integrated electronic health record (IEHR) for a number of years with very little progress being made towards a truly seamless transition of health information between the two departments. In January 2013, VA decided to use VistA, its legacy system, as its core health record despite the findings of a recent study commissioned by the VA that identified many VistA deficiencies. We've been told that DOD has been evaluating existing solutions to determine the appropriate core health record to use. Has DOD coordinated its proposed EHR program with the Army?

Mr. MCHUGH. Yes, the Army has coordinated with the Navy and Air Force in the review of the request for information submissions. This information was released to the public on February 8, 2013. Results and recommendations were briefed to DOD leadership and the three Service Deputy Surgeon Generals. The Army actively contributed to defining EHR core capabilities.

56. Senator INHOFE. Secretary McHugh, how much will it cost for the Army to field a new IEHR?

Mr. MCHUGH. The estimated costs as determined by the DOD Cost Assessment and Program Evaluation (CAPE) office are acquisition sensitive and not available for public release at this time.

57. Senator INHOFE. Secretary McHugh, what impact do you anticipate for the Army's medical readiness?

Mr. MCHUGH. The IEHR provides a lifetime EHR from the time a solider enters the Army; it is a key enabler for a soldier's seamless transition to the VA. The IEHR will make it easier to extract medical records as a soldier goes through the IDES process, which will improve readiness capabilities, for example, by making it easier

to track immunizations. Current systems require duplicate efforts that cause errors and gaps, so it is important that the IEHR have full compatibility with readiness data systems for all Services to enable crucial bidirectional data exchange.

58. Senator INHOFE. Secretary McHugh, do you believe the EHR must be deployable?

Mr. MCHUGH. Yes, it is essential that the IEHR be deployable to support soldiers in theaters of operation or doing contingency operations. A deployable IEHR will allow data input and visibility throughout the continuum of care from point of injury to DOD medical treatment facilities to VA treatment facilities. Documenting care in the deployed environment will enhance the accuracy of a soldier's medical history, which could affect future disability assessments and benefits determination.

Documenting pre-hospitalization care and assessment provides valuable retrospective data to conduct research to improve patient care to address preventable causes of battlefield death. Finally, a deployable IEHR also enables deployed providers to access the medical history of the injured soldiers, thereby improving the quality of care.

59. Senator INHOFE. Secretary McHugh, what input has the Army had on the EHR program?

Mr. MCHUGH. Army medicine has been involved in the IEHR program from the beginning. Army's contributions to the IEHR program include: requirements generation and support with Clinical Informatics, Capability Management, and Enterprise Architecture assets. The Army Surgeon General is a non-voting member of the Interagency Program Office Advisory Board, which is responsible for IEHR governance.

BENEFITS FOR SAME-SEX PARTNERS

60. Senator INHOFE. Secretary McHugh, recently, former Secretary of Defense Panetta announced that DOD will expand benefits to unmarried same-sex domestic partners who declare a committed relationship, but will not extend those same benefits to unmarried heterosexual domestic partners. Do you agree with former Secretary Panetta, that when it comes to benefits paid for by hard-working American taxpayers, that DOD should favor same-sex domestic partners over heterosexual partners, and was the Army consulted to determine the cost impact of extending these benefits to same-sex partners?

Mr. MCHUGH. We support former Secretary Panetta's decision. Heterosexual couples, if they so choose, have the opportunity in every State to get married; currently, same-sex couples do not have this opportunity. The steps that have been announced are an effort to close the equity gap for benefits, consistent with current law. Once implemented, same-sex domestic partners will be required to sign DD Form 683, (Declaration of Partnership) attesting to the committed relationship. Similarly, a DD Form 684, (Dissolution of Partnership) will be required if the relationship ends. Soldiers must notify their personnel official within 30 days of the dissolution and will be required to wait 6 months before attesting to another relationship.

TOTAL FORCE MIX

61. Senator INHOFE. General Odierno, General Dempsey said in his testimony last week that DOD needs flexibility to keep the force in balance and, that everything must be on the table including the mix among Active, Reserve, and National Guard units. In view of the heavy wartime demand on the forces including the Reserve and Guard, what do you envision as a viable option to change that force mix for the Army?

General ODIERNO. The Army must maintain a balance between military and civilian end strength, readiness, and modernization as it considers future strategic implications. As for force mix, I do not envision significant migration of force structure between the Active and Reserve components. As we draw down and rebalance, I would continue to see the Active component as that portion of the force best suited for unpredictable and frequent employment, for dealing with complex operational environments, and for dealing with unexpected contingencies. I would see the Reserve components best suited for predictable and infrequent deployments, for providing title 32 support to State and local authorities, and for providing operational and strategic depth.

MILITARY COMPENSATION

62. Senator INHOFE. Secretary McHugh, our Nation's historical experience of pursuing cost savings by cutting military compensation has demonstrated that periods of designed reduction in overall compensation levels resulted in retention problems. Those retention problems, especially in the context of generally improving civilian employment opportunities, meant Congress was required to come back and authorize catch-up increases to help us keep the highly-trained talents and skills that we need. What is your assessment of the impact of the President's proposed slowdown in military compensation on retention and recruiting in your Service?

Mr. MCHUGH. The Army believes that a slowdown in the increase in military compensation can be accomplished without sacrificing recruit quality or member retention. Conditions appear favorable for slowing the increase in military pay. Recruiting quantity is being met and recruit quality is high; retention goals are typically being exceeded. Any unanticipated changes in circumstances, such as a significant improvement in civilian employment opportunities, could negatively affect Army retention and recruiting. However, at present and in the anticipated future environment, the Army does not believe that a slowdown in the increase in military compensation will adversely affect its ability to recruit and retain an adequate number of high-quality personnel.

FAMILY SUPPORT PROGRAMS

63. Senator INHOFE. Secretary McHugh, General Dempsey testified last week that unsustainable costs and smaller budgets require DOD to examine every warrior and family support program to make sure we are getting the best return on our investment. How do you assess the investments our Nation has already made in family support programs, and suicide prevention in particular, in moving the needle with demonstrable positive return on investment?

Mr. MCHUGH. In late 2011, the Army adopted a portfolio approach for managing warrior and family support programs. This portfolio approach shifts the governance focus from individual program proponents to the entire group of related programs, such as suicide prevention. In 2012, the Army piloted its first enterprise evaluation to assess how programs within the Health Promotion and Risk Reduction Portfolio contribute to specific strategic outcomes (Help-Seeking, Risk Reduction, Transition, and Resilience and Coping). The findings of this and future evaluations will focus on how programs could increase their ability to achieve the Army's strategic outcomes and improve our return on investment.

TUITION ASSISTANCE PROGRAM

64. Senator INHOFE. Secretary McHugh, I am pleased to learn that DOD has now reinstated the Tuition Assistance Program (TAP), previously cancelled by the Army, Marines Corps, and Air Force in response to the administration's failure to plan for sequestration. How does TAP enable your Active Duty Forces to meet the professional development requirements described by General Dempsey to establish the Profession of Arms as the foundation for the Joint Force?

Mr. MCHUGH. Tuition assistance supports soldiers in completion of classes leading to Associate's, Bachelor's and Master's degrees as well as certificate programs. This off-duty voluntary education program develops critical and adaptive thinking skills soldiers and leaders need to make informed decisions. These skill-sets allow our soldiers and the Army to learn faster and adapt more quickly than our adversaries, all of which are necessary skills to meet the challenges of today's operational environment.

SUICIDE PREVENTION

65. Senator INHOFE. Secretary McHugh and General Odierno, our force is exceptionally well-trained on suicide awareness and prevention, and yet we still experience the tragedy of suicide at an unacceptably high rate. What is your assessment on whether the current level of training and leadership engagement is sufficient or whether it has inadvertently created a climate in which some vulnerable individuals may have contemplated suicide because we talk about it so much?

Mr. MCHUGH and General ODIERNO. We continually assess our training for effectiveness. The Ready and Resilience Campaign requires an assessment of programs that support the campaign. The Army has not, however, completed an assessment on the correlation of suicide prevention training and the incidences of suicides over-

all. What we do know is that suicide is a complex issue with a multitude of variables influencing each one. The Army focus on identifying the early signs of suicidal behaviors and intervention skills remains the best option in attempting to reduce the number of suicides. That said, we are not aware of any direct correlation that the increase in suicide prevention training has created a higher propensity of soldiers to consider suicide.

SEQUESTER

66. Senator INHOFE. Secretary McHugh and General Odierno, in your prepared testimony, you say, "The combined effects of funding reductions due to sequestration, the fiscal uncertainty of Continuing Resolutions and emerging shortfalls in OCOs funding has significantly and rapidly degraded Army readiness, which will translate directly into fiscal year 2014 and beyond. This lack of predictability makes it difficult to address the posture of the Army in fiscal year 2014 with certainty and specificity." Failing to budget for or at a minimum identify where DOD would cut in fiscal year 2014 in response to sequester is a failure in leadership by the President. Aside from wanting to shift the responsibility of making cuts to Congress, why doesn't your testimony address the Army's share of the $52 billion that will have to be cut if a sequester replacement agreement cannot be reached?

Mr. MCHUGH and General ODIERNO. We built and submitted the Army's portion of the fiscal year 2014 President's budget request within the top-line provided by the DOD Comptroller. As of the date of our submission and testimony we do not know the magnitude of any potential sequestration reduction that would be applied to Army accounts. If sequestration is directed in fiscal year 2014, the Army will have to take a significant reduction in modernization and readiness accounts, severely impacting future readiness levels.

67. Senator INHOFE. Secretary McHugh and General Odierno, do you believe Congress is best informed to make such cuts?

Mr. MCHUGH and General ODIERNO. The Army and its commanders provide their best military information and assessments to the President and to Congress. We will continue to perform our advisory duties on military issues, but do not believe we are in position to identify who is best qualified to propose reductions to the defense budget. It is through Service posture, budget, and other hearings where military officials provide their best military advice that Congress obtains the best information available to make the hard choices necessary to address the growing budget deficits. Each year, the President submits the budget request to Congress, and the Army presents and defends its portion of the budget in congressional hearings to the authorization and appropriations committees. Under expressed constitutional powers, Congress strictly controls the obligation and expenditure of public funds by the executive branch, regulating virtually all executive branch programs and activities through the appropriations process.

68. Senator INHOFE. Secretary McHugh and General Odierno, do you believe Congress is best informed to make decisions on where to take risk in the defense strategy?

Mr. MCHUGH and General ODIERNO. Without question, we must work together to ensure the right decisions are made for our national security, especially in light of the harsh consequences of sequestration. Congress plays an important and positive role in exercising oversight over the execution of the national security strategy and helping the executive branch assess risks and align resources. We are committed to providing Congress the information necessary to effectively exercise these oversight responsibilities.

BACK LOADING DEFICIT REDUCTION

69. Senator INHOFE. Secretary McHugh and General Odierno, in your prepared testimony, you say, "The President's budget includes balanced deficit reduction proposals that allow Congress to replace and repeal the sequester-related reductions required by the BCA of 2011 through fiscal year 2021," followed later by the comment, "To some extent, the impact of spending reductions can be mitigated if funding is timely and predictable, and cuts are back-loaded, enabling the Army to plan, resource, and manage the programs that yield a highly trained and ready force." General Dempsey has stated in other venues that sequestration, even if it does not last the full 10 years, will cost more than it will save. How can you argue that the impact of an additional $120 billion cut in the out-years will not have a significant

effect if the near-term budgets continue to consume readiness in the manor this budget will for the Army?

Mr. MCHUGH and General ODIERNO. Timely and predictable funding allows for effective and efficient execution of resources against a long-term plan (or ends). Given the opportunity to deliberately plan for reductions and establish a set of objectives to achieve readiness (or ways), the Army can assess the impact of constrained budgets on the strategy and make the necessary adjustments to implement with the allocated resources (or means). While there is no guarantee that these plans will avoid costs, predictable funding enables the Army to establish the long-term requirements necessary to man, train, equip, and sustain a highly-trained and ready-force and set the conditions necessary to maintain balance in force structure, readiness, and modernization efforts.

BASE REALIGNMENT AND CLOSURE

70. Senator INHOFE. Secretary McHugh and General Odierno, the President's defense budget request includes a request for authorization to conduct a round of BRAC in 2015. How many of the Army's BRAC decisions in the 2005 round end up costing the Army more than they will save over 20 years?

Mr. MCHUGH and General ODIERNO. Unlike previous BRAC rounds that focused primarily on creating savings, BRAC 2005's goal was military transformation. The process provided an opportunity to maximize the Army's warfighting capability by reshaping and transforming force structure, infrastructure, and vital industrial, training, and operational capabilities and functions. The BRAC 2005 vastly improved the quality of the Army's infrastructure portfolio, facilitated the return of thousands of soldiers from overseas, and enhanced mission capabilities. BRAC 2005 generates a $1 billion annual net recurring savings, which the Army has been realizing since 2011.

A total of $17.9 billion was invested to implement the Army's BRAC 2005 recommendations and total net savings will exceed total net costs for an overall break-even point of just over 12.5 years. The BRAC 2005 Commission Report identified 56 specific Army recommendations (Appendix Q): 46 recommendations will achieve the break-even point within the 20-year window; 6 recommendations will exceed the 20-year window; and 4 recommendations have transformation goals that do not produce savings with implementation costs that will never be paid back.

71. Senator INHOFE. Secretary McHugh and General Odierno, does the Army really need a BRAC round?

Mr. MCHUGH and General ODIERNO. Yes. The current budget situation and declining forces make it important to reduce overhead. Parametric techniques used to analyze aggregate assessment of excess capacity in 2004 indicated that DOD had 24 percent excess capacity overall relative to force structure plans developed by the Joint Staff. Because BRAC 2005 eliminated only a modest portion of the DOD excess capacity, we believe we have still significant excess today. The excess capacity in our infrastructure will only get larger as force structure is reduced.

Financially, the Army is reaping over $1 billion a year in net savings from the BRAC 2005 round, and another $1 billion a year in net savings from prior rounds of BRAC. Comparatively, the cumulative savings to the Army from previous BRAC efforts exceeds our entire fiscal year 2014 MILCON program.

72. Senator INHOFE. Secretary McHugh and General Odierno, in addition, the Army is also conducting an assessment of the number of U.S. Army personnel and units stationed overseas. Can you provide the results for the review of the stationing of U.S. Army personnel overseas?

Mr. MCHUGH and General ODIERNO. The Army, with DOD, is conducting a reassessment of our global posture in light of the emerging defense strategy. This effort remains a work in progress, and there are no results to report at this time. Overseas basing enables the United States to maintain its strong leadership role throughout the world and secures our vital national interests overseas. This sends a clear and visible sign of commitment to global security/peace to our allies and potential adversaries. The Army will maintain a flexible ground force in the U.S. European Command area of responsibility to meet Article 5 and other NATO commitments. The U.S. pledge to the NATO Response Force is essential to reassuring European allies that the United States remains invested in the trans-atlantic alliance. Army forces in South Korea are well-positioned and play a strategic role throughout the region.

73. Senator INHOFE. Secretary McHugh and General Odierno, are there any overseas basing issues for the Army remaining to be resolved?

Mr. MCHUGH and General ODIERNO. Other overseas basing issues will be informed by a potentially redefined DSG that will frame Fiscal Guidance for fiscal year 2015 and beyond.

BRIGADE COMBAT TEAM RESTRUCTURE

74. Senator INHOFE. Secretary McHugh and General Odierno, the Army is currently in the middle of an assessment to restructure its Active BCTs by eliminating six Active U.S.-based BCTs and realigning brigades to man BCTs with additional maneuver battalions. When can we expect a decision?

Mr. MCHUGH and General ODIERNO. The Army announced its brigade restructuring and elimination decision on June 25, 2013.

75. Senator INHOFE. Secretary McHugh and General Odierno, can you assure me that you have an open, transparent process with objective criteria to assess both the military value and external considerations for each installation?

Mr. MCHUGH and General ODIERNO. Yes. The Army recently completed Community Listening Sessions at 30 installations in order to explain the process that the Army is using to make these difficult decisions and to receive community input before any final decisions are made. The Army's brief detailed the operational categories contained in the MVA model—training, power projection, well-being, mission expansion, and geographic distribution, as well as an overview of the qualitative factors outside the MVA model that the Army is using, to include strategic considerations, command and control proximity, military constructions costs, readiness impacts, environmental and socioeconomic impacts, and community input.

76. Senator INHOFE. Secretary McHugh and General Odierno, will the Army publicly release the weighting guidance for each attribute of the qualitative assessment prior to your final decisions?

Mr. MCHUGH and General ODIERNO. The Army has briefed the committee professional staff members on the process that the Army is using to make these difficult decisions. The Army's brief detailed the operational categories contained in the MVA model—training, power projection, well-being, mission expansion, and geographic distribution, as well as the qualitative factors outside the MVA model that the Army is using, to include strategic considerations, command and control proximity, MILCON costs, readiness impacts, environmental and socioeconomic impacts, and community input. Now that the weighting for the attributes in the MVA model has been approved, we are prepared to share that information with the committee professional staff members.

77. Senator INHOFE. Secretary McHugh and General Odierno, in your testimony, you assert that without a solution to sequestration, you may have to eliminate another 100,000 Active and Reserve component soldiers. How many BCTs does this represent?

Mr. MCHUGH and General ODIERNO. We have yet to quantify the force structure impacts associated with such a significant reduction. I would anticipate additional BCTs beyond those identified would have to be reduced and that they would have to come from both the Active component and from the Army National Guard. It would impact all Combat Support and Combat Service Support structure as well.

FUNDS FOR OVERSEAS CONTINGENCY OPERATIONS

78. Senator INHOFE. Secretary McHugh and General Odierno, for the first time in 5 years, we cannot review the administration's request for emergency supplemental funds for OCO at the same time we are reviewing the President's base defense budget. In addition, I am also aware that $88.5 billion requested by the administration for OCO for fiscal year 2013 is not sufficient to meet current warfighter requirements. I am concerned that this administration is losing the ability to accurately budget for OCO at the same time many core readiness needs for the Services are being migrated to the OCO from the base budget. What is the Army's share of the $88 billion wedge for OCO?

Mr. MCHUGH and General ODIERNO. Because final decisions about the pace and structure of the drawdown of U.S. forces in Afghanistan were not available before the preparation of the budget, the fiscal year 2014 budget included a placeholder value of $88.5 billion for DOD OCO funding. In May 2013, the President submitted

budget amendments that revised the fiscal year 2014 DOD OCO funding request to $79.4 billion of which Army's request is $47.6 billion.

79. Senator INHOFE. General Odierno, will the OCO request for 2014 include funds to address the fiscal year 2013 problems in both the OCO and base budget for readiness shortfalls?

General ODIERNO. The Army developed the fiscal year 2014 budget request without full knowledge of the negative impacts to the fiscal year 2013 budget driven by the Continuing Resolution, the impact of sequestration, and the OCO Operations and Maintenance (O&M), Army (OMA) budget shortfalls. Therefore, the fiscal year 2014 OCO budget request does not contain additional funds to address the fiscal year 2013 problems in either the OCO or base budget for readiness shortfalls.

MILITARY READINESS

80. Senator INHOFE. General Odierno, the Army has adapted a policy that rightfully prioritizes funding to deployed and next-to-deploy forces. At the same time, units not in those categories are being starved of the necessary funding to maintain readiness. For example, the Army has cancelled seven readiness exercises because of a lack of funding in fiscal year 2013. These units have lost valuable training time that cannot be addressed in your fiscal year 2014 budget submission. The fiscal year 2014 funding O&M funding request exacerbates existing fiscal year 2013 readiness challenges from which it will take years to recover from these impacts. How will you know that the forces are not ready?

General ODIERNO. The Army's critical funding priorities for readiness are unit training, maintenance and sustainment of equipment, and leader development. We will begin to see changes in readiness ratings for the next to deploy units as well as those units not scheduled to deploy immediately. The present budgetary situation forces the Army to focus training resources on next to deploy units, but only to conduct training and advisory missions. Therefore, we accept significant risk in the training of nondeploying units causing a significant degradation in readiness for fiscal year 2014 and beyond. Even though units with scheduled deployments are the priority, it will take these units much longer to meet the required training proficiency due to constrained and limited resources, which in turn affects the assessment of the ability of the deploying units to execute their assigned missions and nondeploying units to meet contingency missions. The effects of degraded readiness will manifest themselves in lower C-Levels, Training Levels, Mission Essential Tasks Assessments, and ultimately in the Army's Readiness Assessment levels.

The lack of training resources limits home station and combat training center opportunities, and stalls the development of all other units not scheduled to deploy. Another mitigating action shifts personnel from nondeployed to deploying forces in order to meet operational demands. This would exacerbate personnel shortfalls geometrically each month and put successful execution of combatant commander operational plans at greater risk. Equipment would be migrated from nondeployed to deploying forces in order to fill shortages due to incomplete reset and redistribution, or shortages arising from the lack of equipment retrograded from theater. To mitigate the impacts upon readiness, the Army limited reset and depot repair of equipment to those items required for deploying units. Again, this would jeopardize combatant commander operational plans in an ever-increasing manner each succeeding month.

The cumulative effect of reduced training, equipment readiness and availability, and leader development increases the overall risk to unacceptable. If current budgetary conditions persist, the level of risk increases if required to deploy these forces. The lack of adequate funding and the flexibility to manage the funds available, forces the Army to make resourcing decisions that have the potential to increase the level of risk with respect to other OPLANS. It is highly probable that a long-term continuance of the current fiscal limitations will degrade the overall readiness of the Army.

81. Senator INHOFE. General Odierno, what will be the triggering event that tells you we have reached a readiness crisis?

General ODIERNO. There will not be one signature event to indicate a readiness crisis. Rather, the long-term impacts of reduced fiscal resources and the associated out-year reductions, particularly to force structure and readiness, threaten the Army's ability to provide trained and ready forces to the combatant commanders and to perform enduring and vital missions. If steep cuts are required in fiscal year 2014 and beyond, this will create imbalance and significantly compound risk. It will

cause a disproportionate investment across manpower, O&M, modernization, and procurement, challenging our ability to sustain appropriate readiness in the near-term in support of our current National Defense Strategy. Initially, we will see the effects of degraded readiness reflected in lower c-levels, training levels, mission essential task assignments, and ultimately the Army's readiness assessment levels.

82. Senator INHOFE. General Odierno, what is the plan to address these impacts and when will Congress be notified of mitigation measures?

General ODIERNO. Right now with sequestration as the law, the Army will not be able to meet readiness goals for the next 3 years, incurring significant risk to our soldiers if asked to deploy on contingency operations. The steepness of sequestration does not allow us to balance end strength, modernization, and readiness.

83. Senator INHOFE. General Odierno, we are interested in knowing about readiness reporting requirements through the quarterly readiness reports. Are the reports useful to you in planning, and if not, why?

General ODIERNO. Yes they are. The Quarterly Readiness Report to Congress describes the operational overview of the Army's deployed and forward stationed soldiers, the Army's top readiness concerns, and supports the Joint Staff's effort to report DOD's current readiness posture.

However, readiness of units deploying for specific missions does not necessarily make them ready for full-scale contingency operations. This is especially true for units deploying to Afghanistan, since they are conducting advisory and assistance operations in a complex environment.

84. Senator INHOFE. General Odierno, what systems do you use internally to track readiness trends?

General ODIERNO. Unit commanders measure their unit readiness using the four functional areas of Manning, Equipping, Equipment Readiness, and Training. The unit overall readiness levels are reported using Core Mission (C levels) and Assigned Mission (A levels). The C level assessment indicates the ability of the unit to accomplish its core mission while the A level assessment indicates the unit's ability to accomplish its directed, currently assigned mission. Headquarters, Department of the Army uses many systems to measure readiness in addition to the Commanders Unit Status Report, and the Strategic Readiness Update (SRU). Presently, the Army is developing AR 525–XX–B, Army Strategic Readiness. This regulation will define Army Strategic Readiness and develop the concept for developing the Army Strategic Readiness Assessment. The Army will track leading indicators across the six strategic readiness tenets of manning, equipping, sustaining, training, installations, and capacity and capability, in order to provide a holistic view of Army readiness. Upon analyzing the leading indicators and associated trends, the Army Staff will be able to make readiness projections and recommend courses of actions to senior Army leaders to mitigate negative impacts upon Army readiness at the strategic level.

85. Senator INHOFE. General Odierno, do you have suggestions for alternative reporting mechanisms?

General ODIERNO. The Army currently has multiple readiness reporting mechanisms across the various tenets of Army readiness. The unit status report is the most recognized of these systems—it provides unit commanders with a mechanism to provide their own assessment of unit capabilities directly to Headquarters, Department of the Army. Other reporting mechanisms or databases currently exist across the readiness tenets of manning, equipping, sustaining, training, and installations that provide insight into Army capabilities. Currently, the Army is developing strategic readiness policy and procedures that will identify leading indicators of readiness deficiencies. Analysis of both deficiencies and indicators will provide the Army an assessment of current strategic readiness and an ability to project future capabilities.

86. Senator INHOFE. General Odierno, prior to the Continuing Resolution, you said the Army would have a $17 billion to $19 billion shortfall in Army O&M accounts. The recently passed Continuing Resolution fixed $6 billion, leaving the Army an O&M shortfall in the range of $113.3 billion entering into fiscal year 2014. Will the fiscal year 2014 budget request combined with the fiscal year 2013 O&M shortfall create a hollow Army, and if not, why?

General ODIERNO. As you stated, the Army faces a more than $13 billion O&M shortfall in fiscal year 2013 which includes a $5.5 billion reduction to the Army's base budget and a $7.8 billion shortfall to OCO. (Operational decisions in Afghani-

stan led to adjustment to the OCO shortfall, which stands at $6.7 billion today, July 17, 2013.)

The Army's fiscal year 2014 Base Budget Submission of $129.7 billion enables us to support the 2012 Defense Strategy in fiscal year 2013 but does not account for the decaying readiness that will impact the Army as we enter fiscal year 2014. In addition to this base budget, the Army will continue to require OCO funding for operations in Afghanistan and to continue the reset of our force. The Army submitted a separate request for fiscal year 2014 OCO; it is critical that this request be fully funded.

It is in the best interest of our Army, DOD, and our national security to avert sequestration. The size and steepness of cuts required by sequestration make it impossible to downsize the force in a deliberate, logical manner that allows us to sustain an appropriate balance of readiness, modernization, and end strength. The cuts are simply too steep; we just cannot move enough people out of the Army quickly enough to produce the level of savings needed to comply with sequester, and therefore we will need to take disproportionate cuts in modernization and readiness. The net result will be units that are overmanned, unready, and unmodernized. Even though I think the level of sequestration cuts are too large, if we back load them into the later years of the sequester period, at least that would allow us the opportunity to properly plan and to sustain the balance we need in these uncertain times.

87. Senator INHOFE. General Odierno, what will be the trigger that signals the Army is going hollow?

General ODIERNO. We are today out of balance and this will continue into fiscal years 2014, 2015, and 2016. This imbalance puts at risk our ability to provide properly trained and ready forces for unknown contingencies over the next few years.

88. Senator INHOFE. General Odierno, will the Army submit a supplemental funding request for fiscal year 2013 if the Army cannot solve its O&M shortfalls?

General ODIERNO. The Army may need a fiscal year 2013 supplemental funding request to ensure adequate resources are available to support ongoing contingency operations. DOD recently submitted two reprogramming actions for fiscal year 2013 that use all the OCO special transfer authority and all but $200 million of general transfer authority for fiscal year 2013. Congressional approval of the reprogramming actions as submitted will help reduce the Army's current OCO shortfall from $8.3 billion to $3.3 billion. The Army is continuing to work with U.S. Forces-Afghanistan and all other OCO stakeholders to reduce the remaining $3.3 billion shortfall (which has been reduced to $3.1 billion as of June 6, 2013). If unsuccessful, the Army may have to submit a request for supplemental funding later in fiscal year 2013.

89. Senator INHOFE. General Odierno, in your written testimony, you note that the Army may not be able to execute the current DSG, as planned. In your opinion, are U.S. combat forces ready today to defend South Korea and Japan from an unprovoked attack by North Korea?

General ODIERNO. The Army forces stationed on the Korean peninsula and in Japan can defend against North Korean attacks, but training readiness degradation in fiscal year 2013 and fiscal year 2014 put our ability to provide forces to meet combatant commanders' requirements at significant risk.

90. Senator INHOFE. General Odierno, in what Army capabilities are you concerned about risk?

General ODIERNO. Today, our readiness level will make it difficult to respond with ready forces to one major event.

91. Senator INHOFE. General Odierno, if the Army is fully funded to its request in fiscal year 2014, how long will it take you to restore readiness of the nondeployed forces?

General ODIERNO. The Army's fiscal year 2014 President's budget does not include all the resources needed to recover from lost readiness in fiscal year 2013. The impact of sequestration reductions is an atrophy of readiness due to cancelled training, deferred equipment maintenance, and delayed procurements. Any new unfunded directed missions will also negatively impact our OPTEMPO accounts and our ability to build readiness for all except the top priority units of those next to deploy, rotating to Korea, or a part of the Global Response Force.

The Army has significant unfunded OMA requirements to recover lost training and rebuild lost readiness. Adding funds to those OMA and procurement accounts would be a positive step toward rebuilding readiness in fiscal year 2014. This would

not, however, address the need to restore the Army's base funding for OCO-funded training, sustainment, and procurement that supported the Army at war for nearly 12 years. As more soldiers return to home station, restoring base funding is among the biggest challenges in an environment of continued fiscal uncertainty.

As soon as we can provide forces with the resources they need to execute their full training strategies, they will be able to progressively build readiness for a broader range of missions. It takes an Army BCT approximately a full year to reset from a deployment and train-up for another mission. Even with full funding, a unit's training progression is generally linear, which limits acceleration. Units must go through the steps of building proficiency from smaller units to larger formations, from easy conditions to ambiguous or varied conditions, from basic tasks to synchronization of more complex operations. A BCT is not considered fully ready for decisive action until it has completed a training rotation at a maneuver combat training center (CTC). The Army will manage limited training assets (like CTC rotations) as best we can to support the training progression of priority units. Even with additional funding for CTC rotations, units at squad-level proficiency at the end of fiscal year 2013 would not have time to adequately prepare and benefit from a CTC rotation early in fiscal year 2014.

92. Senator INHOFE. General Odierno, due to funding shortfalls, the Army has cancelled third and fourth quarters depot maintenance. If the Army completes the rest of the fiscal year without conducting depot maintenance, what impacts on the materiel readiness of the Army will be felt in fiscal year 2014 and beyond?

General ODIERNO. Initially the Army believed it would have to cancel $2.43 billion in depot orders, essentially cancelling all depot maintenance for the third and fourth quarters. However, funding provided by H.R. 933 combined with internal reprioritization has allowed the Army to restore $1.07 billion in funding for depot maintenance. Although this additional funding mitigates about 50 percent of the original sequestration impact, it will still create a maintenance backlog that will extend post-combat equipment repair in Active and Reserve units by 2 to 3 years following redeployment. If sequestration cuts are continued, there will be a backlog even further into the future.

The Army will begin addressing the deferred workload in fiscal year 2014 if it has sufficient funding to meet both the fiscal year 2014 maintenance requirements and the deferred fiscal year 2013 workload. As we meet these challenges, the Army will always focus available resources on priority units and equipment—those deployed, next to deploy, or equipment needed to fill validated shortages.

93. Senator INHOFE. General Odierno, how long, once fully funded, will it take the Army to return to a proper level of maintenance?

General ODIERNO. The Army continues to defer maintenance daily at the field and depot level due to funding constraints. The Army will begin addressing the deferred workload in fiscal year 2014 given sufficient resources are provided to meet both the fiscal year 2014 maintenance requirements and to meet the deferred fiscal year 2013 workload. Future OPTEMPO and available capacity will dictate the length of time it will take the Army to bring all equipment back to Technical Manual (TM) 10/20 Maintenance Standard. Current estimates range from 2 to 3 years to restore all ground equipment to the Army's standard TM 10/20.

JOINT IMPROVISED EXPLOSIVE DEVICE DEFEAT ORGANIZATION

94. Senator INHOFE. Secretary McHugh and General Odierno, the Joint Improvised Explosive Device Defeat Organization (JIEDDO) was established 7 years ago and is a pass-through account for the Army. Consistent with DOD's inability to audit its finances, GAO has identified a lack of comprehensive visibility over all of DOD's counter-IED efforts external to JIEDDO. We have authorized billions of dollars to JIEDDO to address the counter-IED problem but it is time to assess the organization. How do you see JIEDDO's mission and organization in the future?

Mr. MCHUGH and General ODIERNO. What we know is that the nature of warfare is such that Improvised Explosive Devices (IEDs) will continue to be a threat around the world. The IED will remain the weapon of choice for terrorists, not only in Afghanistan, but also wherever the United States and our allies have national security interests. As such, JIEDDO's mission will not end with the drawdown of forces in Afghanistan; the IED threat will continue to drive combatant commander and Service requirements for counter-IED capabilities and training. We agree that current fiscal constraints drive a need for shared responsibilities and resources with other Federal agencies. JIEDDO remains the DOD lead for a whole-of-government

approach to IED threats, which highlights that there are many stakeholders with an interest in counter-IED capabilities. We understand that JIEDDO's rapid acquisition authority has provided a vital ability to meet validated battlefield requirements much faster than the Services' regular acquisition process. In the end, the enemy always gets a vote, so JIEDDO's continuous and focused action, reaction, and counter-action as the enemy adapts is crucial to saving lives.

95. Senator INHOFE. Secretary McHugh and General Odierno, is it time to integrate JIEDDO into other existing organizations and processes?

Mr. MCHUGH and General ODIERNO. The reasons for transforming the Army IED task force into a joint IED organization are as valid today as they were when the IED task force was first established in 2003. As a joint entity and jointly manned activity of DOD, under the authority, direction, and control of the Deputy Secretary of Defense, JIEDDO is able to leverage the experience of warfighters across the Services to defeat IEDs. Because IEDs will remain the weapon of choice of terrorists and continue to grow in sophistication and frequency wherever we deploy forces in support of our national security interests, the counter-IED mission to attack the network, defeat the device, and train the force remains an important one.

The Army currently serves as Executive Agent by providing administrative support to JIEDDO in accordance with DOD Directive 2000.19E, enclosure 3.

The Army will fully support any review of JIEDDO organization, mission, and resourcing.

96. Senator INHOFE. Secretary McHugh and General Odierno, how do we gain more visibility into what DOD is doing in all aspects of counter-IED?

Mr. MCHUGH and General ODIERNO. We are available to brief you about Army activities in the area of counter-IED, both as Executive Agent for JIEDDO under DOD Directive 2000.19E and any complementary work that is being done at our centers and schools.

INDUSTRIAL BASE

97. Senator INHOFE. Secretary McHugh and General Odierno, in your written testimony you state, "It is critical that we find the right balance between our organic and the commercial industrial bases. The ability to reduce the industrial base in times of peace but surge as required remains essential to equipping the Army, the Joint Force, and, in many cases, our allies and coalition partners." I am concerned that the Army is cancelling contracts simply to bring more work into the depots or engineering centers at a time where the breakdown between depot and commercial work within the Army is 61 percent to 39 percent in favor of the Army. Is this the right balance between organic and commercial industrial base?

Mr. MCHUGH and General ODIERNO. The Army is not canceling contracts to bring more work to its depots or engineering centers. The Army seeks to maintain complementary capability between the organic and commercial industrial base sectors to ensure the viable health of both, and the Army promotes public-private partnerships to maintain this delicate balance. The Army's organic percentage of work increased during Operation Iraqi Freedom and Operation Enduring Freedom (OIF/OEF) to support wartime surge requirements, but as overall requirements decline to pre-OIF/OEF levels, the Army envisions that its organic percentage will also decrease, which will generate a closer balance between organic and contract depot maintenance workloads.

98. Senator INHOFE. Secretary McHugh and General Odierno, what actions are you taking to support a strong and viable organic and commercial industrial base?

Mr. MCHUGH and General ODIERNO. The Army is taking several actions to support a strong and viable commercial and organic industrial base.

In the commercial industrial base, the Army is working with the OSD and the Army Materiel Command to assess critical manufacturing capabilities and seek innovation within the supply chain sectors through responsible investment. The Army is also analyzing the challenges of critical and fragile elements of the commercial industrial base to identify systemic and fundamental issues that can be resolved through engagement across the public and private sectors. For example, the Army continues its engagement in the sector-by-sector, tier-by-tier industrial base analysis that: (1) establishes early warning indicators of risk, particularly at lower-tiers; (2) strengthens the supply chain to mitigate potential points of failure; and (3) improves coordination among Services to ensure a viable industrial base is maintained.

The Army is conducting a comprehensive Combat Vehicle Portfolio Industrial Base Study through A.T. Kearney, a global management consulting firm. The 21-week study is assessing the Commercial and Organic Combat Vehicle Industrial Base, viable strategic alternatives, and sustainment of the Combat Vehicle Industrial Base in a constrained fiscal environment. A final report will be delivered to Congress later this year.

The Army is also engaged in Industrial Base Baseline Assessments that aim to sustain those areas critical in supporting Army and Joint Services programs by: (1) conducting sector assessments of programs identified as critical by Program Executive Offices and Life Cycle Management Commands; (2) determining the impact of reductions in funding to program requirements; and (3) developing recommendations that enable the industrial base to sustain current and future warfighter requirements.

The Army's strategy for ensuring that its Organic Industrial Base remains viable and relevant includes: (1) establishing modern facilities, equipment, and skill sets at the same rate that the Army modernizes its weapon systems; (2) ensuring capabilities and capacities are sustained to support current and future contingency operations; (3) investing to ensure that facilities are capable of maintaining core competencies and critical manufacturing capabilities; and (4) prioritizing funding to achieve the desired end state of viable and relevant organic industrial base facilities.

CONTINGENCY RESPONSE PREPAREDNESS

99. Senator INHOFE. General Odierno, what impact have sequestration-driven cuts had on the Army's ability to respond to contingencies worldwide?

General ODIERNO. Sequestration-driven budget cuts have led to reduced readiness of Army units intended to support contingency requirements. The Army's short-term mitigation strategy for sequestration and shortfalls in OCO funds is to protect the readiness of deployed forces, those stationed in Korea, and the Global Response Force. The Army will only resource remaining forces (those that would support contingency requirements) to achieve squad level proficiency.

100. Senator INHOFE. General Odierno, are we appropriately ready for the most probable and dangerous contingencies, and what would happen if we had to deploy to the contingencies on very short notice?

General ODIERNO. The Army may no longer be able to provide a sufficient number of units in accordance with the timelines required by combatant commanders for our most likely or demanding contingencies. As a result of the current fiscal situation and budget cuts, the Army units available to deploy to contingencies will train less often and to a lower level of proficiency. The Army will prioritize resources to maintain readiness for units deploying to OEF, homeland defense units, units forward deployed in Korea, and global and regional response forces.

DEFENSE STRATEGY AND FORCE SIZING

101. Senator INHOFE. General Odierno, what do you perceive the risk to be of not sizing the Army to conduct large-scale sustained ground combat operations?

General ODIERNO. It would be dangerous to assume we will not have to engage in a large-scale ground war. I see nothing on the horizon that tells me we no longer need ground forces for such a mission. Not sizing the Army to conduct large-scale sustained ground combat operations denies the Nation a credible force-in-being to serve as a deterrent to a would-be adversary that might seek to take advantage of such a miscalculation.

102. Senator INHOFE. General Odierno, does this limit our Nation's ability to deter aggressors and bring our conflicts to a satisfactory conclusion?

General ODIERNO. Maintaining an Army sufficiently large to generate a credible capability of defeating any threat—state or non-state—through sustained combat operations is critical for our Nation to effectively deter agressors. I believe that the 490,000 Active component force will serve as an effective deterrent, but any further reductions could challenge the Army's deterrent capability. Another element of deterrence is willingness to support partners, and an appropriately sized Army can improve our allies' and partners' abilities to secure themselves and manange regional security challenges.

RADIOS

103. Senator INHOFE. Secretary McHugh, how many proprietary, sole-source radios has the Army procured over the last 4 years? Please provide a breakdown by year, the number of radios, and the funding associated with these radios.

Mr. MCHUGH. Within the last 4 years, the Army procured 739 Rockwell Enhanced Position Location Reporting System, 5,124 Commercial Off-The-Shelf (COTS) Harris Corporation AN/PRC–117G radios, and 1,144 COTS Harris Corporation AN/PRC–152A radios.

Raytheon Enhanced Position Location Reporting System (EPLRS):

Radio	Year	Model	Quantity	Unit Cost	Total Cost	Funding	Comments
EPLRS	2009	RT-1720G	254	$ 28,240	$ 7.173M	OPA	Note: • RT-1720G – EPLRS - proprietary waveform - sole source procurement • RT-1915 – EPLRS XF - proprietary waveform - procured as part of a POR established prior to JTRS • RT-1922 – EPLRS - proprietary waveform - sole source procurement to enable EPLRS data exchanges between RT-1720 equipped vehicles and dismounted Soldiers
		RT-1915	15	$ 31,250	$ 0.469M	OPA	
		RT-1922	465	$ 10,600	$ 4.929M	OPA	
	2010	RT-1720G	2	$ 30,055	$ 0.060M	OPA	
		RT-1915	1	$ 32,205	$ 0.032M	OPA	
	2011	RT-1720G	2	$ 32,025	$ 0.064M	OPA	
Total			**739**		**$ 12.727M**		

Harris Corporation AN/PRC-117G:

Radio	Year	Model	Quantity	Unit Cost	Total Cost	Funding	Comments
COTS: TACSAT	2009	AN/PRC-117G	3257	$ 30,971	$ 100.873M	OPA	- 3257 procured for Single Channel SATCOM
	2010	AN/PRC-117G	71	$ 34,007	$ 2.414M	OPA	- 71 procured for Single Channel SATCOM
	2011	AN/PRC-117G	1514*	$ 30,623	$ 46.363M	OPA	- 104 procured for Single Channel SATCOM - 1410 procured for proprietary ANW2 waveform
	2012	AN/PRC-117G	40	$ 30,376	$ 1.215M	OPA	- 40 procured for Single Channel SATCOM
	2013	AN/PRC-117G	242	$ 34,571	$ 8.366M	OPA	- 242 procured for Single Channel SATCOM
Total			**5,124**		**$ 156.231M**		

The Harris Corporation AN/PRC–117G radios were procured using a blanket purchase agreement through the General Services Administration schedule. Harris Corporation was the only company that responded to a market survey for potential vendors.

Harris Corporation AN/PRC-152A radio:

Radio	Year	Model	Quantity	Unit Cost	Total Cost	Funding	Comments
COTS: Handheld	2012	AN/PRC-152A	320	$ 7,140	$ 2.285M	OPA	Only NSA Type 1 handheld networking capable radio available to meet a USCENTCOM UONS
	2013	AN/PRC-152A	824	$ 7,857	$ 6.474M	OPA	Only NSA Type 1 handheld networking capable radio available to meet a USCENTCOM UONS
Total			**1,144**		**$ 8.759M**		

The Harris Corporation AN/PRC–152 radios were procured off the competitively awarded Consolidated Interim Single Channel Handheld Radio contract. An engineer change proposal to modify the Harris AN/PRC–152 to the NSA certified Type 1 AN/PRC–152A models was approved due to a lack of responses from a market research conducted requesting the availability of NSA Type 1 certified handheld radios.

QUESTIONS SUBMITTED BY SENATOR KELLY AYOTTE

SUPPORT FOR MILITARY SPOUSES

104. Senator AYOTTE. General Odierno, I understand that DOD provides transitional compensation for spouses of servicemembers and their family members who are victims of domestic violence at the hands of a servicemember. Yet, this benefit does not exist for other cases in which a servicemember has violated the UCMJ. Do you believe this program has potential value in protecting other military families which, due to no fault of their own, stand to lose all benefits because of UCMJ violations by the servicemember?

General ODIERNO. The transitional compensation program does have potential to protect families in non-domestic abuse cases, but such an expansion would require congressional action.

As DOD is the proponent to implement the policy, assign responsibilities, and prescribe procedures under 10 U.S.C. section 1059, they would have the lead in providing views on any changes to existing law. The Army stands ready to partner with DOD and Congress to consider shortfalls in the existing program and ensure any change to the law is affordable, supportable, and inclusive of all Services.

105. Senator AYOTTE. General Odierno, do you believe the Victims' Transitional Compensation Benefit Program could be broadened to protect families, especially cases where retirement benefits are involved?

General ODIERNO. The transitional compensation program does have the potential to be broadened to protect families where retirement benefits are involved, but such an expansion would require congressional action.

As DOD is the proponent to implement the policy, assign responsibilities, and prescribe procedures under 10 U.S.C. section 1059, they would have the lead in providing views on any changes to existing law. The Army stands ready to partner with DOD and Congress to consider shortfalls in the existing program and ensure any change to the law is affordable, supportable, and inclusive of all Services.

INVOLUNTARY SEPARATIONS

106. Senator AYOTTE. General Odierno, to what extent has the Army already utilized involuntary separations to achieve end strength reduction goals?

General ODIERNO. To date, the Army has not used any programs specifically to generate involuntary separations to achieve end strength goals. However, in order to attain a 490,000 force by fiscal year 2017, Army planning foresees the requirement to use programs that will identify officers, NCOs, and enlisted soldiers for involuntary separation. We have begun identifying NCOs (SSG and above) for denial of continued service through the use of the Qualitative Service Program. At this time, based on current planning, it is anticipated that a majority of these soldiers would qualify for some form of retirement.

107. Senator AYOTTE. General Odierno, do you anticipate that the Army will have to use involuntary separations to achieve the existing end strength reductions?

General ODIERNO. Yes. Analysis shows we cannot achieve a 490,000 force by the end of fiscal year 2017 through natural attrition alone.

108. Senator AYOTTE. General Odierno, if the administration and Congress fail to identify alternative spending reductions and defense sequestration goes forward and the Army must cut another 100,000 soldiers, would this force the Army to implement large-scale involuntary separations?

General ODIERNO. If sequestration remains in place, the Army would have to implement additional involuntary separation measures based on the required end strength reductions. Since the Army has not completed its analysis of the necessary force reductions, we cannot provide exact figures. However, we learned from the 1990's drawdown that in order to generate accelerated voluntary losses, substantial incentives are required. These incentives are not in the current budget.

109. Senator AYOTTE. General Odierno, can you provide an estimate as to how many involuntary separations might be required?

General ODIERNO. The Army anticipates we will require involuntary separations of approximately 6,500 officers and close to 6,000 enlisted through fiscal year 2017 to achieve an end strength of 490,000. If sequestration remains in place, those numbers would have to be increased based on any additional end strength reductions required and the timeline that those reductions must be completed within.

110. Senator AYOTTE. General Odierno, what impact could involuntary separations have on unit morale and readiness?

General ODIERNO. The Army has carefully considered the possible impacts on morale from involuntary separations and has designed programs to minimize unwanted outcomes. The Secretary and I have provided direction to the Army staff on how to make these difficult decisions in a way that ensures a quality Army remains at the end of the drawdown. The plan is to use programs that are seen as fair and equitable (e.g., promotion, continuation, and selective early retirement boards). This should minimize the perception of favoritism and capriciousness by incorporating field commander input with the impartiality of centrally-managed selection processes.

111. Senator AYOTTE. General Odierno, do I have your continued commitment that you will avoid involuntary separations as much as possible and that you will keep Congress fully informed when you are forced to utilize involuntary separations, as required by Section 525 of the NDAA for Fiscal Year 2013?

General ODIERNO. It is the Army's intent to avoid involuntary separations whenever possible, and the Army will certainly keep Congress fully informed as we make these difficult decisions.

REBALANCE TO ASIA-PACIFIC

112. Senator AYOTTE. General Odierno, as DOD rebalances toward the Asia-Pacific, why do you believe our Nation continues to require an Army of sufficient size and top quality?

General ODIERNO. Only with a credible and capable U.S. land power will the nations of this critical region choose us as their partner of first choice for security and stability. The Army must maintain its strong regional and global role in maintaining and developing the relationships that preserve U.S. access and influence through our consistent engagement and interface focused on building our partners' capabilities. We have an expansive program in the Pacific to include 24 large-scale exercises in fiscal year 2014 involving 14 nations in the region.

Additionally, there are contingency plans and operational plans that require large amounts of ground forces. We use our plans to size, train, and modernize the Army.

HOLLOW ARMY

113. Senator AYOTTE. General Odierno, what does a hollow Army look like?

General ODIERNO. It would look like a force that lacks the right balance between end strength, modernization, readiness training, and educational readiness. The Army is showing these characteristics. Our ability to train and sustain our equipment is becoming limited. This denies the Army the ability to ensure that it is able to deploy and meet future requirements and puts our soldiers at higher risk to execute their mission with the training and capability we would expect, ultimately increasing casualties and the time to accomplish the mission.

114. Senator AYOTTE. General Odierno, what was the hollow Army like after the Vietnam War?

General ODIERNO. When I entered the Army in 1976, our country had recently completed a long and divisive war in Vietnam, the aftermath resulted in the collapse of retention rates among first-term soldiers, career NCOs, and junior officers. Our Nation was struggling with inflation and unemployment, and military priorities were less important in a time of economic difficulties, when many people predicted that never again would our country enter into a sustained conflict like Vietnam that would cost so much in terms of lives and resources. Without adequate funding for its assigned missions and with the end of Selective Service, the Army was unable to recruit and retain enough high-quality personnel, requiring years to rebuild a capable NCO Corps. The degradation of readiness caused by this personnel shortfall was compounded by insufficient funds both for the training of soldiers and for the maintenance of equipment. Modernization, for the most part deferred during the Vietnam war, was impeded. Under these conditions, low morale and indiscipline became serious problems for the Army during the 1970s.

In the end, the after effects of the war, difficulties in transitioning from a draftee to an All-Volunteer Force, force structure decisions, the lengthy process of improving professionalism in the officer and NCO ranks, and inadequate budgets created a hollow Army throughout the 1970s.

I worry that if we continue having to deal with our current budget issues, we are heading down the same road and we simply cannot do that again. It would not be acceptable to the American people or to me. The American people expect us to be ready to respond when needed, but our ability to do so will be put at risk over the next several years as sequestration takes its toll.

115. Senator AYOTTE. General Odierno, what are the warning signs that the Army is becoming hollow?

General ODIERNO. A hollow Army may simply be defined as existing force structure that lacks the necessary combination of ready equipment and trained personnel to accomplish the mission for which it was designed. The warning signs are likewise a combined effect of insufficient investment in the building blocks that comprise a properly trained and well-equipped Army unit. A warning sign that the Army is becoming hollow is the prolonged disparity between training for counterinsurgency (COIN) and the reinvestment in training for the full range of military operations. The highest order of which is decisive action. Deferred maintenance compounded by the reduced standard of maintenance of equipment is a leading indicator of a future down-turn in readiness. These indicators of hollowness are closely monitored at every level of command to safeguard against the inevitable risk they present to the successful employment of soldiers in future conflicts.

116. Senator AYOTTE. General Odierno, is the Army becoming hollow?

General ODIERNO. Presently, the Army no longer has the right balance among end strength, modernization, readiness training, and educational readiness to prevent the force from becoming hollow. If the Army cannot manage end strength/force reduction, force structure reductions and readiness, the Army increases the risk of allowing the nondeployed force to become hollow. This results in units that are overmanned, unready, and unmodernized. Further erosion of the Army's readiness compounds this risk. Sequestration occurring in fiscal year 2014 and beyond will result in the reduction of readiness across the Army and puts our soldiers at higher risk to execute their mission with the training and capability we would expect, ultimately increasing casualties and the time to accomplish the mission.

117. Senator AYOTTE. General Odierno, if sequestration goes forward this year and next year, will the Army become hollow?

General ODIERNO. The resourcing decisions and adjustments that the Army made because of sequestration have the potential to create a hollow Army over time. These decisions will accelerate and compound the inequalities and risks to the force caused by sequestration. Since March 2013, the Army has already experienced a 20 percent decline in the readiness of non-allocated BCTs. Seven Combat Training Center (CTC) rotations that were planned to train Army BCTs to their full designed capability were cancelled because of the fiscal austerity resulting from the Continuing Resolution and sequestration. The Army is losing opportunities to develop its current and future leaders through Professional Military Education (PME) because of sequestration. The loss of training opportunities affects unit readiness and leadership development at unit levels. The lost opportunities caused by sequestration will become more difficult to recover. Restoring readiness lost to sequestration will require extended timelines and significant investment of resources. Under sequestration, the Army needs to absorb immediate cuts in fiscal year 2014. This will force cuts to personnel accounts—reductions that could potentially equate to tens of thousands of soldiers, and by the time we paid separation benefits, the cost to separate them would exceed the savings garnered. We cannot move enough people out of the Army quickly enough to produce the level of savings needed to comply with sequester, and therefore we will need to take disproportionate cuts in modernization and readiness. The reductions in readiness across the force jeopardize the ability of the Army to meet the demands of the National Military Strategy. This will continue to be compounded in fiscal years 2014 and 2015 until we can reduce enough end strength.

118. Senator AYOTTE. General Odierno, what impact does a hollow Army have on our soldiers, families, and military readiness?

General ODIERNO. The Army I entered in 1976 was hollow in that it was not well-trained and did not have the resources necessary to sustain readiness while supporting soldiers and their families. I am absolutely focused on making sure I do not leave this Army hollow in that way. Ultimately, maintaining the Army with fewer resources requires balancing the overall size of the force, its equipment, and its training and readiness. Each of these must be sufficiently robust to field an army with the capability and capacity to perform its assigned missions.

The steepness of sequestration forces us into a hollow force from fiscal year 2013 to fiscal year 2017 because we are forced to reduce resources for modernization and readiness faster than we have reduced end strength. When you have structure that cannot be properly trained or equipped, it is the start of a hollow force. A hollow Army loses military readiness over time. A hollow Army is challenged to maintain high levels of professionalism.

A hollow Army affects soldiers. Lost training opportunities for soldiers will impact on our units' basic warfighting skills. We will have a cohort of leaders who will have lost out on the opportunity to conduct a wide array of leader development and training, for example valuable CTC rotations.

We have mitigated impacts on families in fiscal year 2013, but in fiscal year 2014 we are very concerned and we are evaluating the full impacts on families and support programs. At a minimum we will have to consolidate some family programs.

We are sacrificing readiness to achieve reductions inside the short period of the fiscal year. There is a time component to readiness. Trained forces require time to practice the employment of teams, manned with the right skills, equipped with modern systems, and exposed to the complex conditions they likely will face on contemporary battlefields. We are now going to go through a period during which we need to buy back as much readiness as possible, or we're going to have a severe problem over the next 2 or 3 years. Time required by nondeploying forces to restore readiness in fiscal year 2014 will depend largely on how far their readiness slips in fiscal year 2013.

The cost of a hollow force and the risk posed will equate to a loss of soldiers' lives. We can't continue to do more with less or else we're going to put soldiers' lives at risk.

119. Senator AYOTTE. General Odierno, what must Congress do to avoid a hollow Army?

General ODIERNO. A hollow Army is one in which there is prolonged and disproportionate investment across manpower, O&M, modernization, and procurement without corresponding adjustments to strategy. The fiscal uncertainty caused by repeated Continuing Resolutions, delayed appropriations, and the implementation of sequestration is not in the best interest of our country, our soldiers, or our national security. Just this year, the late appropriation and sequestration led to the cancellation of training and the release of 3,100 valuable temporary and term civilian employees.

In fiscal year 2013, the Army faces the combined effects of a sequestered budget and an increase in theater demand. These two events have put a $13 billion pressure on the Army's O&M accounts. This includes the $4.6 billion OMA reduction due to sequestration and an $8.3 billion theater activities level higher than the fiscal year 2013 President's OCO budget request. The emergency reprogramming action being considered by Congress would restore $5 billion of the $8.3 billion OCO OMA shortfall. I do want to highlight that our sister Services are helping us fund some of the $5 billion, however, the Committees have denied or deferred portions of our sources, causing us to seek replacement sources. I ask that you act quickly on our proposed replacement sources. Additionally, that reprogramming action will still leave us with a shortfall, which the Army is working with OSD toward resolving with a joint solution that will likely require another reprogramming. With your continued support, I am confident that our enterprise solution will meet the immediate needs of the warfighter in theater.

Congress can further help the Army by carefully considering the fiscal year 2014 O&M budget submission. Reductions to the fiscal year 2014 O&M accounts further continue the decline in readiness and our ability to provide trained and ready forces to combatant commanders. The Army continues to outline the buyback of readiness in the Notice to Congress on Unfunded Priorities (section 1003 of the NDAA for Fiscal Year 2013).

I must stress, however, that fiscal flexibility, while essential, is not sufficient to avert the problems we face. Even if we get relief from current restrictions, the budget reductions in fiscal year 2014 and beyond as a result of sequestration will pose a significant risk to readiness and will force us to reconsider the Army's ability to execute its obligations under the DSG.

SEQUESTRATION END STRENGTH REDUCTIONS AND IMPACT ON THE NATIONAL GUARD

120. Senator AYOTTE. General Odierno, if sequestration and its associated outyear budget reductions go forward and the Army must cut approximately 100,000

additional personnel, roughly speaking, how much of a reduction would this be from the National Guard?

General ODIERNO. The Army is on schedule to remove 89,000 soldiers from the Army by fiscal year 2017, due to the budget reductions contained in the 2011 BCA. Our analysis suggests that full sequestration may require the Army to potentially reduce another 100,000 soldiers from the total Army, on top of the 89,000 already being reduced.

There is a balance that the Army must maintain between the Active component and Reserve component end strengths. This additional 100,000 reduction in end strength would have to be appropriately spread across all components of the Army. The Army is currently looking into various options to keep the Army in balance and at this time specific reductions to the Army National Guard have not been determined.

COUNTERINSURGENCY SKILLS

121. Senator AYOTTE. General Odierno, as the Army attempts to regain full spectrum readiness—including readiness for high intensity combat—how will the Army codify and institutionalize the counterinsurgency skills and lessons learned over the last decade so that these hard-won skills and lessons are not lost?

General ODIERNO. Beginning in 2011, the Army began revising all doctrinal publications describing the Army concept of decisive action through the simultaneous execution of offensive, defensive, and stability operations and defense support of civil authorities, all in support of unified land operations. COIN skills are inherent to decisive action. The Army published the COIN Operations Doctrine (Field Manual 3–07.22) in 2004 and Tactics for COIN Operations (Field Manual 3–24) in 2009, and has maximized opportunities to codify lessons learned in handbook publications and on-line reference sites from the Center for Army Lessons Learned, as well as institutionalizing the cross-service exchange of information and lessons learned as a result of the Joint/Army Lessons Learned Forums. We have defined the future environment as one which entails a hybrid threat. Therefore, combat training centers encompass decisive action, unless otherwise directed. This training will develop the skills for not only offense and defense, but also stability operations (including COIN).

122. Senator AYOTTE. General Odierno, how will the Army ensure the current force retains and passes on to future Army leaders their COIN know-how?

General ODIERNO. The Army published COIN Operations Doctrine (Field Manual 3–07.22) in 2004 and Tactics for COIN Operations (Field Manual 3–24) in 2009, and has maximized opportunities to codify lessons learned in handbook publications and on-line reference sites from the Center for Army Lessons Learned, as well as institutionalizing the cross-service exchange of information and lessons learned as a result of the Joint/Army Lessons Learned Forums. The Army will continue to benefit from the experiences of our soldiers and leaders as they embrace increasing responsibilities over the next few years as small-unit leaders, doctrine writers, and institutional trainers. We have defined the future environment as one which entails a hybrid threat. Therefore, combat training centers encompass decisive action, unless otherwise directed. This training will develop the skills for not only offense and defense, but also stability operations (including COIN).

123. Senator AYOTTE. General Odierno, based on your experience in Iraq, what are the most important lessons you learned about COIN operations?

General ODIERNO. My experiences in Iraq have taught me that war is a human endeavor, and that the human dimension of conflict is as important, if not more important, than other considerations. Our soldiers must understand culture, religion, history, political and social dynamics, and economics in order to prevail.

Second, we must deal with the challenge of hybrid warfare. In the future, the Army will operate in environments with regular military, irregular paramilitary or civilian adversaries, with the potential for terrorism, criminality, and other complications. Our leaders and soldiers must understand and adapt to a complex future in which the ability to distinguish between friend and foe will be increasingly difficult and experience and judgment will be more important than simply technical solutions. The Army will retain and integrate into its training what we have learned over the last decade about the changing nature of conflict.

Third, we will not fight alone. As a rule, we will fight in coalitions, and these coalitions will include civil agencies and nongovernmental organizations as key compo-

nents or partners. We must continue to build on the interagency and multinational experiences we have gained in the last decade.

Fourth, an important lesson is that the American soldier remains the most discriminately lethal force on the battlefield. Any activity a soldier undertakes can rapidly evolve into a combination of combat, governance, and civil support missions. Any individual, military or civilian, can alter the trajectory of an operation with the push of a button on a cell phone. Not only do our own actions receive immediate international coverage, but technology allows our adversaries to shape the narrative to their advantage, often with little regard for the truth. Our soldiers must remain able to operate comfortably within this exceptionally complex arena.

As our experiences in Afghanistan and Iraq clearly demonstrate, it is difficult to imagine any future situation in which a relationship exists solely between two states, whether an alliance or a conflict. Other regional actors can and will seek to advance their own interests in every situation and have more tools at their disposal to do so. Sometimes they will work in concert with our objectives, but at other times we may be in opposition. Regardless of the path they choose, our actions must be informed by an awareness of these dynamics. The evolving complexities of the environment require us to adapt.

SEQUESTRATION'S IMPACT ON TRAINING AND WAR PLANS

124. Senator AYOTTE. General Odierno, what training events have already been canceled?

General ODIERNO. For all but our deploying and higher-priority contingency forces, training events and activities above squad-level were curtailed in the latter half of fiscal year 2013. Cancelled training included seven maneuver CTC rotations, which train BCTs to maneuver and synchronize live fire; eight Mission Command Training Program Warfighter Exercises, which train staffs of BCTs to command and control the brigade; and support for a Warfighter Exercise for one Army Service Component Command Headquarters. We still have a $3.1 billion shortfall which will cause us to cancel institutional training if additional resources are not found.

125. Senator AYOTTE. General Odierno, if sequestration continues into next year, will more training events have to be canceled?

General ODIERNO. Yes. Continued cancellation of training events can be expected until appropriations better align with programming and budget requirements. It will take some time for the Army to rebalance readiness components: manning, equipping, training, facilities, services, force structure, and current and future readiness. In fiscal year 2014, the Army will continue to do its best to ensure deploying and high-priority contingency forces are prepared, but training events for other forces will be significantly curtailed since the lack of training in fiscal year 2013 will be compounded by another degradation in readiness in fiscal year 2014. We are working within appropriation guidelines and Army readiness priorities to find support for these training events.

126. Senator AYOTTE. General Odierno, would you agree that not providing our soldiers the very best training represents a breach of faith with our soldiers, their families, and the American people?

General ODIERNO. It is our solemn responsibility to ensure that American soldiers are prepared, trained, ready, and well-led whenever our Nation might call on them. We remain committed to the current fight and dedicated to ensuring our forces receive the best training, equipment, and support possible. In 1976, I entered a hollowed Army that was not well-trained and did not have the resources necessary to buy equipment. I am absolutely focused on making sure I do not leave this Army in the same way that I came into it. We must ensure that we resource our soldiers much with the proper resources to conduct the missions we have asked them to do.

We're making sure that those who are deploying are fully trained. Those who will next deploy will be trained, but that's at the expense of not training of the rest of the Army. We're no longer able to build readiness up under current budget constraints. The unfortunate reality is that we now lack the resources to train simultaneously for future contingencies. We are accepting risk when we only have enough resources to train for the current demands for forces. This leaves us unprepared for unforeseen contingencies. We are sacrificing readiness to achieve reductions inside the short period of the fiscal year; unfortunately, readiness can't ever be brought back, because there is a time component to readiness. So we are now going to go through a period where we have to make sure that we're able to buy back as much

readiness as possible, or we're going to have a severe problem over the next 2 or 3 years, especially if the sequestration cuts are not addressed.

ARMY FORCES IN EUROPE

127. Senator AYOTTE. General Odierno, do you believe it is in America's interests to maintain a significant U.S. Army presence in Europe? If so, why?

General ODIERNO. Yes. First, with a GDP of $19 trillion—a quarter of the world economy—and approximately $4 trillion in annual trade with the United States, Europe's importance to the U.S. and global economies cannot be overstated. Second, the European theater remains critical geostrategic terrain, providing the United States with the global access it needs to conduct worldwide operations and crisis response. Third, Europe is home to most of the world's liberal democracies; nations with whom we share the fundamental values that are critical elements in building effective coalitions. Fourth, Europe is the backdrop for NATO, history's most successful and effective alliance, and a vital partner for dealing with the challenges of the 21st century. Fifth, Europe is a security exporter, possessing among the most highly trained and technologically advanced militaries in the world.

128. Senator AYOTTE. General Odierno, how does a U.S. Army presence in Europe benefit U.S. national security?

General ODIERNO. Europe provides the critical access and infrastructure to meet the DSG's priorities and expand U.S. global reach across half the world, to Europe and on to Eurasia, Africa, and the Middle East.

BREAKING FAITH

129. Senator AYOTTE. General Odierno, in your prepared statement, you state that sequester may "compel actions that break faith with our soldiers, civilians, and families." What specific kinds of actions would the Army be forced to take that would "break faith"?

General ODIERNO. In the near-term, the upcoming furloughs for our civilian employees, while temporary, will disrupt lives, impact Army operations, and may cause financial burdens on our civilians and their families. In addition, the ripple effect of further force reductions beyond the current program of 490,000 by fiscal year 2017 will create a situation forcing the Army to separate fully qualified soldiers. Reductions in overstrength skills and grades will also force out some of our best qualified personnel. While the Army will provide a robust package of benefits including transition assistance, involuntary separation pay, and early retirement for eligible soldiers who are selected for involuntary separation, the inevitable result will be that good soldiers will be denied continued service. Such difficult decisions will undoubtedly disrupt the lives of certain soldiers, some with deployment experience, who had every intention of continuing their military careers. Since compensation is such a large portion of the budget, it will be very hard to exempt it from reductions needed to meet sequestration. As a result, soldiers who remain in the Army could well face lower compensation and health benefits packages.

SIZE OF THE ARMY

130. Senator AYOTTE. General Odierno, based on your professional military judgment, the threats to our country, current war plans, and the DSG, what do you believe should be the floor for U.S. Army end strength?

General ODIERNO. The BCA of 2011 imposed caps on discretionary spending that required a $487 billion reduction in planned defense spending over 10 years. As a result of these spending cuts and in line with the DSG announced in January 2012, we are reducing Active Army end strength from a wartime high of about 570,000 to 490,000, the Army National Guard from 358,200 to 350,000, the Army Reserve from 206,000 to 205,000 and the civilian workforce from 272,000 to 255,000. Army analysis indicates that at 490,000, we will maintain sufficient capability for the Active component to meet the anticipated range of potential future missions envisioned in the new defense strategy. Anything below 490,000 would threaten our ability to meet the National Strategic Guidance.

[Whereupon, at 12:26 p.m., the committee adjourned.]

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2014 AND THE FUTURE YEARS DEFENSE PROGRAM

THURSDAY, APRIL 25, 2013

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

DEPARTMENT OF THE NAVY

The committee met, pursuant to notice, at 8:32 a.m. in room SD–106, Dirksen Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Reed, Nelson, McCaskill, Hagan, Manchin, Shaheen, Blumenthal, Donnelly, Hirono, Kaine, King, Inhofe, Sessions, and Ayotte.

Committee staff members present: Peter K. Levine, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Jonathan D. Clark, counsel; Creighton Greene, professional staff member; Gerald J. Leeling, general counsel; John H. Quirk V, professional staff member; and William K. Sutey, professional staff member.

Minority staff members present: John A. Bonsell, minority staff director; Adam J. Barker, professional staff member; Steven M. Barney, minority counsel; Allen M. Edwards, professional staff member; Ambrose R. Hock, professional staff member; and Lucian L. Niemeyer, professional staff member.

Staff assistants present: Jennifer R. Knowles and John L. Principato.

Committee members' assistants present: Carolyn Chuhta, assistant to Senator Reed; Jeff Fatora, assistant to Senator Nelson; Jason Rauch, assistant to Senator McCaskill; Christopher Cannon, assistant to Senator Hagan; Mara Boggs, assistant to Senator Manchin; Chad Kreikemeier, assistant to Senator Shaheen; Marta McLellan Ross, assistant to Senator Donnelly; Nick Ikeda, assistant to Senator Hirono; Karen Courington, assistant to Senator Kaine; Steve Smith, assistant to Senator King; Paul C. Hutton IV, assistant to Senator McCain; Lenwood Landrum, assistant to Senator Sessions; Todd Harmer, assistant to Senator Chambliss; Brad Bowman, assistant to Senator Ayotte; and Craig Abele, assistant to Senator Graham.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Good morning, everybody. I want to welcome Secretary Mabus, Admiral Greenert, General Amos to our committee to testify on the plans and programs of the Department of the Navy in our review of the fiscal year 2014 annual budget request. We very much appreciate your willingness to accommodate this early starting time for our hearing. It's my goal to conclude the hearing in time for members to attend an all-Senators briefing at 10:30 a.m. this morning, and in order to do that we're going to have to have a shorter first round when we come to that of either 6 or 7 minutes to give everybody a chance, depending on when that first round begins.

We're grateful to each of you for your service to the Nation and for the truly professional service of the men and women that you work with. We're very grateful to their families, all of your families, knowing as you do the vital role that families play in the success of the men and women of our Armed Forces.

This year the defense budget situation is particularly challenging. The sequestration required by the Budget Control Act (BCA) for fiscal year 2013 is already having an adverse impact on the Navy and the Marine Corps in the form of deferred maintenance, reduced steaming, and flying hours. The problem will get dramatically worse in fiscal years 2014 and beyond, and I look forward to the testimony of our witnesses on how this fiscal situation is likely to affect personnel, readiness, modernization, and our operations overseas.

The Department of Defense's (DOD) most recent strategic guidance, issued in January 2012, refocuses the U.S. military on the Asia-Pacific region. Consistent with that strategy, DOD has been working to realign U.S. military forces in South Korea and Japan and plans to position Navy and Marine Corps forces further to the south in Australia, Singapore, and possibly elsewhere.

The Department has also begun implementing a plan to deploy forward more ships, as shown by the beginning of the Navy's first rotational deployment of a Littoral Combat Ship (LCS), the USS *Freedom*, to Singapore in the past few weeks.

As we rebalance and realign our presence in the Asia-Pacific region, it is important that we not only get the strategy right, but that we also ensure that it is sustainable. With respect to the planned realignment of U.S. marines currently on Okinawa, Senator McCain, former Senator Webb, and I advocated changes to the 2006 U.S.-Japan realignment roadmap plan to better support U.S. strategic goals in the region while also accounting for the fiscal, political, and diplomatic realities associated with long-term sustainability.

The April 2012 joint U.S.-Japan announcement of changes to the 2006 plan reflected an appreciation by both governments of the need to make adjustments in order to support the goal of achieving a more viable and sustainable U.S. Marine Corps presence in Japan, Guam, Australia, and Hawaii. The Department is currently working to develop the details of this new plan, so the final construction schedule and total cost are not yet known. After we receive that plan, we will be in a position to judge it. But until that

plan is forthcoming, the committee has deferred action on associated requirements until the conditions that we set are met.

Even in the absence of sequestration, the DOD authorization request raises significant issues. For example, should we increase the cost cap for the aircraft carrier CVN–78? Should we approve the multi-year procurement authority for the E–2D surveillance aircraft? Should we authorize advance appropriations for the SSN–774 *Virginia*-class submarine?

For many years the committee has expressed concern about Navy ship force levels which have consistently fallen short of the projected needs. At the same time, Navy and Marine Corps aviation force levels are also under pressure. The budget provides for a service life extension program on some 150 F–18 aircraft already in the inventory and for the purchase of additional E/A–18G electronic warfare aircraft to support land-based electronic warfare squadrons, but would end the acquisition and production of new F–18 aircraft. The budget also sustains planned purchases of the Marine Corps and Navy versions of the F–35 Joint Strike Fighter (JSF) aircraft and, while it is encouraging that the Navy is now predicting a strike fighter shortfall of only 18 aircraft compared to earlier projections as high as 250 aircraft, I suspect that estimate will be significantly impacted by sequestration.

The Weapons Systems Acquisition Reform Act (WSARA) of 2009 requires that the DOD make significant changes to avoid the kind of costly delays and overruns that have plagued our acquisition system in the past. While this legislation should help correct past problems, I know that we will succeed only through concerted efforts within the executive branch to implement that legislation, and we look forward to hearing from our witnesses as to how the Department of the Navy is implementing the provisions of the WSARA of 2009.

Finally, I want to commend you, Secretary Mabus, for your efforts to lead on energy efficiency and energy self-reliance. You have placed a strong emphasis on an area where, as strong as our military forces may be, we remain subject to the tyranny of energy supplies. You have put deeds behind the commitment to a more sustainable Navy and the Nation is stronger for it.

Our witnesses this morning face huge challenges as they strive to balance modernization needs against the costs of supporting ongoing operations and sustaining readiness in the face of across-the-board cuts from sequestration. Those challenges are made all the more important by the fact that we continue to have roughly 7,000 marines in Helmand Province in Afghanistan and thousands more Navy and Marine Corps personnel deployed elsewhere around the world.

We appreciate everything that you do and the men and women of the Navy and the Marine Corps do every day what they do to meet the challenges that this Nation faces.

Senator Inhofe.

STATEMENT OF SENATOR JAMES M. INHOFE

Senator INHOFE. Thank you, Mr. Chairman.

First of all, let me thank all three witnesses for sharing your valuable time with me personally. It was actually helpful to me, Sec-

retary Mabus, with some of the areas where I thought I would have more disagreement with you, and that's changed. You'll have a chance to cover those things.

I think, Mr. Chairman, you've covered the budget comments that I would have made adequately. Our ability to meet our 30-year shipbuilding goal and recapitalize our sea-based nuclear deterrent will greatly depend upon budget certainty. It's the certainty that's important, I believe.

The Navy needs a sustained level of investment topping $20 billion by 2021 and maintaining that level for the following 10 years. More importantly, this assumes that DOD can finally control the runaway cost overruns in ship construction. We are not on the right track to accomplish that at this time.

The Navy's largest research and development (R&D) program in fiscal year 2014 is the *Ohio*-class ballistic missile submarine replacement program. A failure to recapitalize our at-sea deterrent on time would have devastating impacts. I encourage the Navy to aggressively continue to reduce risk and emphasize affordability of this program.

The Navy also needs a sustained level of funding for readiness, training, and shipyard maintenance to keep a majority of the fleet fully mission capable. Sequestration in 2013 has resulted in a $4 billion operation and maintenance (O&M) shortfall and a $6 billion investment shortfall. In addition, the Navy has not budgeted for over the $700 million in unscheduled ship repairs resulting from a series of sea accidents, sabotage, and major equipment failures. I think you have to budget for these things because these are going to happen.

The Navy just released a report stating that shipyards are in such poor shape that at the current funding rate it would take 17 years just to clear the backlog of critical facility repairs that have been identified to date. Further, the Navy announced in January 2013 yet another reduction in its requirement for Navy combatant vessels, from 313 to 306. Then the budget request for fiscal year 2014 goes even further and accelerates the retirement of 16 ships, reducing the combatant force structure to an all-time low of 273, down from 289. I suspect that we'll hear some comments about that in opening remarks. If not, there'll be some questions.

In addition, while DOD has identified a requirement for 33 amphibious ships to support the Marine Corps, the Navy only had 22 of those ships actually available and fully mission capable and ready to go last year.

Marine Corps readiness continues to be a significant concern. Similar to other Services, the Marine Corps has rightfully prioritized deployment and next-to-deploy marines in the O&M accounts. This is at the expense of non-deployed units and has already resulted in a degradation of the Marine Corps readiness.

By the beginning of calendar year 2014, approximately 50 percent of Marine Corps ground and aviation units will be below acceptable mission readiness levels. Of course, readiness, risk, and lives are all tied together.

This all comes down to risk. As the world is becoming more dangerous, our Navy and Marine Corps are becoming less capable and less prepared. We're going down a path where readiness and capa-

bility are being cut at such a rate, as General Dempsey has said, will soon be at a point where it would be immoral to use this force.

So we have problems and I'm looking forward to your testimony.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Inhofe.

Secretary Mabus, welcome.

STATEMENT OF HON. RAYMOND E. MABUS, JR., SECRETARY OF THE NAVY

Mr. MABUS. Mr. Chairman, thank you, Ranking Member Inhofe, and distinguished members of this committee. I first want to thank you for your support for the Department of the Navy, for our sailors, our marines, our civilians, and our families.

General Amos, the Commandant of the Marine Corps, and Admiral Greenert, the Chief of Naval Operations, and I could not be prouder to represent those steadfast and courageous sailors, marines, and civilians. No matter what missions are given to them, no matter what hardships are asked of them, these men and women serve the Nation around the world with skill and dedication.

In the past year the Navy and Marine Corps team has continued to conduct a full range of military operations, from combat in Afghanistan to security cooperation missions in the Pacific to disaster recovery operations on the streets of Staten Island. In each one of these, sailors and marines have gotten the job done.

As the United States transitions from two land wars in Central Asia to the maritime-centric defense strategy that was referenced by the chairman and which was announced 15 months ago, our naval forces will be absolutely critical in the years ahead. This strategy, which focuses on the Western Pacific, the Arabian Gulf, and continuing to build partnerships around the world, requires a forward-deployed, flexible, multi-mission force that is the Navy and Marine Corps, America's away team.

Within this strategy we have to balance our missions with our resources. We're working under Secretary Hagel's leadership on a strategic choices and management review to assess how we deal with budget uncertainty facing the Department as we go forward. He has directed us to review the basic assumptions that drive the Department's investment in force structure, to identify institutional reforms that may be required, including, as we always should, those reforms that should be pursued regardless of fiscal pressures. As he said during recent testimony, everything will be on the table during this review.

2013 has been hard because we began the fiscal year operating under a Continuing Resolution that gave us little room to be strategic and to prioritize, limiting our ability to manage the Navy and Marine Corps through this new fiscal reality.

Thanks to the efforts of this committee and to your congressional colleagues, we have an appropriations bill for this fiscal year. However, sequestration is still forcing us, as also mentioned by the chairman and the ranking member, to make across-the-board cuts totaling more than $4 billion from our O&M accounts and about $6 billion from our investment accounts.

These cuts will have some real impacts. We've prioritized combat operations in U.S. Central Command (CENTCOM) and deployments to U.S. Pacific Command (PACOM). However, we've had to cancel a number of deployments into U.S. Southern Command (SOUTHCOM). In order to maintain our priority deployments in 2013 and 2014 and to meet our global force management allocation plan, funding shortfalls will cause our units back home to cut back on training and maintenance. Pilots will get less flight time, ships will have less time at sea, and marines will have less time in the field. It will take longer for repair parts to arrive when needed. Our facilities ashore will be maintained at a far lower level.

The Department's 2014 budget request is a return to a measured budget approach, one based on strategy that protects the warfighters by advancing the priorities I've referred to as four Ps: people, platforms, power, and partnerships.

We're working to make sure our people are resilient and strong after more than a decade of a very high operations tempo. We're doing this with programs like 21st Century Sailor and Marine Initiative. With this program we aim to bring all the efforts on protection and readiness, on fitness and inclusion, and the continuum of service, together as one coherent whole. This encompasses a wide range of issues from preventing sexual assault and suicide to fostering a culture of fitness to strengthening the force through diversity to ensuring a successful transition following 4 years of service or 40.

In the Marine Corps, we continue decreasing manpower to meet our new end strength of just over 182,000 marines by fiscal year 2016. But we're doing this in a way to keep faith with the marines and to help retain the right level of noncommissioned officers (NCO) and field grade officers and their experience.

We're working to make sure that our sailors and marines have the tools and the platforms they need to do the missions they are given. One of the most important of these is our fleet. On September 11, 2001, the U.S. Navy had 316 ships. By 2008, after one of the largest buildups in our Nation's military history, that number was down to 278 ships. In 2008 the Navy put only three ships under contract, far too few to maintain the size of the fleet or our industrial base, and many of our shipbuilding programs were over budget, behind schedule, or both.

One of my main priorities as Secretary has been to reverse those trends. Today, the fleet is stabilized and the problems in most of our shipbuilding programs have been corrected or arrested. We have 47 ships under contract today, 43 of which were contracted since I took office, and our current shipbuilding plan puts us on track for 300 ships in the fleet by 2019.

The way we power our ships and our installations has always been a core and vital issue for the Department of the Navy. We continue to lead in energy as we have throughout our history. From sail to coal to oil to nuclear, the Navy has led in moving to new sources of power, and every time it has made us a better warfighting force.

Today, from marines making power in the field to alternatives on land, on and under the sea, and in the air, the Navy and Marine

Corps are powering innovations that will maintain our operational edge.

Building partnerships, interoperabiity, capacity, and capability is a crucial component of this defense strategy. The strategy directs that these partnerships be pursued in a low-cost, small-footprint, innovative way. This is exactly what the U.S. Navy and Marine Corps do. The process we use to craft the Department of the Navy's budget was determined, deliberate, and dedicated to our responsibility to you and to the taxpayers. Like the budget resolutions of both the Senate and the House, we do not assume in this budget that sequestration will continue in fiscal year 2014.

Mr. Chairman and members of the committee, the budget we are submitting supports the defense strategy. It preserves the readiness of our people and it builds on the success we've achieved in shipbuilding. For 237 years our maritime warriors have established a proven record as an agile and adaptable force. Forward deployed, we remain the most responsive option to defend the American people and our interests.

Thank you very much.

[The prepared statement of Mr. Mabus follows:]

PREPARED STATEMENT BY HON. RAY MABUS

Chairman Levin and Ranking Senator Inhofe, and members of the committee, today I have the privilege of appearing on behalf of the sailors, marines, and civilians who make up the Department of the Navy. This is the fifth time that I have been honored to report on the readiness, posture, progress, and budgetary requests of the Department. With my shipmates—Commandant of the Marine Corps, General James Amos, and Chief of Naval Operations (CNO), Admiral Jonathan Greenert—I take great pride in the opportunity to both lead and serve the dedicated men and women of the Department. This statement, together with the posture statements provided by CNO Greenert and Commandant Amos, present a comprehensive overview of the state of the Department of the Navy.

For 237 years the U.S. Navy and Marine Corps have been deployed around the globe, conducting missions across the full spectrum of military operations. Whether ashore, in the air, on or under the world's oceans, or in the vast cyberspace, The Navy-Marine Corps team operates forward, as America's "Away Team," to protect our national interests, respond to crises, deter conflict, prevent war or, when necessary, fight and win. The past year has been no different. Among myriad missions, our sailors and marines have continued to conduct combat operations in Afghanistan; maritime stability and security operations around Africa; ballistic missile defense with our allies in Europe, the Middle East and the Pacific; and humanitarian assistance and disaster relief missions from the archipelagos of Southeast Asia to the streets of Staten Island.

Today, we continue to transition from a decade of war and counterinsurgency ashore to a time of increased global uncertainty. Eighty percent of the world's population live a short distance from the sea and 90 percent of global trade moves by sea, so our naval forces play a vital role in delivering the security needed to help address today's global challenges. The Nation's Defense Strategic Guidance, as announced by President Obama, directs focus toward the maritime-centric regions of Western Pacific and Arabian Gulf and uses innovative, low-cost, light footprint engagements in other regions. These are tasks tailor made for the Navy-Marine Corps Team. The Commandant, CNO, and I are confident that with proper resourcing, the U.S. Navy and Marine Corps will meet today's and tomorrow's missions.

Almost a century ago the United States began a fruitful period of profound military development between the First and Second World Wars. Vice Admiral William Sims, commander of our naval forces in England during World War I, wrote that "we must be on our guard against the dangers of a lack of vision." As then, strategic thinking and innovative development of our operating concepts will be central to our success now and in the future. The ability to think and adapt to changes in the fiscal and operational environment has been and will be the key to the success of American naval forces.

The Department of the Navy has a proven track record of effective and efficient management of our Nation's most important maritime resources: people, platforms, power, and partnerships. The most resilient and capable force in our history protects the Nation. In the past 4 years, we have stabilized the size of the Fleet, and we are building more capable ships with greater accountability and at a better value to the taxpayer and we are on a trajectory to restore the Fleet to 300 ships by 2019. The Navy and Marine Corps are seeking ways to lessen dependence on fossil fuel and volatile oil prices, some of our greatest military vulnerabilities, by using more efficient and varied forms of power. We are building and maintaining the global partnerships that are so critical to the Navy and Marine Corps' ability to project power throughout the world through forward deployment. As we sail into a new maritime century, the Navy and Marine Corps team is the most formidable expeditionary fighting force the world has ever known.

NAVAL OPERATIONS IN 2012

Operational tempo in 2012 was high. On a daily basis, almost half the fleet was at sea and more than 70,000 sailors and marines were deployed; our Reserve components mobilized over 3,700 sailors and 5,000 marines to support operations. Our forces conducted combat and maritime security operations, bi-lateral and multi-lateral exercises with our international partners, and humanitarian assistance missions.

U.S. Pacific Command (PACOM)

The Asia-Pacific is fundamentally a maritime region, and over 50 percent of the world's population and the world's five largest Armed Forces lie within the operating area of the U.S. Seventh Fleet. Emphasizing our existing alliances while also expanding our networks of cooperation with emerging partners is central to the defense strategy articulated by the President in January 2012. Our mission is to provide security with combat ready units, demonstrated by the forward basing in Japan of USS *George Washington* and her strike group as well as the USS *Bonhomme Richard* amphibious ready group and 31st Marine Expeditionary Unit. Destroyer Squadron 15 continues to conduct Ballistic Missile Defense (BMD) patrols that contribute significantly to this mission. When North Korea conducted launches using ballistic missile technology in both April 2012 and December 2012, our ships were on scene to monitor the situation and defend our forces and allies if needed.

The first Marine rotational force arrived in Darwin, Australia early last year. The marines, part of the 3rd Marine Expeditionary Force (MEF) soon after embarked USS *Germantown* and began operations in the region. Working with naval assets like the destroyer USS *Lassen* and the submarine USS *Buffalo* the marines participated in the longstanding Cooperation Afloat Readiness and Training (CARAT) exercises with a number of our allies and partners including Thailand, Singapore and Bangladesh. Marines from 3rd MEF also participated in Mongolia's Khaan Quest 2013 exercise as part of a joint force that included the U.S. Army. The multinational exercise started 10 years ago as a bi-lateral training opportunity between U.S. Marines and Mongolian forces and has grown to include participants from 10 countries.

Exercise Malabar, an annual bi-lateral exercise between U.S. and Indian Forces, continued to expand in 2012 and comprised training in numerous mission areas including maritime security operations and strike missions. U.S. units, including the USS *Carl Vinson* strike group, conducted operations both at sea and ashore with our partners from the Indian Navy. In cooperation with the armed forces of the Philippines in 2012 we expanded our annual Balikatan exercise to include 20 participating partners from the Association of South East Asian Nations (ASEAN). This year's exercise focused on Humanitarian Assistance, Search and Rescue, and helped develop interoperability with the participating forces.

In 2012 our west coast hospital ship, USNS *Mercy* executed a 5-month Pacific Partnership humanitarian assistance deployment, conducting medical and civic assistance missions in Indonesia, Vietnam, the Republic of the Philippines, and Cambodia. Pacific Partnership began as a humanitarian response to one of the world's most catastrophic natural disasters, the 2004 tsunami that devastated parts of Southeast Asia. The *Peleliu* Amphibious Ready Group and marines from the 15th Marine Expeditionary Unit (MEU) conducted Exercise Crocodilo with the Defense Forces of Timor-Leste, demonstrating the importance of working with all partner nations, no matter the size of their naval forces, which share our commitment to peace and security.

Our largest operation in the Pacific this year was the biennial Rim of the Pacific Exercise (RIMPAC). The largest maritime exercise in the world, RIMPAC in 2012 had participants from 22 nations, including for the first time the Russian Navy. RIMPAC provides a unique training opportunity that helps foster and sustain the

cooperative relationships that are critical to maritime safety and security not only in the Pacific, but across the globe. This year's exercise also displayed the Navy's commitment to energy security with the Great Green Fleet demonstration. USNS *Henry J. Kaiser* conducted an underway replenishment with USS *Nimitz*, USS *Princeton*, USS *Chafee*, and USS *Chung-Hoon*, refueling all the ships and types of aircraft in the *Nimitz* Strike Group with a 50/50 blend of advanced biofuels and petroleum-based fossil fuels. Every type of aircraft that flew from the strike group flew on this blend and all the surface ships sailed on this blend. No engines were changed in any way. This demonstrated the effectiveness and seamlessness of the use of advanced biofuels during operations at sea.

U.S. Central Command (CENTCOM)

Marines and sailors, Active and Reserve, remain engaged in operations in Afghanistan. They have denied the Taliban safe haven and substantially calmed the violent Helmand Province. Along with Coalition partners from eight nations and the Afghan National Security Forces (ANSF), Marines have succeeded in pushing enemy initiated attacks outside populated areas, diminishing the enemy's ability to disrupt governance efforts by Afghans and bringing increased security to population centers.

As 9,000 marines have been drawn down in Helmand over the course of the year, our forces there helped to standup the 215th Corps of the Afghan National Army as well as units of the Afghan National Police and Afghan Local Police. Through these efforts, ANSF has increasingly taken responsibility for securing this area. ANSF units currently conduct 80 percent of operations on their own while leading 85 percent of all operations in Helmand Province.

Aircraft from Carrier Strike Groups in the Indian Ocean conducted thousands of sorties supporting combat operations in Afghanistan with Intelligence, Surveillance and Reconnaissance (ISR) and close air support. With two Carrier Strike Groups in the region for much of the year, regular flight operations were also conducted in the Arabian Gulf. USS *Ponce* also deployed to the region to demonstrate and employ the capabilities of our future Afloat Forward Staging Bases (AFSB).

Off the Horn of Africa, we continue to work with partners in Combined Task Force 151 and other counter-piracy missions. Primarily as a result of these efforts, there was a dramatic drop in the number of pirate attacks during 2012. While the primary purpose and goal of counter-piracy operations is to enhance maritime security in the region, an additional benefit is the development of operational relationships with a wide range of partners. For example, in September USS *Winston S. Churchill* conducted exercises to expand counter-piracy expertise and promote interoperability with the Chinese frigate Yi Yang, the first bilateral exercise of its kind between the navies of the United States and the People's Republic of China.

European Command/Africa Command/Southern Command (EUCOM/AFRICOM/SOUTHCOM)

U.S. Navy ships teamed with 11 European and African partners for Phoenix Express 2012, a maritime security exercise in the Mediterranean. AEGIS ships in EUCOM continued their BMD patrols for the European Phased Adaptive Approach to missile defense and planning continues to forward base four guided missile destroyers in Rota, Spain. The High Speed Vessel (HSV) *Swift* circumnavigated Africa for African Partnership Station, making 20 port calls to conduct security cooperation missions and humanitarian assistance. Marines from Special Purpose Marine Air-Ground Task Force (SPMAGTF) Africa trained counterterrorism forces and provided support to forces across the Maghreb region of North Africa.

In the Caribbean, western Atlantic, and eastern Pacific work continued with our regional partners to counter transnational organized crime. Aircraft from Helicopter Anti-Submarine (Light) and Carrier Airborne Early Warning squadrons flew detection and monitoring missions while our ships, working with the U.S. Coast Guard, helped confiscate millions of dollars of illegal drugs and illicit cargo.

Southern Partnership Station provided both military to military training opportunities and humanitarian assistance missions to countries in Central and South America. The Navy also supported the annual Unitas exercises, multinational naval exercises designed to enhance security cooperation and improve coalition operations. Unitas exercises are typically conducted annually in Atlantic and Pacific waters around South America, and in 2012 U.S. Southern Command conducted bilateral training opportunities with nations including Guatemala, Honduras, and Belize. Panamax, the annual U.S. Southern Command-sponsored multinational exercise series, focused in 2012 on ensuring the defense of the Panama Canal. Personnel from 17 nations, including the United States, participated in simulated training scenarios from various U.S. locations.

U.S. Northern Command (NORTHCOM)

When Hurricane Sandy came ashore in October, the Navy and Marine Corps immediately gathered resources to support the Federal Emergency Management Agency (FEMA) and other Federal agencies in the response to this disaster. USS *Wasp*, USS *San Antionio*, USS *Carter Hall*, and USNS *Kanawha* steamed to the coast of New York and New Jersey and became logistics bases for relief efforts following the storm, working in concert with units deployed to Lakehurst Naval Air Station in central New Jersey. Marines from 26th MEU went ashore from *Wasp* at Staten Island to clear debris and reopen streets, while Seabees ran supply convoys into hard hit areas and set up generators, removed beach sand from city streets, pumped over a million gallons of water from homes and removed tons of debris. Sailors from Mobile Diving and Salvage Units worked with FEMA and State officials in dewatering the World Trade Center site and the New York subway system, while members of the Coastal Riverine force cooperated with FEMA at the Hoboken Ferry Terminal to restore service.

Our sea-based strategic deterrent force of ballistic missile submarines continues to provide the most survivable leg of the Nation's strategic deterrent triad. For 50 years, and for more than 4,000 strategic patrols, our Navy's submarine force has patrolled, undetected, below the sea. Our *Ohio*-class ballistic missile submarines promote global stability and provide credible and reliable deterrence.

There are countless other examples of Navy and Marine Corps units on, above and under the seas, on land both in the United States and in every corner of the globe, standing watch protecting this Nation.

DEVELOPING CAPABILITIES FOR FUTURE OPERATIONS

The 21st century presents us with new challenges or threats to both our national security and to global stability. The Navy and Marine Corps are working to develop new concepts and capabilities that will help address sophisticated anti access/area denial (A2/AD) networks, irregular and cyber threats, and the proliferation of precision guided munitions. The Navy, Marine Corps, Air Force and Army are working together to implement the Air-Sea Battle concept, which seeks to improve integration of air, land, maritime, space, and cyberspace forces. The Navy and Marine Corps are also developing the concept of an integrated battle force, taking many of the lessons we have learned about joint and combined operations, combining them with the results of exercises like Bold Alligator 2012, the largest amphibious exercise in over a decade which was conducted on the coast of North Carolina in early 2012, and developing new frameworks for naval warfare and expeditionary operations.

Air-Sea Battle

In order to ensure that U.S. forces remain able to project power on behalf of American interests, the Departments of the Navy, Air Force, and Army continue to develop the Air-Sea Battle concept and its capabilities. The Air-Sea Battle Office, jointly manned by all four Services, is working on a series of initiatives to achieve the capabilities and integration required in future joint forces so that combatant commanders have the tools they need, delivered with the most efficient use of resources. Air-Sea Battle is building on the lessons learned by the joint force over the past three decades to enhance efficiency while confronting the challenge of A2/AD systems in all theaters of operations.

The Navy continues to work on the integration of advanced air and cruise missile defense capabilities, the development of BMD enhancements, and "soft-kill" capability. A new generation of Anti-Ship Cruise Missile (ASCM) remains a priority, which will increase the range and speed at which we can engage enemy surface combatants, the most capable of which are armed with advanced ASCMs. We are also developing the Virginia Payload Module for the *Virginia*-class submarines, to mitigate the loss of the undersea strike capacity of our guided missile submarines when they retire in the mid-2020s.

DEFENDING FREEDOM OF THE SEAS: LAW OF THE SEA CONVENTION

By custom, experience and treaty the traditional concept of freedom of the seas for all nations has developed over centuries. This vital part of the global order has been codified within the Law of the Sea Convention (LOS Convention). The DOD and the Navy continue to strongly support this important treaty. The LOS Convention guarantees rights such as innocent passage through territorial seas; transit passage through, under and over international straits; and the laying and maintaining of submarine cables. Nearly every maritime power and all the permanent members of the UN Security Council except the United States have ratified the conven-

tion. Our absence as a Party weakens our position and impacts our military, diplomatic, and economic efforts worldwide. Remaining outside the LOS Convention also undercuts our ability to challenge expansive jurisdictional claims that, if unchallenged, could undermine our ability to exercise our navigational rights and freedoms, conduct routine naval operations in international waters, and provide support to our allies. Additionally, only as a Party to the Convention can the United States fully secure its sovereign rights to the vast resources of our continental shelf beyond 200 miles from shore. The uniformed and civilian leaders of the Department strongly support accession to the LOS Convention.

DEPARTMENTAL PRIORITIES

Maintaining the world's most capable expeditionary fighting force means developing our Navy and Marine Corps as a strategic asset that provides our Commander in Chief with the broadest range of options in a dynamic and complex global security environment. As Secretary, I continue to charge the Department to focus on four key priorities: people, platforms, power, and partnerships, by ensuring we do the following:

Support our sailors, marines, civilians, and their families;

Strengthen shipbuilding and the industrial base; Promote acquisition excellence and integrity; Continue development and deployment of unmanned systems;

Recognize energy as a strategic national security issue; and

Build partner capacity to help distribute the burden of securing the global maritime domain based on alliances, shared values, and mutual trust.

From training our newest midshipmen and recruits, to supporting ongoing operations in Central Asia and the Pacific, to preparing for the future force, these principles will guide the Department in all of its many tasks.

Supporting our sailors, marines, and their families

Operational tempo is high and getting higher. The *Bataan* Amphibious Ready Group and 22d Marine Expeditionary Unit's spent almost 11 months at sea, the longest amphibious deployment since World War II. Personnel with *John Stennis* Carrier Strike Group spent only 5 months at home between her two most recent 7-month deployments. Sailors, marines, civilians, and their families are being asked to do more with less, and it is the job of the Department's civilian and military leaders to provide them with the resources to maintain readiness, both physically and mentally, and to support families while loved ones are forward deployed.

The naval strategist and historian Alfred Thayer Mahan once wrote that being ready for naval operations "consists not so much in the building of ships and guns as it does in the possession of trained men." The Department is committed to our most important asset and the most critical combat payload for our ships, aircraft, and units ashore—our people. Over the last 4 years, I have visited with sailors and marines deployed in 96 countries across the globe. When our U.S. Navy and Marine Corps team is on the job, they are far from home and from the people they serve. One of my core missions is to remind them we are grateful for their service, and humbled by their sacrifice.

Pay and benefits are the most tangible example of our commitment to our sailors and marines, and an important focus for the Department. The President's budget includes a 1 percent pay raise for sailors and marines. The amount of this raise reflects the commitment to our sailors and marines, while adhering to the current budget constraints faced by DOD. We support the modest TRICARE fee increase in the fiscal year 2014 budget, which Congress has allowed the Department of Defense to link to CPI to help ensure an efficient and fair benefit cost, as well as efforts to introduce efficiency and cost savings into military pharmacies. These are important steps that help us introduce reform to the Department's personnel costs. The promise of a military retirement is one of the solemn pledges we make to compensate our servicemembers when they volunteer for a full career. However, it is time for a review of this system. We fully support Congress' establishment of the Military Compensation and Retirement Modernization Commission to conduct a comprehensive review of military compensation and retirement systems. The commission must maintain a focus on ensuring any suggested changes support the required force profiles of the services. Keeping faith with those currently serving is a high priority, and the Commission and Congress should ensure that any resulting reforms protect our current servicemembers through grandfathering those who prefer the current retirement structure.

We must manage resources to ensure support for the most combat effective and the most resilient force in history. The standards are high, and we owe sailors, ma-

rines, and civilians the services they need to meet those standards. I am very proud of the dedicated service provided by our civilian workforce, who despite economic sacrifices, continue to deliver outstanding products and services in support of the Navy mission. The continued development of the 21st Century Sailor and Marine Initiative will help ensure that sailors and marines maximize their professional and personal readiness with initiatives that cut across previously stove-piped programs. In March 2012, aboard USS *Bataan*, I outlined the five "pillars" of the 21st century sailor and marine which are: readiness and protection, safety, physical fitness, inclusion, and the continuum of service.

Readiness and protection will ensure sailors, marines, and their families are prepared to handle the mental and emotional rigors of Military Service. Ensuring the readiness of the force includes continuing campaigns by both Services to deglamorize, treat, and track alcohol abuse.

It also means maintaining the standard of zero tolerance for sexual assault. The Navy Sexual Assault Prevention and Response Office (SAPRO) is responsible for keeping the health and safety of our sailors and marines at the forefront. SAPRO has developed training initiatives, opened new lines of communication, and worked to ensure that offenders are held accountable while reducing the number of attacks. In the last year, SAPRO conducted dozens of site visits to Navy and Marine Corps installations worldwide. Their sexual assault prevention programs for leadership reached over 5,000 Navy and Marine officers and senior enlisted personnel at eight operational concentration sites. Simultaneously, live-acted and vignette-based programs, emphasizing the importance of bystander intervention in preventing sexual assault, were presented to packed theaters totaling roughly 15,000 sailors and marines. The Commandant of the Marine Corps has personally championed a Sexual Assault Prevention and Response (SAPR) Campaign Plan that engages his senior leadership in top-down, Corps-wide training initiatives anchored on the core values of Honor, Courage, and Commitment. He and the Sergeant Major of the Marine Corps have been tireless in conveying their expectations in special forums and personal visits to virtually every Marine Corps installation. Across both Services, literally every sailor and marine is receiving special SAPR training that emphasizes the concept of Bystander Intervention to prevent sexual assaults, and additional training tools are in development.

To enhance capabilities in the area of sexual assault prevention and prosecution, Naval Criminal Investigative Service (NCIS) created an advanced adult sexual assault training course. They have also launched a multidisciplinary Adult Sexual Assault Program, which synchronizes the efforts of investigators, prosecutors, and victim advocates. NCIS has continued its campaign to train the Department's leaders, conducting 389 briefings worldwide to over 48,000 servicemembers. Last year they also introduced a 24-hour text-tip capability to enhance responsiveness to criminal allegations including sexual assault, receiving 1,300 web based referrals.

A ready force is also a force that understands how to respond to our shipmates in need in order to help stem the tide of military suicides. The Department will continue to work to improve suicide prevention programs to eliminate suicide from the ranks. This will not be easy. The complexities surrounding suicide requires an "all-hands" effort and comprehensive approach. New training programs, like the Marine Corps' R.A.C.E. (Recognize suicide warning signs, Ask one another about suicide, Care for one another through listening and support, and escort fellow marines to help), are just the start. Navy and Marine Corps commanders are fully engaged in promoting the psychological health of our marines, sailors, and family members and are receiving training on how best to provide solutions in their units. The message to all Navy and Marine Corps leaders is to look out for each other and to ask for help.

The fiscal uncertainty we live with today not only affects operational readiness; the impact may also manifest itself in safety performance. More than ever, we must emphasize safety and risk management, both on- and off-duty as operational tempo increases and our sailors and marines are asked to do more with resources that are being stretched. Efforts to ensure the safest and most secure force in the Department's history include more targeted oversight of our high risk evolutions and training. To improve risk assessment, the Department is analyzing safety and safety-related data from a variety of sources and in 2012 committed to establishing a secure funding stream for the Risk Management Information System. The Department is also employing System Safety Engineers in the hazard and mishap investigation process.

Physical fitness is central to the ability of our sailors and marines to complete their missions. More than just another program, it is a way of life and supporting it resonates throughout the 21st Century Sailor and Marine Initiative. Throughout the force personal fitness standards will be emphasized and reinforced. That com-

mitment extends to improving nutrition standards at Navy dining facilities with the "Fueled to Fight" program, developed and used by the marines. Fueled to Fight emphasizes the importance of nutrition and healthy food items, and ensures their availability.

A cornerstone of the Department's commitments to individual sailors and marines is to ensure the Navy is inclusive and, consistent with military effectiveness, recruits, retains, and promotes a force that reflects the Nation it defends. The aim to increase the diversity of ideas, experiences, expertise, and backgrounds to ensure the right mix of people to perform the variety of missions required of the services. With military requirements as a guiding tenet, the Department will reduce restrictions to military assignments for personnel to the greatest extent possible.

An officer corps must be representative of the enlisted force it leads. The U.S. Naval Academy, our Reserve Officer Training Corps programs, and Officer Candidate School have all continued to achieve high ethnic diversity rates as minority applications remain at historic levels. In recent years NROTC units have reopened at some Ivy League schools, and new units have opened at State Universities with large minority populations, including Arizona State University and Rutgers University. The first group of women assigned to the submarine force have deployed aboard their boats. Three of these trailblazing officers already earned their qualifications in Submarine Warfare and were presented their "Dolphins" in a ceremony last fall. With success aboard Ohio Class ballistic missile submarines (SSBNs) and guided missile submarines (SSGNs) women will now be assigned to the attack submarine fleet and enlisted women will soon be included in the submarine force.

The final pillar, continuum of service, will provide the strongest transition support in the Department's history. The Navy and Marine Corps develop future leaders of our Nation, in and out of uniform. For that reason, and for their service, individuals separating or retiring from the Naval Service should be provided the best assistance programs and benefits available to get a positive start in civilian life. The Department's education benefits, transition assistance, career management training, life-work balance programs, and morale, welfare, and recreation programs are keys to their future and have been recognized by human resource experts as some of the best personnel support mechanisms in the Nation. Our transition efforts also bolster our ability to maintain a highly-skilled Reserve Force, ensuring those highly-trained servicemembers who want to continue to serve in a Reserve capacity are smoothly and appropriately aligned within the Reserve component.

Both the Navy and Marine Corps reached our recruiting goals again in the past year. The Navy is on track to meet its active duty-manning ceiling of 322,700 sailors by the end of this fiscal year. The Marine Corps continues to draw down from 202,001 to the goal of 182,100 by fiscal year 2016 and stood at about 198,000 at the end of 2012. The quality of our recruits continues to rise, with high levels of physical fitness and increasing numbers of recruits with a high school diploma rather than a GED. With high quality recruits the attrition numbers in Boot Camp have dropped, and more sailors and marines are successfully completing their follow-on schools, where they learn the basics of their military specialty.

In order to address many of the asymmetric military scenarios we face, the Department has initiated programs in our Special Operations and Cyber Forces to ensure we have the right personnel for the mission. For instance, the Department conducted a Cyber Zero-Based Review and developed a Cyberspace Manpower Strategy. Operating in and strategically leveraging cyberspace requires a sophisticated and technically savvy force and we must invest in their training and development. We also need an equally sophisticated officer corps to lead this force and therefore, I will make the construction of a cybersecurity studies facility at the U.S. Naval Academy a top priority in developing the fiscal year 2015–2019 military construction program, looking for opportunities to accelerate this vital project. With respect to Special Forces, the Department continues to work closely with U.S. Special Operations Command (SOCOM) on their manpower priorities, including emphasis on targeted recruiting of personnel with language capability and ethnic diversity, compensation issues, and ensuring the proper balance of SOF manning during times of fiscal austerity.

The Department constantly evaluates its success at reintegrating the combat-wounded sailor or marine into civilian life. The Navy and Marine Corps have pressed forward in their efforts to support our wounded, ill, and injured (WII) sailors and marines. The Marine Corps' Wounded Warrior Regiment, based at Quantico, provides and facilitates non-medical assistance throughout all phases of recovery. With Battalions located on both coasts and detachments around the world, it has the global reach needed to support our men and women. The Navy has established the Safe Harbor Program to coordinate the non-medical care of WII sailors, coast guardsmen, and their families. The program provides a lifetime of individually tai-

lored assistance designed to optimize the success of our shipmates' recovery, rehabilitation, and reintegration activities and has representatives at military treatment facilities all over the world, including partnering with some Veteran's Affairs facilities.

A key to successful integration is meaningful employment and the Department continues to lead by example in providing employment opportunities for Wounded Warriors and veterans. Civilian careers within the Navy offer a wealth of opportunities that allow Wounded Warriors to apply the wide array of skills and experience gained from their military service. Last year, veterans represented more than 50 percent of new hires, with nearly one in ten having a 30 percent or more compensable service-connected disability. Additionally, nearly 60 percent of the Department's civilian workforce has prior military experience. The Department also continues to share best practices across the Federal and private sector, and annually hosts the Wounded Warrior Hiring and Support Conference.

In addition to the successful efforts to help employ transitioning sailors and marines, the Department has also made tremendous strides to improve overall career readiness through the implementation of the newly designed Transition Assistance Program. Both the Navy and Marine Corps have reported compliance with the mandatory components of the transition program required by the Veterans Opportunity to Work to Hire Heroes Act (VOW Act) and implemented new and revised curriculum to facilitate pursuit of post-military goals. By the end of this year, program enhancements will also include the program's three individualized tracks for education, technical training, and entrepreneurship.

Strengthening Shipbuilding and the Industrial Base

Much has been said and written about the size of our Fleet. A few facts are in order. On September 11, 2001, the Navy's battle force stood at 316 ships. By 2008, after one of the great military buildups in American history, our battle force had shrunk to 278 ships. In 2008, the Navy built only three ships, and many of our shipbuilding programs were over budget or over schedule or both. Over the past 4 years, the Fleet has stabilized and many problems in our shipbuilding programs have been corrected or arrested. There are now 47 ships under contract, many under fixed-price contracts that ensure the Department receives the best value for our shipbuilding programs.

Maintaining and increasing current Fleet numbers is a challenge in the current fiscal environment. However, it is important that we succeed in this effort as our defense strategy calls upon us to focus on the maritime-centric theaters of Pacific and Central Command, while still remaining engaged globally. This is why building up the number of ships in our Fleet has been my priority from day one. With your support it will continue to be a priority as we allocate our resources moving forward.

The fiscal year 2013 shipbuilding plan projected that, by the end of the 5 years of the Future Years Defense Program (FYDP), the Fleet, because of a large number of retirements, would have 285 ships, about the same number as exist today. Beyond the FYDP, the Fleet would again experience growth reaching 300 ships before the end of the decade. The plan maintains a flexible, balanced battle force that will prevail in combat situations, including in the most stressing A2/AD environments, while living within the reduced means allocated.

Furthermore, our shipbuilding plan aims to build a Fleet designed to support the new defense strategy and the joint force for 2020 and beyond. A force structure assessment was recently completed and it found, due to the new defense strategy, forward basing and other variables that about 300 ships will be needed to meet the Navy's future responsibilities.

Regardless of the final battle force number, the Fleet's ship count will begin to rise as major surface combatant and submarine building profiles are sustained and as the Littoral Combat Ships (LCS) and Joint High Speed Vessels (JHSVs) built during the next 5 years begin to enter fleet service.

A healthy industrial base is necessary to support the Department's priorities going forward. Our Nation faces tough economic times, so our plan, as we noted earlier, to grow the Fleet to 300 ships by 2019 means we have to work closely with the shipbuilding industry to ensure we maintain their skill and capability while growing a fleet affordable to the American people. The industrial base also includes our aircraft manufacturers, and the industry teams that develop the payloads aboard our ships. We will work to ensure diversity in supply as we move ahead, and we will look for opportunities to compete.

Promoting Acquisition Excellence and Integrity

One of the most important obligations of public service is a responsibility to be good stewards of the American people's money; it is particularly important given to-

day's fiscal realities. Rebuilding the fleet with the right platforms continues to be a top priority, and requires efficient and smart spending based on a realistic vision of the future force. At the heart of the Department's improved stewardship and leadership is the acquisition excellence initiative in force since 2009.

The central role Navy and Marine Corps play in the Nation's defense strategy drives the acquisition programs currently underway and those planned in the future. Contract requirements, aggressive oversight, and competition drive affordability. At every appropriate opportunity the Department pursues fixed-price contracts like those in use for the LCS program, or multi-year procurements like those used to purchase the *Virginia*-class submarines, MV–22 Ospreys, and MH–60 helicopters. The Department continues to look for other innovative funding strategies that help ensure a consistent workload for the industrial base, as well as focus on increasing productivity and fostering innovation both in industry and government. Total ownership costs, eliminating unnecessary bureaucracy, and unproductive processes are always considered as programs are developed. Using these methods to inject affordability and refine requirements in the LCS and DDG–51 programs, the Department cut over $4.4 billion from the projected cost of the ships, and over $4.9 billion in projected life-cycle costs.

To be responsible with the taxpayer's money also means we must take action against fraudulent contractors and shoddy work. The Navy has greatly strengthened our suspension and debarment system, and enhanced its ability to protect the Department from unscrupulous and irresponsible contractors. NCIS has made significant investments in our major procurement fraud program and has realized a 300 percent return on investment through fines and recoveries associated with criminal prosecutions this year. During fiscal year 2012, the Navy Suspending and Debarring Official suspended or debarred 344 contractors, a 75 percent increase from the previous year. Most of this increase was the result of aggressive pursuit of "fact-based" debarments of contractors who had been terminated for default or poor performance under a Navy contract or who had mischarged costs against Navy contracts, but also includes conviction-based debarments taken against contractors for fraud associated with Government contracts. The Government Accountability Office has recognized the Navy for its very active procurement fraud program, which actively pursues leads of contractor misconduct from numerous sources, and effectively carries out its suspension and debarment responsibilities under the Federal Acquisition Regulations.

To protect the Department's research, development and acquisition (RDA) process from a counterintelligence (CI) perspective, NCIS has partnered with intelligence community members at locations of special interest. For example, integration of NCIS resources at University Applied Research Centers (UARC) and the Applied Research Laboratories has allowed NCIS CI agents and analysts to intensify their operational efforts and investigations that protect these prioritized programs and technologies. Operation "Bigger Game", an integrated RDA CI effort, resulted in the arrest of seven individuals affiliated with a UARC for illegally exporting high-tech microelectronics from the United States to Russian military and intelligence agencies.

Over the past decade and a half the acquisition workforce was downsized. As a result, our expertise and experience was stretched too thin. With your support the Department has been slowly increasing the number of acquisition professionals, restoring the core competencies inherent in their profession and to our responsibilities in the Department to organize, train and equip the Navy and Marine Corps. Since starting the effort 3 years ago, the Department has grown the acquisition work force by 4,700 personnel, which has been key to increasing the necessary technical authority and business skill sets, and improving the probability of program success.

Additionally the Department is keeping program managers in place longer to build up their expertise in and oversight of individual programs, which also contributes to program stability and success. The Department also invests in education for our program managers, who are sent to an intensive short course at the graduate business school at the University of North Carolina specifically targeting a better understanding of defense contractors. A pilot for mid-level managers began last year for a similar graduate level course at the University of Virginia Darden Business School. The Department is also changing the way program leaders are evaluated and now incentivizes them to work with their industry counterparts to manage costs. Finally, acquisition workforce professionalization is receiving the attention it deserves, and more resources are targeted to individual training, education and experience for individuals in key leadership positions.

Developing and Deploying Unmanned Systems

Unmanned systems will continue to be key military platforms, both in the maritime domain and ashore. Successful integration of the unmanned systems begins with the sailors and marines who support the effort. In October 2012, we established Unmanned Helicopter Reconnaissance Squadron 1 (HUQ–1), the first dedicated rotary-wing UAV squadron in the Navy, to train sailors on the aircraft as well as provide deployable detachments. Across the entire spectrum of military operations, an integrated and hybrid force of manned and unmanned platforms is the way of the future. In the past year the Department has made significant movement forward in the development of unmanned systems.

In 2012 USS *Klakring* deployed with 4 MQ–8B Fire Scouts operated by Helicopter Anti-Submarine Squadron (Light) 42 to conduct operations in the Fifth and Sixth Fleets. The ship and squadron, which deployed with a Fire Scout detachment in 2011 in support of counter-piracy operations and operations off of Libya, continued to develop the tactics, techniques and procedures to integrate the Fire Scout helicopters into fleet operations. Another detachment of 3 Fire Scouts flew over 3,000 hours of ISR missions for marines engaged in combat operations in Afghanistan. The next generation Fire Scout, the MQ–8C, made its first flight in 2010 and began production in 2012. It has greater range and payload capacity and it will fly its first missions to serve with Naval Special Warfare.

In unmanned rotary-wing aviation, the marines have continued experimenting with the Cargo Resupply Unmanned Aerial System, using unmanned K–MAX helicopters for resupply in Afghanistan. These UAVs carry cargo to patrol bases and forward operating bases, eliminating the need for dangerous convoys. The contract was extended for another 6-month deployment in Afghanistan, in order to build on the system's success.

A good example of integrating manned and unmanned systems is the Mine Countermeasures (MCM) Mission Module in LCS. This module includes the Remote Multi-Mission Vehicle (RMMV), which will tow the AN/AQS–20A mine hunting sonar to find mines, paired with a manned MH–60S helicopter with the Airborne Mine Neutralization System (AMNS) system to neutralize them. The development team is working with unmanned surface craft for autonomous mine sweeping and shallow water mine interdiction, as well as vertical take-off UAVs for detection and neutralization. USS *Independence* (LCS–2) has already conducted developmental testing of the RMMV and continues to develop operating concepts and procedures.

This spring will bring the first flight of the MQ–4C Triton, the unmanned element of Navy's maritime patrol system of systems. Based on the proven Global Hawk, the Triton will play a central role in building maritime domain awareness and prosecuting surface targets. Further testing and evaluation will occur in 2013. Its experimental predecessor, the BAMS–D demonstrator aircraft, continues to provide maritime surveillance in Fifth Fleet and to develop operating concepts for the aircraft.

The Unmanned Carrier Launched Airborne Surveillance and Strike system (UCLASS) is changing the way reconnaissance and strike capabilities are delivered from our aircraft carriers. Designed to operate alone in permissive environments or as part of the air wing in contested environments, UCLASS will conduct ISR&T and/or strike missions over extended periods of time and at extreme ranges. Unlike manned carrier aircraft, UCLASS will not require flights solely to maintain pilot proficiency. The UCLASS airframe will be employed only for operational missions and operators will maintain proficiency in the simulator, extending its useful life expectancy considerably. Its airborne mission time will not be limited by human physiology but rather will be determined by tanker availability, ordnance expenditure, or the need to conduct maintenance. At NAS Lakehurst, the X–47 Unmanned Combat Air System, Aircraft Carrier Demonstrator conducted its first launch via catapult. In December, the X–47 went to sea for the first time aboard USS *Harry S. Truman* and conducted integration testing and evaluation with the flight deck crews for taxi checks and flight deck operability. Increased autonomy will continue to evolve and will continue to expand the possibilities of what can be done with unmanned systems flying from a carrier. Integrated manned and unmanned systems will provide a more effective fighting force while helping to reduce risk to our sailors and marines.

Recognizing Energy as a Strategic National Security Issue

How the Navy and Marine Corps use, produce, and procure energy is a critical operational element. From the adoption of steam power over sail, the development of oil burning power plants, or the move to nuclear power more than half a century ago, the Navy has a history of leading in energy innovation. In this fiscally constrained environment we must use energy more efficiently and effectively. This fiscal environment also means that the Department must continue to lead on and in-

vest in alternative energy. Failure to do so will leave a critical military vulnerability unaddressed and will expose the Department to price shocks inherent in a global commodity like oil.

The Department's energy initiatives are about combat and operational effectiveness. In wartime, energy is a tactical and operational vulnerability. Because of the massive amount of fuel that the Department uses, price shocks in the global market have a significant impact on budget resources. Every time the cost of a barrel of oil goes up a dollar, it effectively costs the Department an additional $30 million in fuel costs. These price spikes are mostly paid out of operational funds, which mean less steaming time, less flight time, less training time for our sailors and marines and lack of facilities sustainment. To help address these operational vulnerabilities and threats to our combat effectiveness, in 2009 I established energy goals for the Department. These goals drive the Navy and Marine Corps to strengthen our combat capability by using energy more efficiently and by diversifying our sources of power.

Efficiency and innovation are key starting points to changing the way we use energy. USS *Makin Island*, the fleet's newest amphibious assault ship, is a great example. Designed with energy efficiency in mind, it has a unique hybrid electric power plant instead of the steam plant powering the rest of the *Wasp* class. The ship returned from its maiden deployment last year and, between the highly efficient systems and the energy awareness of the crew, saved the Navy $15 million in fuel costs out of a budgeted $33 million over the 7-month deployment. Plans for the two following ships, USS *America* and USS *Tripoli*, include hybrid electric systems like *Makin Island* and we are working on a similar system to back-fit it onto Flight IIA *Burke*-class DDGs.

The Marine Corps has proven and is proving that energy efficient and renewable energy equipment increases combat effectiveness. Recognizing a combat multiplier, the Marines Corps came up with an innovative process to shorten the timeline from concept to combat. In just a year, using the Experimental Forward Operating Base (ExFOB) process, the Marine Corps equipped marines with new capabilities that reduce the burden of fuel and batteries. Since Third Battalion, Fifth Marines deployed to Helmand Province in fall of 2010 with solutions identified through ExFOB, this equipment has become a standard part of the Marine Corps kit. Marine Battalions in Afghanistan are equipped with these energy technologies so we now have sniper teams, Special Operations teams, Communication units, Infantry and Artillery Units, and teams training our Afghan partners employing ExFOB-proven gear, from solar blankets to power radios, LED lights to illuminate tents, and solar generators to provide power at forward operating bases and combat outposts. These capabilities have made a real impact: enabling a foot patrol to operate for 3 weeks without battery resupply, reducing the backpack load on marines, and increasing self-sufficiency at operations centers. Continuing to aggressively pursue solutions, ExFOB deployed hybrid power solutions to Patrol Base Boldak in Afghanistan. With the lessons learned at Boldak, the Marine Corps is now writing requirements to redefine how they power the Force—with hybrid power systems and fewer generators that are right-sized for the mission. Capabilities that increase combat power through greater energy performance have become fundamental to Marine Corps modernization.

The Department continues to develop the drop-in, advanced biofuel initiative for our ships, aircraft, and shore facilities. Under the Defense Production Act, the Department of the Navy has teamed with the Departments of Agriculture and Energy to fund the Advanced Drop-in Biofuel Initiative to help the development of multiple, geographically dispersed biorefineries. Last fall, DOD issued a multi-stage solicitation under Title III of the Defense Production Act (DPA) that sought to construct or retrofit through public-private partnerships multiple, commercial-scale next generation bio-refineries geographically located and capable of producing cost-competitive, ready drop-in biofuels that meet or exceed military specifications. Soon, DOD will finalize negotiations with several companies that have met the criteria, including demonstrating the ability to domestically produce alternative fuels by 2016–2017 that are very cost-competitive with petroleum.

This past year the Navy purchased a B20 blend (80 percent conventional/20 percent biodiesel) for the steam plant at the St. Julien's Creek Annex, near Norfolk, VA. The cost of the B20 is 13 cents per gallon less expensive than conventional fuel, and is projected to save the facility approximately $30,000 over the 2012–2013 heating season.

Drop-in fuels are necessary so that no changes to our engines, aircraft, ships, or facilities are needed to burn the fuel and so we retain operational flexibility to use whatever fuel is available. After testing individual platforms in 2011, in 2012 the Department took an important leap forward toward the goal of globally deploying

ships and aircraft in maritime operations on competitively priced biofuels by 2016. At RIMPAC, the entire *Nimitz* Carrier Strike Group, from the surface escorts to the helicopters flying patrol and logistics missions, conducted operations on a 50/50 conventional and biofuel blend. The ships of the strike group also demonstrated energy efficient technologies to reduce the overall energy use, including solid-state lighting, on-line gas turbine waterwash, and shipboard energy dashboards.

This year I issued the Department's "Strategy for Renewable Energy" to outline our path to procuring one gigawatt (GW) of renewable energy for our shore facilities by 2020. For reference, one GW can power a city the size of Orlando. This strategy will help us achieve the goal of obtaining 50 percent of our power ashore from alternative energy sources, at no additional cost to the taxpayer. The Department chartered a 1GW Task Force to create an implementation plan, calling on each region of our shore establishment to develop their own energy plans to help achieve these goals. In fiscal year 2012 we initiated four power purchase agreements for large scale renewable energy including three photovoltaic projects, each of which will provide electricity cheaper than conventional sources and will save a total of $20 million over the lives of the agreements, and a waste-to-energy facility at MCAS Miramar that is cost neutral when compared to conventional power. All four of these projects have been developed with third party financing.

Continued leadership in this field is vital to the Nation's future. Our allies and friends around the world are actively exploring the potential of efficiency and alternative energy to increase combat effectiveness and strategic flexibility. The Australian Navy is drafting an alternative fuels policy, and the Department is working closely with them to ensure interoperability so that our forces can use alternative fuels together. The British Army, partnered with marines in Afghanistan, has begun to use alternative energy equipment developed by the marines in their ExFOB program at the bases they operate in theater. These partnerships are emblematic of the types of engagements with our allies around the world on important topics such alternative fuels, energy efficiency and renewable energy that we must continue to lead to provide secure alternatives, improve reliability of fuel supplies, and enhance combat and operational effectiveness.

Energy, fuel, and how we power our ships have always been a vital issue for the United States Navy. Those who question why the Navy should be leading in the field forget the Navy's leadership in energy throughout history. From John Paul Jones rebuilding the sailing rig of USS *Ranger* in France in order to make the ship faster and more efficient before raiding the British seacoast, to the deployment of our first nuclear powered aircraft carrier USS *Enterprise*, which was just decommissioned, the energy and fuel to propel the Fleet has been a key element of the U.S. Navy's success.

Maritime Partnerships and Forward Presence

For almost 7 decades, U.S. Naval forces have maintained the stability and security of the global maritime domain, upholding the two key economic principles of free trade and freedom of navigation, which have underwritten unprecedented economic growth for the global economy. As 90 percent of worldwide trade and over half of global oil production are moved at sea, this system, and the sophisticated set of international rules and treaties upon which it is based, has become central to the economic success of the global marketplace. However its efficiencies, and the demanding timelines of a "just in time" economy, place it at risk from the destabilizing influences of rogue nations and non-state actors. While our engagement with and assurance of this global system are not without cost, the risk of instability, stagnant global economic growth and a decline in national prosperity could be dramatic.

Providing security across the global maritime domain requires more capacity and capability than any single nation is able to muster especially within the current fiscal constraints. Building partner capacity helps distribute the burden of securing the global maritime domain based on alliances, shared values and mutual trust. The Navy and Marine Corps are naturally suited to develop these relationships. Trust and partnerships across the globe cannot be surged when conflict looms if they have not been established in times of peace.

Forward presence is the key element of seapower, which can help deter or dissuade adversaries from destabilizing the system or starting a military conflict. U.S. naval forces operating around the world underwrite the credibility of our global leadership, and give meaning to our security guarantees. They demonstrate shared commitments and concerns, and reinforce regional security without a large and expensive footprint ashore. Forward deployed naval forces allow us to provide a full range of options to the President and the combatant commanders; from a single patrol craft to a carrier strike group; from a platoon of SEALs to a Marine air-ground

task force; that ensure our leaders have the adaptable and flexible forces needed to respond to any challenge and retain an element of control in the escalation of conflict. The ability to concentrate forces for military operations in times of crisis, or distribute them to engage allies, partners, and friends in times of relative peace, depends on maintaining naval forces forward. As does our ability to be present during a crisis and avoid the appearance of escalation.

In addition to the exercises and operations previously described, senior leader engagement and training opportunities for our allies, partners, and friends are important components of building international relationships and trust. As Secretary, I have had the opportunity to meet with 35 Heads of State and Government, over 60 Ministers of Defense, over 80 Chiefs of Navy, as well as additional military leaders and many foreign military personnel. The U.S. Naval Academy, the U.S. Naval War College, Marine Corps University, and the Naval Post Graduate School host international students who return home with not only a first-rate education, but with friendships and new perspectives on the United States and its people that can have a significant impact on future military-to-military relationships.

FISCAL YEAR 2014 BUDGET SUBMISSION

Every strategy is a balance of responsibilities and resources. The Department's ability to meet the demands of today's operations, in support of our Defense Strategic Guidance, depends on anticipating and preparing for the changing geopolitical landscape and having the proper resources ready to deploy. The Department will continue to maintain the capabilities required to ensure that the Navy and Marine Corps is the finest expeditionary force in the world, however proper resourcing is needed to maintain our capacity for global operations.

With the resources as laid out in the fiscal year 2014 budget request, the battle force of 2019 will include the following platforms.

Nuclear-powered Aircraft Carriers and Air Wings.

With the 2016 delivery of USS *Gerald R. Ford*, the first of a new class of nuclear-powered aircraft carriers, the number of carriers in commission returns to 11. The Department will sustain that number at a minimum through the middle of this century. The *Ford* class of carrier is a completely new ship within a rearranged *Nimitz* hull. The *Ford* class contains new shipboard systems like an electromagnetic launch system and advanced arresting gear, and with advanced combat capabilities resident in the F–35C Lightning II Joint Strike Fighter, F/A–18E/F Super Hornet, EA–18G Growler electronic attack aircraft, E–2D Advanced Hawkeye airborne early warning aircraft, the MH–60 Sierra and Romeo tactical helicopters, and new unmanned aerial systems.

Nuclear-powered Attack Submarines.

There are nine *Virginia*-class submarines already in commission and seven more at various stages of construction. The planned fiscal year 2014–2018 multi-year procurement (MYP) of nine submarines remains intact, andwith the 2013 congressional action, advanced procurement has been authorized and appropriated for a 10th boat to be ordered in 2014. I would like to thank Congress for their support of our submarine programs. Your continued support is needed for the advance appropriation required to complete the procurement of the 10th *Virginia*-class boat. This means that these flexible, versatile platforms will be built at the rate of two per year during the FYDP with the cost-saving benefits afforded by the multi-year procurement contract.

With four guided missile submarines (SSGNs) decommissioning in 2026–2028, the Department will continue to invest in research and development for the *Virginia* Payload Module (VPM). VPM could provide future *Virginia*-class SSNs with four additional large diameter payload tubes, increasing her Tomahawk cruise missile capability from 12 to 40 and adding other payload options.

Guided Missile Cruisers and Destroyers.

Modular construction of the DDG 1000 class destroyers is proceeding apace, with commissioning of all three ships of this class planned between 2015 and 2019. The *Arleigh Burke*-class DDGs (DDG–51s) remain in serial production, with plans in place for a multi-year purchase of up to 10 ships through fiscal year 2017. As part of that multi-year purchase, the Navy intends to seek congressional approval for introducing the DDG–51 Flight III aboard the second fiscal year 2016 ship based on the achievement of a sufficient level of technical maturity of the Air and Missile Defense Radar (AMDR) development effort. The Flight III Destroyer will include the more powerful AMDR providing enhanced Ballistic Missile Defense (BMD) and Air Defense capability. The modernization program for in-service *Ticonderoga*-class CGs

and *Arleigh Burke*-class DDGs is progressing satisfactorily, with hull, machinery, and electrical system maintenance and repairs; installation of advanced open architecture combat systems, and upgrades to weapons/sensors suites that will extend the service life and maintain the combat effectiveness of these fleet assets.

Littoral Combat Ships

With their flexible payload bays, open combat systems, advanced unmanned systems, and superb aviation and boat handling capabilities, LCSs will be an important part of our future Fleet. This spring we forward deployed the first LCS, USS *Freedom*, to Singapore and will forward deploy four by CY16. Crew rotation plans will allow for substantially more LCS forward presence than the frigates, Mine Counter-Measures ships, and coastal patrol craft they will replace, and will free our multi-mission capable destroyers for more complex missions. The Department remains fully committed to our plan of purchasing 52 Littoral Combat Ships.

Amphibious Ships

Thirty amphibious landing ships can support a two-Marine Expeditionary Brigade (MEB) forcible entry operation, with some risk. To generate 30 operationally available ships, the strategic review envisions an amphibious force consisting of 33 ships total. The objective fleet will consist of 11 big deck Amphibious ships (LHA/LHD), 11 Amphibious Transport Docks (LPD), and 10 Landing Ship Dock (LSD). To support routine forward deployments of Marine Expeditionary Units (MEUs), the amphibious force will be organized into nine, three-ship Amphibious Ready Groups (ARGs) and one four-ship ARG forward based in Japan, plus an additional big-deck Amphibious ship available to support contingency operations worldwide.

Afloat Forward Staging Bases (AFSBs)

The Navy is proposing to procure a fourth Mobile Landing Platform (MLP) in fiscal year 2014, configured to serve as an Afloat Forward Staging Base (AFSB). This AFSB will fulfill an urgent combatant commander requirement for sea-based support for mine warfare, Special Operations Forces (SOF), Intelligence, Surveillance and Reconnaissance (ISR), and other operations. The work demonstrated by the interim AFSB, USS *Ponce*, has been very encouraging. To speed this capability into the fleet, and to ultimately provide for continuous AFSB support anywhere in the world, we are designing and building the fiscal year 2012 MLP 3 to the AFSB configuration, resulting in a final force of two MLPs and two AFSBs. This mix will alleviate the demands on an already stressed surface combatant and amphibious fleet while reducing our reliance on shore-based infrastructure and preserving an important part of our shipbuilding industrial base.

Naval Aviation

The Department continues to evaluate the needs of naval aviation to ensure the most efficient and capable force in line with the Defense Strategic Guidance. The Navy procured the final F/A–18 Super Hornet in fiscal year 2013 for delivery in fiscal year 2015 for a total of 552 aircraft. EA–18 Growler will complete program of record procurement with 21 EA–18G in fiscal year 2014 for delivery in fiscal year 2016 for a total of 135 aircraft. The Department's review of aviation requirements has validated the decision to purchase 680 Navy and Marine Corps F–35s. The F–35 procurement remains steady, with four F–35C and six F–35B. The Marine Corps stood up the first F–35 operational squadron, VMFA–121, in November 2012. The Fleet Replacement Squadron, VFA–101, is expected to receive its first F–35C in April 2013.

The Department of the Navy continues to monitor strike fighter capacity. Changes in the Marine Corps force structure, accelerated transition from the legacy Hornet aircraft to the Super Hornets, high flight hour extensions for legacy hornets and lowered utilization rates resulted in an appropriately sized strike fighter aircraft inventory. Based on current assumptions and plans, strike fighter aircraft shortfall is predicted to remain below a manageable 29 aircraft through 2023, with some risk.

In the long term, the Navy will need to replace its F/A–18E/F Fleet. Pre-Milestone A activities are underway to define the follow-on F/A–XX aircraft. Navy continues to develop the first-generation Unmanned Carrier-Launched Airborne Surveillance and Strike System (UCLASS), which will provide long-range, persistent ISR&T with precision strike capability, enhancing the carrier's future ability to provide support across the range of military operations in 2020 and beyond. UCLASS will utilize the flexibility and access inherent in carrier operations to provide the Joint Force and combatant commanders with on demand intelligence and strike capability against time-sensitive targets while on station.

In fiscal year 2014, the Navy is seeking approval for a MYP of 32 E–2D aircraft over a longer term than originally proposed. Over the FYDP, purchases of P–8s

have been reduced by eight aircraft, which reflects the Department's intent to procure all the aircraft originally planned, but at a slower rate in order to distribute the costs more evenly.

MARINE CORPS

As the Nation's ready response force, the Marine Corps, by definition, remains at a high state of readiness. The demands of a ready force require careful balance across these accounts to avoid a hollowing of the force. The Department is executing an approved multi-year plan to draw down the Corps from an end strength of 202,100 in early 2012 to 182,100 by the end of fiscal year 2016. The drawdown is on pace at approximately 5,000 marines per year and anticipates that voluntary separations will be adequate to meet this planned rate. The marines will resort to involuntary separations only if absolutely necessary. But, no matter how a marine leaves, we remain committed to providing effective transition assistance and family support.

The Joint Strike Fighter continues as the Marine Corps number one aviation program. The F–35 will replace the Marine Corps' aging legacy tactical fleet; the F/A–18A–D Hornet, the AV–8B Harrier and the EA–6B Prowler, bringing the force to one common tactical fixed-wing aircraft. The integration of F–35B will provide the dominant, multi-role, fifth-generation capabilities needed across the full spectrum of combat operations, particularly to the Marine Air Ground Task Force (MAGTF) and the Joint Force. Having successfully completed initial ship trials, dropping a variety of ordnance and completing hundreds of successful test flights, the F–35B continues to make significant progress, culminating with the standup this past November of the first operational JSF squadron, VMFA–121, in Yuma, AZ.

The Marine Corps' ground vehicle programs are also a critical element of revitalizing the force after age and operational tempo have taken their toll on the equipment. Two key programs for the Ground Combat Elements are the Joint Light Tactical Vehicle (JLTV) and the Amphibious Combat Vehicle (ACV). The JLTV will provide the Marine Corps tactical mobility with a modern expeditionary light utility vehicle. The initial planned purchase of 5,500 vehicles has been reduced based on our constrained fiscal environment, and the Marine Corps will need to refurbish the remaining High Mobility Multi-Purpose Wheeled Vehicle (HMMWV) fleet in order to fill out less dangerous missions. The ACV is central to the Marine Corps role as an amphibious force providing forcible entry and crisis response. The ACV program will develop the next generation amphibious, armored personnel carrier that will help ensure the Marine Corps can continue to bridge the sea and land domains. The Marines' Light Armor Vehicle (LAV) Mobility and Obsolescence program is on track to extend the service life of the LAV by replacing or upgrading several components including the suspension and drive systems. The Marine Corps' ability to exploit an obsolete but already produced suspension system from the Army's Stryker vehicles has saved at least $162 million taxpayer dollars.

Of particular concern is the fact that the Marine Corps modernization accounts represent only 14 percent of the Marines' total obligation authority. Because of this level of modernization funding, even proportional cuts have disproportionate impact on the many small programs essential to modernization of the Corps. Combining this with efforts to reconstitute the force as it returns from Afghanistan, our reset strategy, which focuses on the most economical way to restore equipment readiness, is vital to the Marine Corps' future.

Keeping faith with our marines as we reduce the force, maintaining our plans for the modernization of the force, and resetting our equipment after a decade in combat depend on appropriate funding.

CONCLUSION

The Founding Fathers, in their wisdom, placed in the Constitution the requirement that Congress "provide for and maintain a Navy." In the 21st century, that force is as vital, or more so, to our national security as it has been throughout our Nation's history. As we commemorate the bicentennial of the Battle of Lake Erie, we continue to recognize our Navy's history in the War of 1812. Captain Oliver Hazard Perry led his men through a bloody battle, in the end reporting that "we have met the enemy, and they are ours." It was the first time that an entire squadron of the Royal Navy surrendered to an enemy force. The battle was a critical naval victory and represents more than just the skill and daring of our Navy in the Age of Sail. The joint operations that followed, with Perry's naval forces conducting an amphibious landing and providing naval gunfire support for an Army invasion of Canada, were early examples of joint power projection. It serves as a reminder that the Navy and Marine-Corps Team has a vital role to play in the defense of our Na-

tion, but is a teammate with our joint partners who all contribute to success and victory.

The goals and programs we have discussed today will determine our future as a global force. We have worked to streamline our processes and increase efficiency, to work toward innovative new solutions to our 21st century problems, and to eliminate programs that no longer apply in the current strategic environment. We have done this to ensure that we retain the ability to deter regional conflict and respond rapidly and decisively to emerging crises.

Our specific requests are reflected in the President's fiscal year 2014 budget submission. Today's economic environment and our Nation's fiscal constraints demand strict stewardship and leadership. The process by which we arrived at the Department's budget requests was determined, deliberate, and dedicated to our responsibility to you and the taxpayer. I can assure you that the Department has thoroughly considered the risks and applied our available resources efficiently and carefully to align our request with the President's Defense Strategic Guidance.

Today, your Navy and Marine Corps are deployed across the spectrum of military engagement around the world, from direct combat operations to providing security in the maritime domain to humanitarian assistance. Our sailors and marines often seem to be everywhere except at home. Their hard work and success are based on the unparalleled professionalism, skill, and dedication that ensure their dominance in every clime and place. The Commandant, CNO, and I look forward to answering your questions. This committee's continued and enduring support for our policies, payloads, platforms, and people enables us to fulfill the historic charge of the Founders to sail as the Shield of the Republic.

Thank you.

Chairman LEVIN. Thank you very much, Secretary Mabus.

Admiral Greenert.

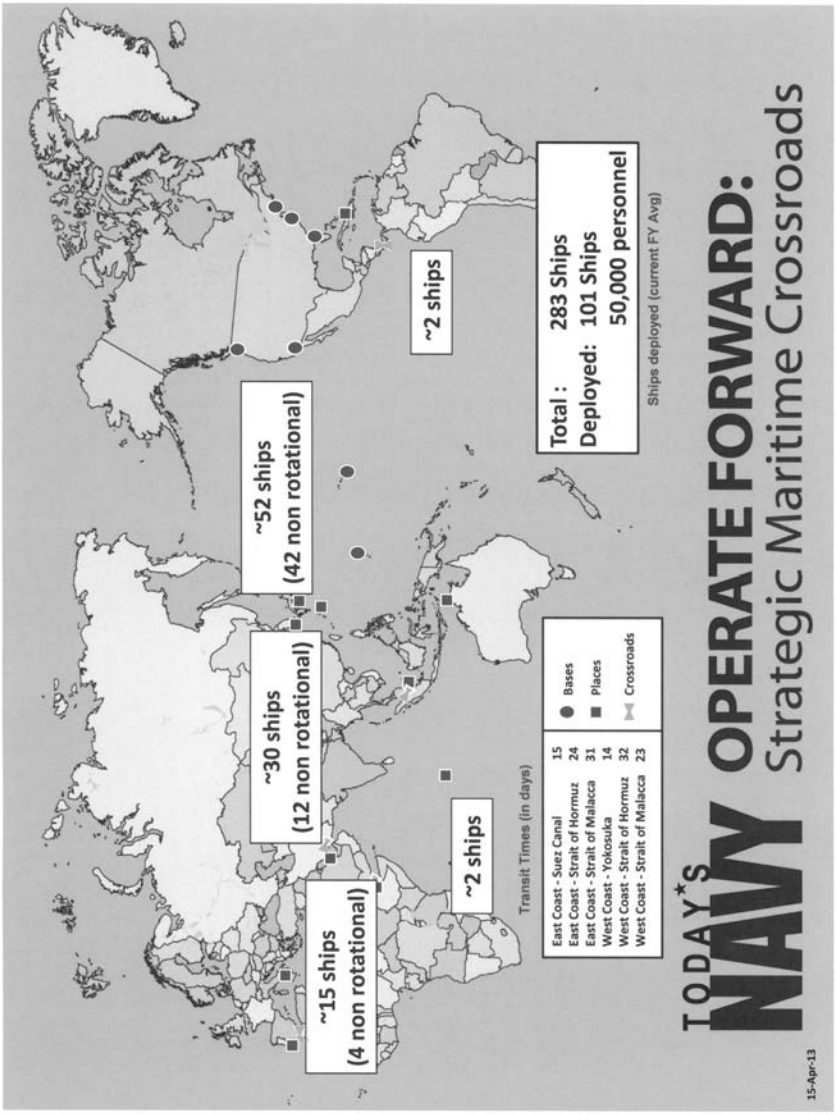
STATEMENT OF ADM JONATHAN W. GREENERT, USN, CHIEF OF NAVAL OPERATIONS

Admiral GREENERT. Thank you, Chairman Levin, Senator Inhofe, distinguished members of the committee: It's my pleasure to appear before you today to testify on the Navy's fiscal year 2014 budget and our posture. I am honored to represent 613,000 Active and Reserve sailors, Navy civilians, and the families who support them, all who are serving today. This morning I will address three points in my oral testimony: our enduring tenets for decision-making, our budget strategy for 2013 and the subsequent carryover that we will incur, and our intended course for 2014.

Two important characteristics of our naval forces describe our mandate, that we will operate forward where it matters and that we will be ready when it matters. Our fundamental approach to meeting this responsibility remains unchanged. We organize, man, train, and equip the Navy by viewing our decisions through three lens, or I call them tenets. They are that warfighting is first, we have to operate forward, and we need to be ready. Regardless of the size of our budget or our fleet, these three tenets are the lens through which we evaluate all our decisions.

If you refer to the chartlet I've provided in front of you, you will see that on any given day we have about 50,000 sailors in 100 ships deployed overseas. They are providing forward presence. The orange bow ties, if you will, on the chart represent what I call the maritime crossroads, where shipping lanes and our security concerns intersect. A unique strength of your fleet is that it operates forward from U.S. bases, represented by circles on the chartlet, and from places provided by partner nations, represented by squares on the chartlet.

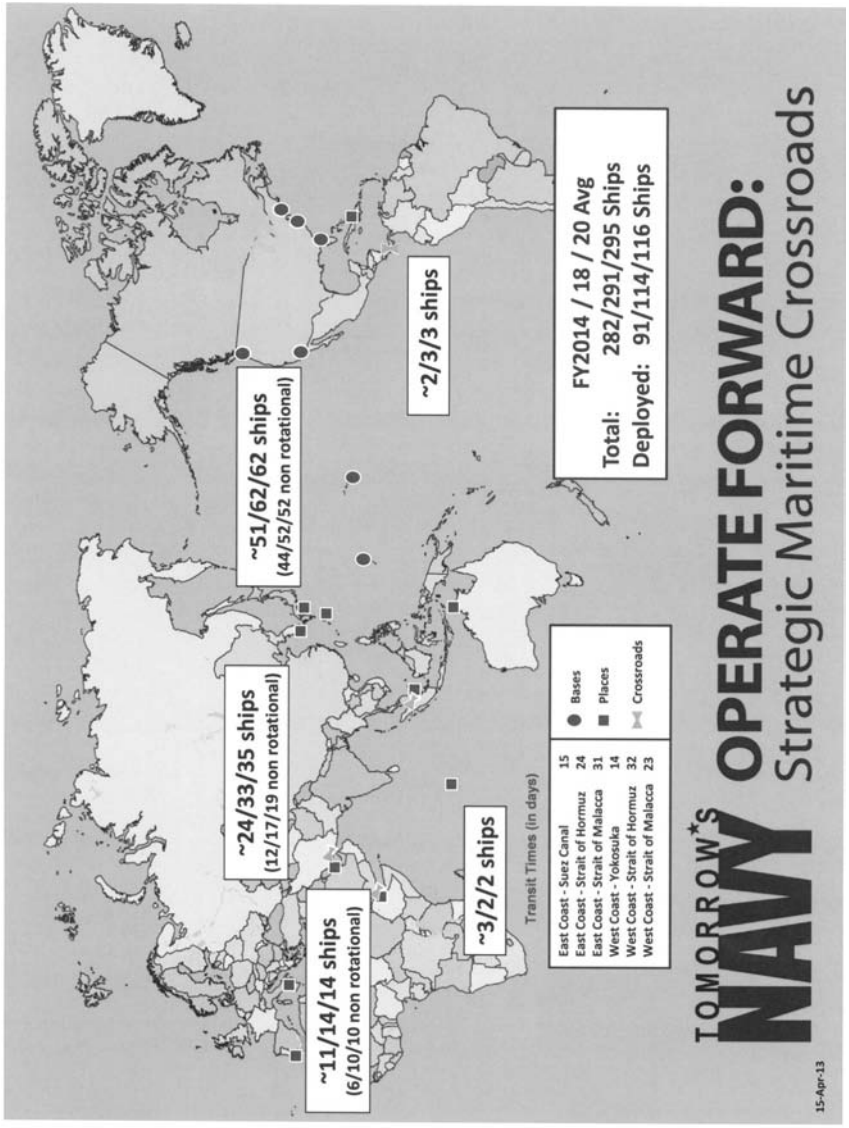
[The chart referred to follows:]



Admiral GREENERT. These places are critical to your Navy being where it matters because they enable us to respond rapidly to crises and enable us to sustain forward presence with fewer ships by reducing the number of ships on rotational deployments.

The reverse side of the chartlet will describe the plan for our deployments shown in the rebalance to the Asia-Pacific while sustaining our Mideast posture.

[The chart referred to follows:]



Admiral GREENERT. In February we faced a shortfall of about $8.6 billion in our 2013 O&M account. Since then we received a 2013 appropriation in March, and I thank this committee for their work in that regard. In accordance with our priorities and tenets, we plan to invest our remaining 2013 O&M funds to fund our must-pay items such as contracts, leases, and utilities, to reconcile our 2013 presence with our combatant commanders, and to conduct the training and maintenance for forces next to deploy, and to prepare to meet our 2014 global force management allocation plan responsibilities. Also, we'll restore critical base operations and renovation projects.

Although we intend to meet our most critical operational commitments to the combatant commanders, sequestration still leaves us with a $4.1 billion O&M shortfall and a $6 billion investment shortfall. This will result in our surge capacity of fully mission-capable carrier strike groups and amphibious ready groups being reduced by two-thirds through 2014. Further, we will have deferred about $1.2 billion in facilities maintenance, as well as depot-level maintenance for 84 aircraft and 184 engines.

Combined, our O&M and investment shortfalls leave us $9 billion worth of carryover challenge for 2014. A continuation of sequestration in 2014 will compound this carryover challenge from $9 billion to $23 billion. Further, accounts and activities we were able to protect in 2013, such as manpower and nuclear maintenance and critical fleet operations, will be liable to a reduction in 2014.

Our people have remained resilient in the face of this uncertainty and I have been amazed throughout this process with their patience and their dedication, that of our sailors and our civilians.

Our 2014 budget submission supports the Defense Strategic Guidance (DSG) and enables us to maintain our commitments in the Middle East and to rebalance to the Asia-Pacific region. We prepared this budget with the following priorities: One, to deliver overseas presence in accordance with our Global Force Management Allocation Plan (GFMAP); and two, to continue our near-term investments and address challenges in the Middle East and the Asia-Pacific region; three, we want to develop long-term capabilities with the appropriate capacity to address warfighting challenges in the Middle East and the Asia-Pacific region.

Our budget submission continues to invest in future fleet. We've requested $44 billion in ships, submarines, manned and unmanned aircraft, weapons, cyber, and other procurement programs such as the JSF, LCS, unmanned aerial vehicles, the DDG–1000, and the P–8A Poseidon, just to name a few.

These investments will deliver a fleet of 300 ships by 2019 with greater interoperability and greater flexibility when compared to today's fleet.

We also continue to fund important high-technology and asymmetric capabilities such as the Laser Weapon System for small boat and drone defense, which will deploy aboard the ship *Ponce* in spring 2014. Also in 2014, we will deploy on the carrier *George Herbert Walker Bush* a successfully tested prototype system to detect and defeat advanced wake-homing torpedoes.

We continue to grow manpower by about 4,600 sailors in this submission compared to last year's budget, and these new sailors

will reduce our manning gaps at sea, will enhance our cyber capabilities, and will improve our waterfront training. We will continue to address our critical readiness and safety degraders, such as sexual assault, suicide, increased operational tempo, and our at-sea manning.

Mr. Chairman, this budget places our Navy on a good course which enables us to meet the requirements of the DSG today while building a relevant future force and sustaining our manpower for tomorrow. We appreciate everything you and the committee have done for the sailors and civilians of our Navy as well as the families, and we again ask for your support in removing the burden of sequestration so that we can better train, better equip, and deploy properly these brave men and women in defense of our Nation.

[The prepared statement of Admiral Greenert follows:]

PREPARED STATEMENT BY ADM JONATHAN GREENERT, USN

Chairman Levin, Ranking Senator Inhofe, distinguished members of the committee; it is my pleasure to appear before you today to testify on the Navy's fiscal year 2014 budget and posture. I am honored to represent the approximately 613,000 Active and Reserve sailors and Navy civilians serving today, as well as their families.

ESTABLISHING THE BASELINE FOR FISCAL YEAR 2014

Before discussing our fiscal year 2014 budget submission, we have to clarify our current situation in fiscal year 2013. This will form the baseline for our fiscal year 2014 program. In February, Navy faced a shortfall of about $8.6 billion in our fiscal year 2013 operations and maintenance (O&M) account due to a combination of requirements growth, the Continuing Resolution and sequestration. Since then, thanks to Congress' efforts, we received an fiscal year 2013 appropriation in March as part of the Consolidated and Further Continuing Appropriations Act of 2013. This appropriation restored about $4.5 billion toward our total need in operations and maintenance. As a result, we have a fiscal year 2013 shortfall in operations and maintenance of about $4.1 billion, approximately 10 percent of the planned amount for this fiscal year.

In accordance with our priorities and strategy, we are applying our remaining O&M funds to the following:

- Pay "must pay bills": Ensure we have funding for bills such as utilities, contracts and reimbursables.
- Reconcile fiscal year 2013 readiness: Sustain operations and maintenance for the priority forces in accordance with the defense strategy that will deploy to meet the current approved fiscal year 2013 Global Force Management Allocation Plan (GFMAP), which describes the forces required to be provided by the Services to the combatant commanders (CCDR) as directed by the Secretary of Defense. Our remaining spending plan for fiscal year 2013 will address furloughs of civilians and sustain nondeployed ship and aircraft operations so appropriate forces prepare to deploy, and other forces operate enough to be able to safely respond if needed to support homeland defense.
- Prepare to meet fiscal year 2014 GFMAP: Conduct training and maintenance for forces that will deploy as part of the fiscal year 2014 GFMAP, including guided missile destroyers (DDG) transferring to Rota, Spain as part of the Forward Deployed Naval Force (FDNF).
- Restore critical base operations and renovation: Sustain base infrastructure and port and airfield operations to support training and deployments needed for the fiscal year 2013 and fiscal year 2014 GFMAP. We will also conduct health and safety-related facility repairs and continue high-return energy efficiency projects.

However, sequestration will result in a fleet and bases less ready than planned. For example, at sea we were compelled to recommend the fiscal year 2013 GFMAP be changed to cancel one ship deployment to the Pacific, two ship deployments to Europe and cancel all but one fiscal year 2013 ship deployment to U.S. Southern Command. We continue to evaluate opportunities to add deployments to these regions as our fiscal position becomes clearer. In addition to reducing overseas deploy-

ments, we will also reduce the amount of operations and training our ships and aircraft will conduct when not deployed.

We reduced maintenance, including deferral of depot maintenance on 84 aircraft and 184 engines, and reducing the scope of 2 ship maintenance availabilities. We plan to recover this backlog during fiscal year 2014. With Congress' approval of our proposed fiscal year 2013 reprogramming, we will restore all of our planned ship maintenance availabilities remaining in fiscal year 2013.

The impact of reduced fleet operations and maintenance will be less surge capacity, but we will retain the ability to support the fiscal year 2014 GFMAP. All our forces deploying in fiscal year 2013 and fiscal year 2014, including two carrier strike groups (CSG) and two amphibious ready groups (ARG) (one each in the Middle East and the Asia-Pacific), will be fully mission-capable and certified for Major Combat Operations. All our forces supporting operations in Afghanistan, where Navy aircraft fly about one-third of all tactical sorties, will also be fully mission-capable and certified. For surge, we will retain one additional CSG and ARG in the United States that are fully mission-capable, certified for Major Combat Operations and available to deploy within 1–2 weeks. This is about one-third of our normal surge capacity. Overall, due to reduced training and maintenance, about two-thirds of the fleet will be less than fully mission capable and not certified for Major Combat Operations. Historically, about half of our fleet is in this status, since ships and squadrons are in training or maintenance preparing for their next deployment. While these forces will not be ready or certified to deploy overseas, they will remain able to respond, if needed, to support homeland defense missions.

Ashore, we deferred about 16 percent of our planned fiscal year 2013 shore facility sustainment and upgrades, about $1.2 billion worth of work. Recovering these projects could take 5 years or more, and in the meantime, our shore facility condition will degrade. We were able to sustain our Sailor and Family Readiness programs through fiscal year 2013, including Child Development Centers, Fleet and Family Support Centers, and Sexual Assault and Prevention programs. We also fully funded a judicious Tuition Assistance program for our sailors. Despite these efforts to reduce the impact of sequestration on our people, however, we must still consider furloughs for our Navy civilians.

Sequestration reduced the fiscal year 2013 funding for each of our investment programs by about 8 percent, or about $6.1 billion total. We are still reconciling the impact of this reduction, but due to the mechanics of sequestration and limited reprogramming authorized by the fiscal year 2013 Defense Appropriations Act, it is likely we will be compelled to reduce the number of weapons we purchase and the number of aircraft we buy in some of our aviation programs due to the reduction—including one E–2D Hawkeye, one F–35C Lightning II, one P–8A Poseidon and two MQ–8C Firescout. Our ship construction programs will need to restructure schedules and shift some outfitting costs to future years to address the nearly 8 percent sequestration reduction in fiscal year 2013. This will pass on "costs to complete" that will need to be reconciled in future years. These costs will not be an insignificant challenge as they may compel Navy to cancel the procurement of future ships to complete outfitting ships that are nearing delivery.

THE IMPACT OF CONTINUED UNCERTAINTY

Over the past 4 months we slowed our spending, stopped new program starts, and proceeded very deliberately in choosing our operations, deployments and investments. We brought "all hands on deck" to work on revised plans for everything from how we provide presence to what we buy in fiscal year 2013. In the Fleet, this is standard procedure for proceeding through a fog bank—slow, deliberate and with limited visibility ahead; effectively, most other operations and planning stop because of the dangerous near-term situation. With a fiscal year 2013 appropriation, we are now coming out of this "fog," increasing speed, heading toward a national future, and reestablishing momentum behind our top priorities.

This momentum, however, may be short-lived. While the fiscal year 2014 budget submission includes deficit reduction proposals beyond that called for by the Budget Control Act of 2011 (BCA), it requires the BCA's lower discretionary budget caps are replaced in fiscal year 2014 and beyond. If the discretionary caps are not revised, our fiscal year 2014 obligation authority could be reduced $10–$14 billion. This would compel Navy to again dramatically reduce operations, maintenance and procurement in fiscal year 2014, preventing us from meeting the fiscal year 2014 GFMAP and negatively impacting the industrial base. While military personnel compensation was exempted in sequestration during fiscal year 2013, if the lower discretionary budget caps of the BCA are retained, we will evaluate options to reduce personnel and personnel costs, including compensation and entitlements.

The uncertainty inherent in our fiscal outlook prevents effective long-term planning and will begin to affect the "Health of the Force." We can ill-afford the distraction of planning for multiple budget contingencies, stopping and restarting maintenance, changing operational schedules and restructuring investment programs. This constant change negatively impacts our sailors and civilians and their Families here at headquarters and in the Fleet. It also precludes us from looking long-term at how we should build, train, develop and posture the future force as we end two land wars in Middle East and rebalance our effort toward the Asia-Pacific.

To begin planning for the long-term and ensure we are realistically confronting our strategic and fiscal challenges, the Secretary of Defense ordered a Strategic Choices and Management Review (SCMR). The review does not assume or accept that deep reductions to defense spending, such as those from sequestration, will endure or that they could be accommodated without a significant reduction in military capabilities. The review does reflect the Secretary's view that the Department of Defense must constantly examine the choices that underlie our defense strategy, posture, and investments, including all past assumptions.

The SCMR will consider the 2012 Defense Strategic Guidance (DSG) as the point of departure. It will define the major strategic choices and institutional challenges affecting the defense posture in the decade ahead that must be made to preserve and adapt defense strategy and management under a wide range of future circumstances. The results of this review will frame the Secretary's guidance for the fiscal year 2015 budget and will ultimately be the foundation for the Quadrennial Defense Review due to Congress in February 2014.

OUR STRATEGIC APPROACH

Our first responsibility is to ensure Navy is able to deliver the overseas presence and capabilities required by our DSG Sustaining U.S. Global Leadership: Priorities for 21st Century Defense, as manifested in the GFMAP.

Our mandate per the DSG is to be present overseas where it matters, and to be ready when it matters. A central element of the DSG to Navy is to field a ready force, with the right capabilities, postured in each region. The DSG concludes that a prompt, credible response by forward U.S. forces can demonstrate American resolve and can blunt the initial actions of an aggressor. This can in turn deter, assure, and—if necessary—control escalation, contain the conflict and prevent it from growing into a larger war.

Our fundamental approach to making decisions and implementing the DSG is unchanged since I assumed the office of the Chief of Naval Operations. We organize, man, train and equip the Navy by viewing our decisions through three lenses, or tenets. They are: Warfighting First, Operate Forward, and Be Ready. Regardless of the size of our budget or our fleet, these tenets are the key considerations we apply to each decision.

Warfighting First

Warfighting First is a first principle. It is our fundamental responsibility; each decision inherent in our fiscal year 2014 program was viewed in terms of its impact on warfighting. Our forces must have relevant warfighting capability today to be credible—not at some point in the future. If the credibility of our forces is lost (or perceived lost) they cannot rebuild it easily or quickly. In developing our fiscal year 2014 budget submission we did not "let perfect be the enemy of good—or good enough." For example, if a new system or capability would provide a probability of successfully defeating a threat 60 percent of the time, we will deploy it, particularly if today's probability of success is 0 percent.

To develop future capability, Warfighting First compels us to look for the most effective way to defeat a threat or deliver an effect that can be realistically fielded, efficiently. The logic we use to identify our most effective capabilities is to analyze the adversary's "kill chain" or "effects chain" and pursue an asymmetric means to "break the chain." For example, to execute a successful attack, an adversary has to:

- Find the target
- Determine the target's location, course, and speed (or relative motion)
- Communicate that information coherently to a platform or unit that can launch an attack
- Execute an attack using anything from a kinetic weapon to electromagnetic systems to cyber

Each (or any) of these "links" in the chain can be broken to defeat the threat. But some are more vulnerable than others and kinetic effects are not always the best way to break the chain. So instead of overinvesting and trying to break every part

of the effects chain, we focus on those where the adversary has a vulnerability we can exploit or where we can leverage one of our own advantages asymmetrically.

Similarly, we analyze our own effects chains for strengths and weaknesses; our fiscal year 2014 budget submission emphasizes proven technologies that limit the adversary's ability to defeat our ability to project power.

We addressed challenges in the Arabian Gulf throughout 2012 and into this year by emphasizing Warfighting First. For example, in response to a Central Command urgent request and with the help of Congress, we rapidly outfitted the amphibious ship USS *Ponce*, previously an amphibious ship slated for decommissioning, to be an Afloat Forward Staging Base-Interim (AFSB–I) in support of mine warfare and Special Operations Forces in the Arabian Gulf. To improve our mine warfare capabilities we rapidly deployed Mark 18 mine-hunting unmanned underwater vehicles (UUV) and SEAFOX mine neutralization systems to *Ponce* and our minesweepers (MCM). These systems became force multipliers and enable our forces to find and/or clear mines twice as quickly as the forces we deployed to the Arabian Gulf in 2012—taking 1–2 weeks instead of 1–2 months depending on the size (and our knowledge) of the minefield. We tested these new capabilities and improved our ability to operate with a coalition by organizing and conducting an International Mine Countermeasures Exercise (IMCMEX) with 34 other navies in the Arabian Gulf last September. We will hold another IMCMEX next month.

In addition to improving our mine warfare capability in the Arabian Gulf, we increased our surveillance capability and our ability to counter fast attack craft and submarines in the region. Through rapid fielding efforts supported by the Secretary of Defense and Congress, we added new electro-optical and infrared sensors to our nuclear aircraft carriers (CVN), upgraded the guns on our Patrol Coastal (PC) ships based in Bahrain, fielded upgraded torpedoes for our helicopters deployed in the Arabian Gulf and deployed additional anti-submarine warfare (ASW) sensors in the region. Each of these initiatives and our mine warfare improvements continue into fiscal year 2014 as part of our budget submission.

We also continued implementing the Air-Sea Battle concept as part of Warfighting First. We practiced and refined the concept in wargames and real-world exercises including Valiant Shield and Rim of the Pacific (RIMPAC) last summer. RIMPAC brought together 40 ships and submarines, more than 200 aircraft and over 25,000 personnel from 22 nations, including Russia and India for the first time. RIMPAC enabled forces to practice high-end ballistic missile defense, surface warfare and anti-submarine warfare in simulations and more than 70 live-fire missile and torpedo events. RIMPAC 14, supported by our fiscal year 2014 budget submission, will include as many or more live-fire events and nations, including China for the first time.

We reinvigorated our efforts to conduct integrated operations with the Marine Corps as the war in Afghanistan draws down and demands for naval crisis response grow in the Mediterranean and Middle East. The Navy-Marine Corps team conducted Bold Alligator in 2012; our largest amphibious exercise in more than a decade, yielding dozens of lessons learned which we are incorporating into our capability development efforts. Some of these changes, particularly in command control organizations and communications systems, are reflected in our fiscal year 2014 program. Bold Alligator 14, supported by our fiscal year 2014 budget submission, will build on the results of last year's exercise and will explore the concepts and capabilities needed for a range of amphibious operations from single ARG up to large-scale amphibious assaults.

Operate Forward

The Navy and Marine Corps are our Nation's "away team" and first responders to crisis. History has demonstrated that the Navy is at its best when we are forward and ready to respond where it matters, when it matters. To operate forward we focus our deployed presence at strategic maritime crossroads such as the Straits of Malacca and Hormuz or the Suez and Panama Canals. It is in these areas and others where sea lanes, resources and vital U.S. interests intersect that influence matters most.

On any given day, about 50,000 of our sailors are underway on 145 ships and submarines, 100 of them deployed overseas as depicted in Figure 1. They are joined by about 125 land-based patrol aircraft and helicopters, 1,000 information dominance personnel, 1,000 Naval Special Warfare operators, and 4,000 Naval Combat Expeditionary Command sailors on the ground and in inland waters.

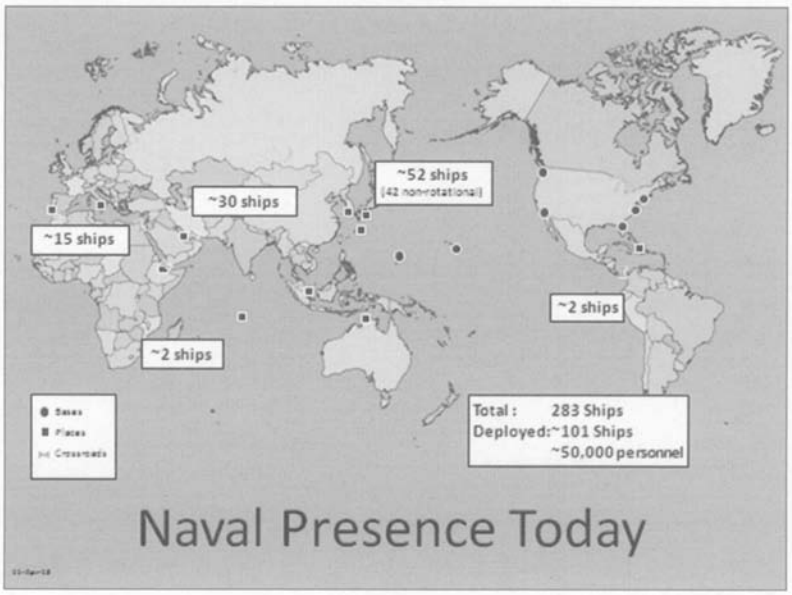


Figure 1

The tenet Operate Forward compels us to look for new ways to increase the amount of presence we can deliver at the right places—and to do so more efficiently. Each of these ways places ships overseas where they deliver continuous ("non-rotational") presence, instead of having to deploy from the continental United States (CONUS) to provide "rotational" presence. One ship operating from an overseas port in this manner provides the same presence as about four ships operating from homeports in the United States.

There are two basic ways in which we can sustain ships overseas.:

- Ships can be homeported overseas as part of the Forward Deployed Naval Force (FDNF) with their sailors and their families as we do in Japan and will soon do in Rota, Spain. This provides continuous presence, immediate response to crisis, and the means to build a strong relationship with the host nation.
- Ships can also Forward Station overseas and be manned by civilian or military crews that rotate out to the ship. Rotating civilian crews man our Mobile Landing Platform (MLP), Joint High Speed Vessel (JHSV), Afloat Forward Staging Base (AFSB) and Combat Logistics Force (CLF) ships. Rotating military crews man our Littoral Combat Ship (LCS) and nuclear guided missile submarines (SSGN).

Both of these ways of operating forward rely on "places" overseas where our partners and allies allow us to use their facilities to rest, repair, resupply and refuel. Our fiscal year 2014 budget submission continues to sustain development of these facilities. Military construction (MILCON) for these facilities comprises only 27 percent of our fiscal year 2014 MILCON program funding, a slightly smaller percentage than in fiscal year 2013. These eight projects will provide essential support facilities at "bases" and "places" around the world such as Guam and Japan. Without this investment our forces will be less able to operate forward and more dependent on support from CONUS.

Our posture in the Arabian Gulf will improve this year with the addition of three PCs in Bahrain for a total of eight. Further, our fiscal year 2014 program supports the homeporting of 2 more PCs there for a total of 10 by the end of fiscal year 2014. During fiscal year 2013 we will permanently homeport all our PCs and our four MCMs in Bahrain, instead of manning them with crews rotating from the United States. This will increase the crews' proficiency and continue to build our relationship with partners throughout the Arabian Gulf.

In Europe, we continued preparations for the planned move of four destroyers to Rota, Spain, which highlights the benefit of FDNF ships. Conducting the European ballistic missile defense (BMD) mission today takes 10 ships deploying from CONUS. This same mission can be done with four destroyers based forward, freeing up six rotationally-deployed destroyers to deploy to other regions such as the Asia-Pacific.

In the Pacific, we deployed our first LCS, USS *Freedom*, to Singapore where it will remain for two crew rotations (8 months) to evaluate LCS operational concepts. Our posture in the Asia-Pacific will increase as part of the Department's overall rebalance to the region. Our fiscal year 2014 program supports the basing of another nuclear attack submarine (SSN) in Guam (for a total of four) and the increase in the number of LCS operating from Singapore to four by fiscal year 2017. In addition to the increase in rotational forces made available by FDNF DDG in Rota and the introduction of new ships such as JHSV in Africa and South America, our efforts to shift 60 percent of our fleet to Pacific homeports will increase our day-to-day presence there by 15–20 percent.

Fundamentally, operate forward is about making the most effective and efficient use of what we own. Each of these initiatives reflects that idea.

BE READY

Our fleet must be ready to meet today's challenges, today. This means more than ensuring maintenance is done and parts and fuel are on hand. Those elements are essential to readiness, but our tenet to Be Ready requires that our sailors be confident in their abilities and equipment and proficient in their operations. Be Ready compels us in our decision making to always consider what our sailors need to be confident and proficient. We will buy proven technology that our sailors can use and depend on instead of new, unproven equipment. We will use empirical data, such as Board of Inspection and Survey reports, as much as possible in our decision making. This is what our sailors experience and we must work to make them as confident as possible in the warfighting capability of themselves and their gear. Applying our tenet to Be Ready requires that we consider all the factors that will detract from our sailors' ability to effectively fight when the time comes.

In the past year we increased the proficiency of our sailors by conducting more live-fire and practical training events. In addition to exercises such as RIMPAC and Bold Alligator, we increased live-fire air defense and surface warfare and practical ASW training in our preparations for deployment and purchased additional training missiles, sonobuoys, ammunition and targets. To enhance the proficiency of our operators more efficiently, we funded completion and installation of trainers for new systems such as the P–8A Poseidon, E/A–18G Growler and LCS.

Current concerns

We are encountering four major factors now that detract from our sailors' readiness and hinder our ability to make progress in line toward the vision described in Sailing Directions. They are: Sexual assault, suicide, at-sea manning shortfalls, and high operational tempo.

Sexual assault

Sexual assault is a crime that happens to about two sailors every day. Sexual assault creates an unsafe workplace and degrades the readiness of our ships and squadrons. Last year we began a concentrated effort to change our culture and get after sexual assault in our Navy. We implemented a series of measures, including:

- Completed training for all Navy military personnel, conducted by mobile training teams of experts in sexual assault prevention and response. We have received superb feedback on this training.
- Refined our reporting criteria for sexual assault to help understand victim and offender demographics, find out where these attacks happen and focus our efforts accordingly. We also required that all sexual assault incidents be briefed by unit commanders to the first flag officer in the chain of command.
- Established programs in Fleet Concentration Areas such as our Great Lakes training facility and San Diego which reduced the number of reported sexual assaults—by 60 percent in the 20-month program at Great Lakes. We established a similar program in San Diego in December 2012 and will implement programs in Europe and Japan this summer. Our San Diego program provided insights that enabled us to address contributors to sexual assault there, and we are seeing a near-term downward trend in the number of San Diego-area Navy sexual assault reports—we'll watch this closely.

- Continued quarterly meetings with all Navy four-star commanders to review the data from our "first flag officer" reports, refine our plan and adjust our approaches as needed.

We are seeing some clear trends regarding sexual assault in the Navy. There appears to be less stigma associated with reporting sexual assault, as indicated by an increased number of sexual assault reports—in particular delayed reports of sexual assaults that occurred weeks or months earlier. Most sexual assaults are sailors assaulting other sailors; most victims and offenders are junior sailors; more than half of incidents occur on base or on ship; and alcohol is a factor in the majority of sexual assaults. We are applying these findings to develop our efforts to prevent sexual assault. I see a great opportunity for future success in three main areas:

- Disrupting the "Continuum of Harm"—or the chain of events and contributors that tend to be associated with sexual assault. We continue to focus, in particular, on alcohol as a factor in sexual assault. This year we fielded Alcohol Detection Devices to the fleet to help educate sailors on their alcohol use.
- Prosecuting the offenders using specially trained investigators, victim advocates, prosecutors, and paralegals. As part of this effort we established dedicated Naval Criminal Investigative Service (NCIS) agent-teams in Norfolk, San Diego, Bangor, and Okinawa that exclusively handle adult sexual assault investigations. In Norfolk, these teams reduced the average sexual assault investigation timeline from 324 days to 80 days. NCIS is expanding this model during fiscal year 2013 to Yokosuka, Japan, Hawaii, and Mayport, FL.
- Support for victims. We prioritized prompt and effective care for victims of sexual assault that maximizes the ability to apprehend offenders. We continue to train and qualify our military and civilian medical care workers to conduct Sexual Assault Forensic Exam (SAFE); all our Military Treatment Facilities and operational settings will be able to perform SAFE exams by the end of this fiscal year. To support victims through the investigation and judicial process we will complete professionalizing our Sexual Assault Response Coordinator (SARC) and Victim Advocate (VA) cadre by hiring 10 additional SARCs and 66 full-time VAs in fiscal year 2013.

Suicide

Suicide is a growing problem in our Nation, our military and our Navy. The number of suicides per 100,000 sailors per year has risen steadily from 13, 2 years ago to 16 in the last 12 months. To help address this trend, Navy stood up a task force to examine Navy suicide prevention and resilience-building programs as well as evaluate DOD, other service, and non-DOD approaches and programs. The task force completed their assessment this month and is providing a comprehensive set of actions for implementation. Their findings showed that while no program to date has stopped suicides in the military, there are some key factors contributing to suicide that we can address. Their recommendations are being incorporated into our existing efforts to prevent suicide, focused on education and awareness; intervention; sailor care; and continued assessment of our progress.

In particular, the task force will revise our current collection of 123 programs designed to improve resiliency or prevent suicide and focus them on the factors they found to be most effective at preventing suicide. We will implement many of these recommendations in fiscal year 2013 and into fiscal year 2014. The Navy also works with DOD's Defense Suicide Prevention Office to promote awareness of the Military Crisis Line, a service that provides 24/7 confidential crisis support to those in the military and their families. This line provides immediate access to care for those who may be at risk for suicide, along with additional follow-up and connection with metal health services.

At-sea manning shortfalls

Our goal for at-sea manning is 95 percent of billets filled and 90 percent "fitted" with a sailor having the right specialty and seniority. At the start of fiscal year 2013, we were at about 90 percent fill and 85 percent fit—5 percent short of our goal in each measure and about 7,000 short of our goal in at-sea manning. We put in place a number of initiatives to shift more sailors to sea including Sea Duty Incentive Pay, changes to Sea-Shore rotation and shifts of Reserve component sailors to Active Duty. We are on track to reach our fit and fill goals by the end of fiscal year 2013. An enduring factor behind at-sea manning shortfalls is the fact we are about 4,000 sailors below our planned and budgeted end strength. To permanently address our end strength shortfall we increased accessions by 6,000 per year and broadened and increased reenlistment bonuses for undermanned ratings, adding bo-

nuses for 18 specialties and increasing them for 42 more. We expect to reach our end strength goal by the end of fiscal year 2013.

High Operational Tempo (OPTEMPO)

Over the last decade, our fleet shrank by about 10 percent while our deployed presence remained about the same. As a result, each ship and aviation squadron spends on average about 15 percent more days away from home per year now than it did 10 years ago. This is an average, however. Our increased OPTEMPO is not evenly distributed. Our CSGs and ARGs will deploy on average 7–8 months in fiscal year 2013, but some will deploy for 9 months or more due to emergent maintenance or the effects of sequestration on operational schedules. Our BMD ships are similarly deploying for about 9 months at a time. To better understand how unit OPTEMPO affects individual sailors, this year we began monitoring the time each sailor is away from home (ITEMPO) and will use this information to guide our future decisions. For the long term, however, we have to adopt a more sustainable process to provide ready forces. For that reason, we are shifting to a "supply-based" model to prepare forces for deployment starting in fiscal year 2014. As part of this we will revise our Fleet Readiness Training Plan (FRTP) to make it more predictable and provide more presence from the same size fleet.

When sailors are gone up to 9 months at a time, family readiness is vitally important. Our fiscal year 2014 budget submission sustains family support programs that provide counseling, education, child care and financial advice. We also continue developing our sailors' readiness and protection, safety, physical fitness, inclusion and continuum of service as part of our 21st Century Sailor and Marine initiative. The actions described above to address sexual assault and suicides are part of this initiative. To improve our resourcing, management and oversight of the programs that support our sailors and their families, I am reorganizing my personnel headquarters to bring all these aspects of a sailors' total health and personal readiness under a 21st century sailor office led by a two-star admiral.

Our responsibility of support to our sailors and their families is most important when they are wounded, ill, or injured. Navy's "Safe Harbor" program helps about 1,200 sailors and coast guardsmen and their families through their recovery with travel orders for treatment, lodging, child and respite care, employment and education assistance, mental health assistance and career counseling. We implemented a campaign over the past year that increased enrollment in Safe Harbor 30 percent by reaching out to servicemembers who were eligible but had not signed up. Our fiscal year 2014 budget submission sustains Safe Harbor and improves the program's level of service.

OUR COURSE FOR FISCAL YEAR 2014

Our fiscal year 2014 budget submission implements the DSG and continues our current efforts by making decisions based on our three tenets. Our approach to building our fiscal year 2014 program focused on three main areas, in order:

- First, we ensured sufficient forces and readiness to provide the presence required to meet the current and projected future GFMAP.
- Second, we sustained our fiscal year 2013 investments required to support our critical near-term capability to perform DSG missions.
- Third, we addressed our most relevant future capability requirements to support the DSG missions.

The resulting fiscal year 2014 program and associated plans implement DSG direction to rebalance our effort toward the Asia-Pacific region, support our partners in the Middle East, sustain our alliance commitments in Europe and employ low-cost, small footprint approaches to security on other regions.

1. Delivering presence: Our fiscal year 2014 submission includes the investments in force structure needed to meet the presence requirements of the fiscal year 2014 GFMAP. Our investments in ships and aircraft are complemented with the funding for training, maintenance and operations necessary for readiness today and to ensure they can continue to provide presence over their expected service life. Figure 2 depicts the presence levels generated by our planned investments in the fiscal year 2014 Future Years Defense Program (FYDP). Figure 2 also includes the number of "non-rotational" ships that are either homeported in the region or are Forward Stationed in the region and manned by rotational crews from CONUS.

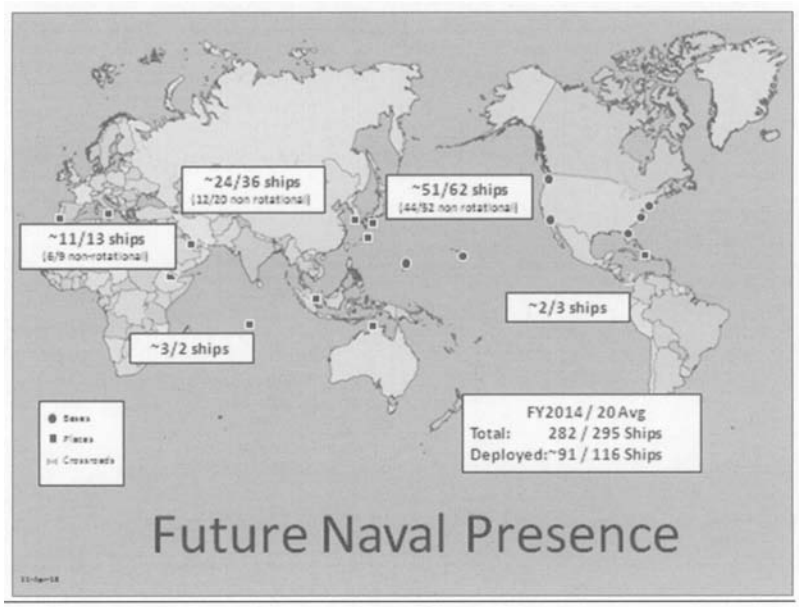


Figure 2

Shipbuilding

We determined the number and type of ships required over the long-term through a comprehensive, analytically-driven Force Structure Assessment (FSA). The FSA determined the day-to-day presence required to execute the DSG, informed by today's GFMAP and the introduction of new ships, systems or payloads, and concepts that deliver presence more efficiently or that better match capabilities to their theater. The FSA resulted in a required number of each type of ship to meet the projected presence requirements. Although presence is the governing factor for Navy force structure requirements, the FSA also ensured Navy's force structure would be sufficient to meet the surge requirements of CCDR operational plans and DOD Defense Planning Scenarios, informed by the DSG direction to reevaluate those plans in view of our resource limitations.

The FSA analysis resulted in a battle force requirement of 306 ships. This requirement is different from our previous 313-ship requirement because of: (1) reduced presence requirements resulting from the DSG's priorities; (2) increased forward basing of ships; (3) introduction of new payload capacity for SSNs (replacing the SSGNs) and; (4) the increased use of ships manned with rotating civilian and military crews which provide more presence per ship.

Our fiscal year 2014 long-term shipbuilding plan is designed and planned to deliver the fleet, by ship type, required per our FSA over the long term. Over the fiscal year 2014–fiscal year 2018 FYDP our program will fund construction of 41 ships. Our investments are not programmed to reach the precise number and mix of ships within this FYDP, but do deliver a fleet of 300 ships by 2019 with increased capability and flexibility compared to the fleet of today. To meet the required force mix and number, however, Navy will need the means to resource, in particular, construction of the next generation nuclear ballistic missile submarine (SSBN). Deputy Secretary of Defense Carter acknowledged this resourcing challenge in his memo of March 2012 that forwarded the Fiscal Year 2013 Shipbuilding Plan to Congress.

Our fiscal year 2014 program continues the construction of ships that employ rotational military or civilian crews to improve their ability to operate and stay forward. Our fiscal year 2014 budget submission funds the final MLP, which will be configured as an AFSB and manned by rotating civilian crews with military detachments, and four LCS that will employ rotational military crews. During fiscal year 2014 we will deploy the first JHSV, USNS *Spearhead*, and continue the first deploy-

ment of USS *Freedom*. We will use these deployments to integrate these new, highly adaptable platforms into the fleet and evaluate the ways we can employ their combination of persistent forward presence and flexible payload capacity.

During fiscal year 2014, seven ships will enter the fleet, including two new classes of ships. The first *Zumwalt*-class DDG will deliver next year, bringing with it an all-electric integrated propulsion system and the Advanced Gun System, able to reach targets with precision up to 60 miles away. The amphibious assault ship USS *America* will join the fleet in fiscal year 2014 and empower new concepts for amphibious operations that take advantage of its expanded aviation capacity. Over the next 5 years, we will deliver 47 ships, including the *Gerald R. Ford*, the first of a new class of CVN that will provide much higher sortie generation with about 500 fewer sailors.

Aviation

Our aviation requirements are tied to requirements for the ships from which they operate, and on our required forward presence of land-based aircraft such as the P–8A Poseidon. Our fiscal year 2014 program invests in aircraft to meet those requirements. To support our carrier air wings and independent deploying ships, our fiscal year 2014 budget submission continues construction of the proven and adaptable MH–60R/S Seahawk and E–2D Hawkeye. We also continue investment in development and low-rate production of the F–35C Lightning II to replace our older F/A–18 Hornet models (A–D).

Readiness

Our funded operations and maintenance in fiscal year 2013 will complete the manning, training, maintenance and other preparations necessary to enable Navy to meet the fiscal year 2014 GFMAP. Our fiscal year 2014 budget submission, combined with anticipated Overseas Contingency Operations (OCO) funding, fully funds our planned ship and aircraft maintenance and the ship and aircraft operations needed to execute the fiscal year 2014 GFMAP.

Our overall fiscal year 2014 readiness is dependent on OCO funding. OCO funding subsidizes about 20 percent of our ship and aircraft maintenance costs in fiscal year 2014, including depot maintenance, as our fleet supports operations in Afghanistan. We are requesting OCO funding for about 20 percent of our planned ship operations to support training and certification for deployment and deployed operations. Our dependence on OCO funding for baseline operations has decreased from $3.3 billion in fiscal year 2011 to $2.3 billion fiscal year 2013 as we "migrate OCO to base" funding. A more enduring funding strategy will eventually be required for Navy to maintain its current readiness and level of overseas presence into the future.

The Navy also continues to develop more efficient ways to generate presence. Our fiscal year 2014 budget submission requests investments needed to modify the Fleet Readiness Training Plan (FRTP), which is the means Navy uses to train and maintain ships and aircraft in our CSGs and ARGs in preparation for deployment. This change, called "Enhanced CSG Presence," will enable increased overseas presence of rotationally-deployed CSGs by: lengthening the overall FRTP cycle; adding time for maintenance and training; and increasing the total deployed time of each CSG per operating cycle. This transition will take about 2 years to complete, but when completed we will have established a more sustainable process for training and maintaining our rotationally deploying ships, aircraft and crews.

Enhanced CSG Presence addresses increased use and increased overseas presence of CSGs over the last decade, since the current FRP was first developed. The current FRTP organizes the training and maintenance of ships and aircraft in the CSG to conduct one deployment (nominally 7 months) per 32-month cycle; the CSG is then available to deploy for contingencies for another 12 months. In the last several years, Requests For Forces (RFF) added to the GFMAP compelled Navy to routinely deploy CSGs twice in each operating cycle. This caused personnel to exceed DOD personnel tempo limits and expended the CVNs nuclear fuel at a higher rate than planned—causing some CVN to be constrained in the amount of operations they can do before they are refueled. Enhanced CSG Presence is designed to deploy CSGs twice each operating cycle while providing the time at home needed to stay within PERSTEMPO limits and maintain ships and aircraft. This model is more efficient because it trains and maintains the CSG once for up to two deployments. It is also a "supply-based" model because it delivers a set amount of overseas CSG presence and does not include "on demand" surge capacity except in most extreme contingencies. Our fiscal year 2014 program includes the near-term investment in personnel and shipyard capacity needed to implement Enhanced CSG Presence, but fu-

ture investment in CVN and aircraft recapitalization may be needed to address increased usage over time.

Our shore establishment is a key contributor to our operational readiness. Sequestration in fiscal year 2013 reduced by more than half our planned facilities sustainment, renovation and modernization (FSRM) projects. This $1.2 billion reduction in shore investment will be "carried over" into fiscal year 2014 and beyond and will degrade our shore readiness over time. Our fiscal year 2014 budget submission funds FSRM at acceptable levels of risk overall, but this "carryover" will have to be addressed.

One particular area of emphasis in our facilities investment remains unaccompanied sailor housing. In 2001, 21,000 of our junior sailors had to live on their ship even when the ship was in port because there were no quarters ashore for them. Our military construction in fiscal year 2013 will complete our effort to provide every sailor a room ashore by 2016, while our FSRM investments going forward will improve the quality of our sailor's quarters. These efforts are important to our sailors' quality of life and personal readiness, but also will improve the safety and security of our on-base housing.

Arctic

Emerging projections assess that the Arctic will become passable for shipping several months out of the year within the next decade—about 10 years earlier than predicted in 2009 when we first published our Arctic Roadmap. This will place new demands on our fleet for presence in the Arctic and capabilities to operate in the Arctic environment. Between now and the start of fiscal year 2014 we will update our Arctic Roadmap, and accelerate many of the actions Navy will take in preparation for a more accessible Arctic. During fiscal year 2014 we will implement this revised roadmap, including developing with the U.S. Coast Guard plans for maintaining presence and search and rescue capability in the Arctic and pursuing exchanges with other Arctic countries to familiarize our sailors with Arctic operations.

2. Fielding near-term capabilities: Mine warfare continues to be a significant emphasis in the near-term. Our fiscal year 2014 program increases investment in the new AQS–20 towed mine hunting sonar and the new unmanned surface vehicle that will tow it, freeing up manned helicopters and ships and further expanding our mine hunting capacity. Our budget submission funds upgrades for our existing helicopter-towed mine hunting sonar and MCM hull-mounted sonar and accelerates fielding of the Mk-18 UUV and Sea Fox mine neutralization system. To support our MCMs and PCs in Bahrain, Navy's fiscal year 2014 program sustains USS *Ponce* as an AFSB–I in the Arabian Gulf and funds the outfitting of its replacement—the first MLP modified to be an AFSB.

To address the near-term threat from submarines, our fiscal year 2014 program sustains accelerated procurement of Mk-54 torpedoes, improves sustainment and replacement of today's fixed and mobile undersea sensors and improves our current periscope detection radars on surface ships and aircraft. To counter wake-homing torpedoes we installed a prototype surface ship torpedo defense (SSTD) system on USS *George H.W. Bush* this year and it is being tested. The SSTD system will deploy with *Bush* during fiscal year 2014.

Small boats with explosives or anti-ship missiles remain a potential threat to our forces in the constrained waters of the Arabian Gulf. Our fiscal year 2014 program funds integration of the Advanced Precision Kill Weapon System (APKWS) onto our MH–60R helicopters to counter this threat. We also will test the new Laser Weapons System (LaWS) during fiscal year 2014 in the Arabian Gulf aboard USS *Ponce*. LaWS brings capabilities to defeat small boats and unmanned air vehicles (UAV) for about $1 a shot compared to thousands or millions of dollars per artillery round or missile. To improve our ability to defeat larger surface combatants, our fiscal year 2014 program invests in development and testing of near-term modifications to existing weapons that would enable them to be used for surface warfare.

3. Developing future capabilities: Our development of future capability is benchmarked to support our rebalance toward the Asia-Pacific and is guided in large part by the Air-Sea Battle concept, which implements the Joint Operational Access Concept. Both these concepts are designed to assure U.S. forces freedom of action and access to support deterrence, assurance of our allies and partners, and the ability to respond to crises. Our investments focus on assuring access in each domain, often by exploiting the asymmetric capability advantages of U.S. forces across domains

Undersea

Navy's dominance of the undersea domain provides U.S. forces their most significant asymmetric advantage. Our fiscal year 2014 program continues improving our

capability to deny the undersea to adversaries, while exploiting it for our own operations. Our ASW concepts combine U.S. air, space, cyber, surface and subsurface capabilities to prevent adversaries from effectively using the undersea domain. Navy's fiscal year 2014 budget submission sustains and plans production of proven ASW platforms including MH–60R Seahawk helicopters, P–8A Poseidon maritime patrol aircraft, *Arleigh Burke* class destroyers and *Virginia* class nuclear submarines (SSN)—including a second SSN in fiscal year 2014 thanks to congressional support in fiscal year 2013. Our budget submission also funds Advanced Airborne Sensors for the P–8A Poseidon, accelerates torpedo defense systems for our aircraft carriers, transitions the PLUS system to an acquisition program and improves Navy's Integrated Undersea Surveillance System. To tie these manned and unmanned air, surface and undersea systems together in a networked, our fiscal year 2014 budget submission continues development of the Undersea Warfare Decision Support System.

Our submarines and undersea vehicles can exploit their ability to circumvent anti-access challenges to conduct missions such as surveillance, strike, and ASUW into the air and surface domains with near-impunity. In addition to building two *Virginia* class SSNs in fiscal year 2014 our budget submission continues development of the Large Displacement Unmanned Underwater Vehicle and additional payloads for our existing submarines.

Air

Our fiscal year 2014 program continues to improve the capability of our CSGs to project power despite threats to access. In fiscal year 2014 our budget submission funds two squadrons E/A–18G Growler electronic warfare aircraft and the Next Generation Jammer. E/A–18G provides key and critical capabilities to our CVW and expeditionary forces by jamming or deceiving adversary electromagnetic sensors while providing improved capability for sensing of adversary electromagnetic emissions. Our fiscal year 2014 budget submission also continues to invest in the development and low-rate production of the new F–35C Lightning II. We will continue to evaluate how to best integrate F–35C into our CVW from a training, logistics and operational perspective. In particular, we are concerned about the sustainment model and costs for F–35C and how to manage them. While we expect the F–35C to be able to do all the missions of today's F/A–18 E/F, it will also bring improved Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance capabilities that will make possible a number of new operational concepts.

Our fiscal year 2014 program funds the fielding of new "kill chains" that are better able to defeat adversary jamming. One chain uses infrared sensors and weapons to provide air-to-air capability that operates outside the radiofrequency (RF) band and is therefore not susceptible to traditional RF jamming. The other kill chain uses networked sensors and weapons in the Navy Integrated Fire Control-Counter Air (NIFC–CA) system. NIFC–CA uses the Cooperative Engagement Capability (CEC) datalink between Aegis ships and E–2D aircraft and Link-16 between E–2D and F/A–18 aircraft to seamlessly share threat information between Navy ships and aircraft. NIFC–CA enables each platform to engage targets on another platform's data, even if the shooting platform does not even see the target on its own radar due to jamming or extreme range. Since NIFC–CA incorporates Link-16, other Link-16-equipped sensors such as the Army's Joint Land Attack Cruise Missile Elevated Netted Sensor and Airborne Warning and Control System could also participate in the network. We will field the first NIFC–CA equipped CSG in 2015 and will pursue greater Joint and coalition employment of NIFC–CA as part of the Air-Sea Battle Concept.

Enhancements to our manned aircraft are still limited by the range and persistence of manned platforms. Our fiscal year 2014 program continues testing and development of the X–47 Unmanned Combat Air System Demonstrator (UCAS–D) UAV, which completed flight deck trials at sea aboard USS *Harry S Truman*, its first land-based catapult launches, and is slated for its first at-sea catapult launch and recovery in late May. This spring we will finalize the requirements for the follow-on Unmanned Carrier Launched Airborne Strike and Surveillance (UCLASS) system, followed by an initial request for proposals from industry. By fiscal year 2020, UCLASS will enhance the reach and persistence of our CSGs by conducting surveillance and strike missions several hundreds of miles from the carrier and with two to three times the endurance of a manned aircraft. The UCLASS can also be equipped to take on missions such as tanking that today take several F/A–18 E/F out of the tactical missions for which they were designed.

Electromagnetic spectrum (EMS) and cyber

Future conflicts will be fought and won in the electromagnetic spectrum and cyberspace, which are converging to become one continuous environment. This environment is increasingly important to defeating threats to access, since through it we can disrupt adversary sensors, command and control and weapons homing. Our fiscal year 2014 budget submission aggressively supports Navy's efforts to exploit the EMS and cyberspace. In addition to E/A–18G aircraft and Next Generation Jammer, our fiscal year 2014 budget submission funds seven SLQ–32 Surface Electronic Warfare Improvement Program (SEWIP) Block 1 upgrades and fields new deployable decoys to defeat anti-ship missiles. The fiscal year 2014 program also accelerates research and development on SEWIP Block 3, which expands the frequency range of the SLQ–32 electronic warfare system to address emerging missile threats and provides enhanced electronic attack capabilities. To disrupt adversary surveillance and communications, our fiscal year 2014 budget submission continues procurement of improvements to Navy's Ships Signal Exploitation Equipment, which will host a growing number of electronic surveillance and attack payloads.

Improving the defense of our computer networks depends on reducing our "footprint" or the number of different networks; reducing the number of different applications on our networks; improving our day-to-day cyber "hygiene"; and developing an effective cyber workforce. Our fiscal year 2014 program continues fielding the Consolidated Afloat Network and Enterprise Services (CANES) on ships and the Next Generation Network ashore to reduce the number of Navy networks and applications while we continue to expand the inspection of our cyber "hygiene" with improving results. To expand our cyber warfare capabilities, our fiscal year 2014 program funds the manpower and training to man and train a cyber force increase of about 1,000 personnel by fiscal year 2016 in addition to the 800 billets realigned in fiscal year 2013 from other specialties. These cyber specialists will help form 40 computer defense, attack and exploitation teams at U.S. Cyber Command. Navy studied the challenges associated with the EMS and cyber domains in 2012. We are now building on these initial capabilities with a comprehensive plan to improve our ability to exploit the EMS and cyberspace.

Amphibious warfare

Not all threats to access are from enemy missiles or torpedoes. Adversaries will exploit geography and coerce neighbors to not allow our forces to use their facilities. Naval forces also need the flexibility to come ashore in unexpected areas or from less predictable directions to catch the adversary off guard. Amphibious warfare exploits the inherent maneuverability of naval forces to provide an asymmetric advantage against adversary anti-access efforts. Our fiscal year 2014 budget submission funds construction of an 11th "big deck" amphibious assault ship (LHA), LHA–8, which will bring enhanced aviation capacity and a traditional well deck to expand its ability to support the full range of amphibious operations. Our fiscal year 2014 program also extends the life of USS *Peleliu* through fiscal year 2015 and sustains our ship to shore connector capacity through life extensions and recapitalization. We are complementing this investment with revised concepts for marines to operate at sea on a larger number of ships to conduct missions from peacetime security cooperation to wartime amphibious assault.

While developing new Navy-Marine Corps operating concepts, we will address in the near-term the need for improved communications systems on our amphibious ships. Our fiscal year 2014 program continues to install the CANES on *San Antonio*-class Amphibious Transport Dock ships (LPD) and on LHAs and LHDs. This only addresses a part of our shortfall. We are analyzing the need for upgraded communications on our older amphibious ships and will correct those shortfalls in the near-term. We are also developing changes to our command and control organizations to enable our amphibious forces to scale their operations from disaggregated Amphibious Ready Groups (ARG) up to large scale operations involving multiple ARGs and CSGs.

Asia-Pacific Rebalance

Our fiscal year 2014 program continues rebalancing our efforts toward the Asia-Pacific region in four main ways:

- Increased presence: As indicated in Figures 1 and 2, our fiscal year 2014 budget submission enables Navy presence in the Asia-Pacific to increase by almost 20 percent between now and 2020. This is in large part a result of more ships operating from forward locations, including an additional SSN homeported in Guam, LCS operating from Singapore and JHSV, MLP and AFSB operating from ports throughout the region. It also reflects additional DDG and amphibious ships rotationally deployed to the Asia-Pacific after

being made available by forward homeporting of DDG in Rota, Spain or because they were replaced by JHSV and LCS in Africa and South America.
• Homeporting: We implemented a plan in fiscal year 2013 to shift 60 percent of our fleet to be homeported on the Pacific by 2020. Our fiscal year 2014 program continues this plan.
• Capabilities: Our capability investments for the Asia-Pacific are guided by the Air-Sea Battle concept and the future capabilities described above will be deployed preferentially and first to the Asia-Pacific region. For example, the P–8A will conduct its first deployment to the Asia-Pacific in 2014, followed by the MQ–4C and F–35 later this decade. Our improved aviation kill chain capabilities will go first to the CVW in Japan and NIFC–CA will be first fielded to the Pacific Fleet once it completes its operational testing.
• Intellectual Capital: Our investments in education, exercises, interoperability and engagement continue to focus on the Asia-Pacific region. We continue to conduct more than 150 exercises annually in the Asia-Pacific and our plan for RIMPAC 14 is to continue growing in sophistication and participation, including China for the first time. We established a permanent squadron staff to support LCS in Singapore and manage Navy security cooperation activities in the South China Sea.

CONCLUSION

Budget uncertainties or reductions may slow progress toward our goals, but the tenets which guide our decisions will remain firm. Along with our primary joint partner the U.S. Marine Corps we will remain America's "force in readiness," prepared to promptly respond to crises overseas. On behalf of the approximately 613,000 Navy sailors and civilians, I appreciate the support that Congress has given us to remain the world's preeminent maritime force. I can assure Congress and the American people that we will be focused on warfighting first, operating forward and being ready.

Chairman LEVIN. Admiral, thank you so much.

General Amos.

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

General AMOS. Chairman Levin, Ranking Member Inhofe, and members of the committee: I'm pleased to appear before you today to outline the 2013 posture of your U.S. Marine Corps. I'm equally pleased to be sitting alongside my Service Secretary, the Honorable Ray Mabus, and my good friend and fellow shipmate, Admiral John Greenert, the Chief of Naval Operations.

For more than 237 years, the Marine Corps has been a people-intense force. We have always known our greatest asset is the single individual marine. That has borne true yet again during 12 years of hard combat. Our unique role as America's principal crisis response force is grounded in the legendary character and warfighting ethos of the U.S. Marine Corps.

Today's marines are ethical warriors, forged by challenging training and made wise through decades of combat. You can take great pride in knowing that as we gather here this morning in this hearing, some 30,000 marines are forward deployed around the world, promoting peace, protecting our Nation's interests, and securing its defense.

Sergeant Major Michael Barrett, Sergeant Major of the Marine Corps, and I recently returned from Afghanistan and can attest to the progress there. Marines have given the Afghan people a vision of success and the possibility of a secure and prosperous society. I'm bullish about the positive assistance we are providing the people of the Helmand Province and I remain optimistic about their

future. Afghan National Security Forces (ANSF) have the lead now in almost every single operation. Our commanders and their marines assess the ANSF as overmatching the Taliban in every way and in every single engagement.

Speaking today as both a Service Chief and as a member of the Joint Chiefs of Staff, the foundation of our Nation's defense and the security of the global economic environment depends upon regional stability and international order. Failing to provide leadership in the collective security of the global order will have significant consequences for the American people. Worse, a lapse in American leadership and forward engagement will create a void in which lasting security threats will be left unaddressed and new security challenges will find room to grow.

The reality of today's security environment reveals the true value of forward-deployed naval presence. Sea-based naval forces support a proactive security strategy, all while treading lightly on our allies' and our partners' sovereign territory. Amphibious forces are a sensible and unmistakable solution in preserving our national security. Naval forces, and the Marine Corps in particular, are our Nation's insurance policy. We are a hedge against an uncertain and unpredictable world. A balanced air-ground logistics team, we respond in hours and days to America's needs, not in weeks and months. This is our raison d'etre. It has always been that way.

This year's baseline budget submission of $24.2 billion was framed by our following service-level priorities:

First, we will continue to provide the best-trained and equipped Marine Corps units to Afghanistan;

Second, we will protect the readiness of our forward-deployed and rotational forces;

Third, we will reset and reconstitute our operating forces as our marines and our equipment return from nearly 12 years of combat;

Fourth, as much as is humanly possible we will modernize our force through investing in the individual Marine first by replacing aging combat systems second; and

Fifth and last, we will keep faith with our marines, our sailors, and our families.

We have remained committed to these priorities in fiscal year 2013 despite the loss of $775 million in O&M funding as a result of sequestration. To guarantee near-term readiness, we have traded long-term infrastructure and nondeployed unit training to bolster the readiness of our next-to-deploy forces. By doing so we are capable of meeting all current GFMAP requirement for the remainder of this fiscal year.

However, we cannot continue to sustain this level of reduction in fiscal year 2014 without impact to our deployed and next-to-deploy forces. Sequestration in 2014 will mean that more than half of our non-forward-deployed ground and aviation units will have readiness ratings of C3 or below.

Ladies and gentlemen, your Marine Corps is well aware of the fiscal realities confronting our Nation. During these times of constrained resources, the Marine Corps remains committed to being responsible stewards of scarce public funds.

In closing, the success of your marines and your Marine Corps is directly linked to the unwavering support of Congress and the

American people. You have my promise that during our economic challenges, the Marine Corps will only ask for what it needs, not for what it wants. We will continue to prioritize and make the hard decisions before we ever come before Congress. We will continue to offer a strategically mobile force, optimized for forward presence and rapid response. Your Marine Corps stands ready to respond whenever the Nation calls and whenever the President may direct.

Once again, I thank this committee for your strong support over the last many years and I look forward to your questions.

[The prepared statement of General Amos follows:]

PREPARED STATEMENT BY GEN. JAMES F. AMOS, USMC

I. MARINES AND THE NATION'S DEFENSE

Our Nation has long recognized the need for a ready expeditionary force, one able to deter those who would do us harm, swiftly intervene when they act to do so, and fight to win where the security interests of our Nation are threatened. I am pleased to report that your marines remain that ready force. Because of the faithfulness and trust of the American people, marines are forward deployed today; on ships at sea, at our diplomatic posts, in key security locations, and alongside our allies. They are poised to respond wherever crisis looms. Thousands of your 21st century marines and sailors remain deployed to Afghanistan where they are putting relentless pressure on a disrupted enemy, while setting the conditions for a transition of security responsibilities to the Afghans themselves. Marines here at home are in the field, training at their bases and stations. Wherever they serve, whatever their mission, your marines are ready, motivated, and eager. Their professionalism and patriotism are undimmed by over a decade of combat. They carry the timeless ethos and deep pride marines have built over 237 years of service to this Nation. You can be proud of their service.

The need for this highly capable and ready force is more pressing now than ever. Today, we see a world marked by conflict, instability and humanitarian disaster. We see the disruptive changes that accompany a rapidly modernizing world; a world in which tyranny is challenged, power is diffused and extremism finds fertile ground in the disenfranchised. While America's continued prosperity and security are found in a stable global order; instability, extremism and conflict create disorder instead. In what has been described as a 'new normal,' extremism, economic disruption, identity politics and social change generate new potential security threats at an accelerating pace. While we desire peace as a nation, threats to our citizens, allies, and national interests compel our response when crisis occurs.

The unpredictable and chaotic security environment in which we find ourselves presents security challenges that are aligned exactly with the core competencies of the Marine Corps. While marines have acquitted themselves well during two long campaigns ashore, our fundamental ethos and character remains that of the Nation's Expeditionary Force in Readiness. The Marine Corps is purpose-built for the very world we see emerging around us . . . purpose-built to intervene in crisis, purpose-built to forge partnerships in collective security, purpose-built to defend our Nation from the wide range of security threats it faces today.

This unique role is grounded in the special nature of the individual marine. America's marines hold to a professional ethos anchored in honor, discipline, fidelity, and sacrifice. Today's marines are ethical warriors, forged in hard training and made wise through years of experience in combat. Courageous in battle and always faithful, marines stand as pillars of just action, compassion, and moral courage. This ethos defines our warfighting philosophy and is the timeless scale upon which we continually measure ourselves . . . it has always been this way.

The Marine Corps remains first and foremost a naval service, operating in close partnership with the U.S. Navy. We share with them a storied heritage that predates the signing of our Constitution. Together, the two naval Services leverage the seas, not only to protect the vast global commons, but also to project our national power and influence ashore where that is required. The world's coastal regions are the home to an increasing majority of the human population, and are thus the scene of frequent conflict and natural disaster. These littoral regions comprise the connective tissues that connect oceanic trade routes with the activities of populations ashore. In an era of heightened sensitivities over sovereignty, and where large foreign military footprints are unwelcome, the seas provide maritime forces with a means of less obtrusive access. Maritime expeditionary forces can be located close

enough to act when crisis threatens and hours matter, without imposing a burden on host nations. Expeditionary maritime forces can operate in the air, at sea, and on land, without the necessity of infrastructure ashore. They can loiter unseen over the horizon, and can move swiftly from one crisis region to another. Importantly, maritime forces also have the ability to rapidly return to the sea when their mission is complete.

This flexibility and strategic agility make Marine forces a key tool for the Joint force in major contingencies. Operating in partnership with the Navy, the Marine air-ground-logistics task force creates the strategic asymmetries that make the joint force so effective on the modern battlefield. Amphibious and expeditionary capabilities contribute to each of the ten mission areas of the joint force, and are directly responsive to the security demands articulated in the President's Defense Strategic Guidance for the 21st Century. By design, marines smoothly integrate with the other elements of the joint force, enable our interagency partners in response to disaster or humanitarian crises, and provide a naturally complementary team when working with Special Operations Forces.

As the Nation prepares for an uncertain future, its expeditionary Marine forces provide a highly-utilitarian capability, effective in a wide range of scenarios. Marines remain a cost-effective hedge against the unexpected, providing a national "insurance policy" against strategic surprise. Thanks to the support of American people, the Marine Corps remains responsive to its congressional mandate to be the "most ready when the Nation is least ready."

2012 Operational Highlights

This past year, marines have been actively engaged in every corner of the global security environment. The Marine Corps continued to meet operational commitments in Afghanistan, while simultaneously working with more than 90 allies and partners to train, to learn, and to build effective security institutions. In addition to forces committed to Operation Enduring Freedom (OEF), our Marine Expeditionary Units (MEUs), in partnership with Navy Amphibious Ready Groups (ARGs), continued to patrol regions of likely crisis. Other task-organized Marine Air Ground Task Forces (MAGTFs), operating from expeditionary locations, supported U.S. national security objectives through forward presence, deterrence, multinational theater security cooperation exercises, and building partner capacity. Marines have been active in every geographical combatant command, serving as a key component of the joint force. Even under fiscal restraint, we will continue to support these strategically important activities to the greatest extent possible.

Afghanistan

Our number one priority remains providing the best-trained and best-equipped Marine units to Afghanistan. As long as we are engaged there, this will not change. Active and Reserve marines continue operations in Helmand Province, comprising approximately 7,000 of the 16,000 Coalition personnel in Regional Command Southwest (RC–SW). By the end of this year, we expect our contribution will be closer to half its current size. Through distributed combat operations conducted with their Afghan counterparts, marines have continued to deny the Taliban safe haven. Your marines, with coalition partners from nine nations and the Afghan National Security Force (ANSF), have restored stability in one of the most critical regions of Afghanistan, creating breathing space for the establishment of effective tools of governance. These combat operations have been marked by the continued bravery and sacrifice of American, coalition, and Afghan servicemembers.

One measure of our battlefield success is the continued progress in implementing the mechanisms of effective governance in Helmand Province. In 2012, citizens of Helmand conducted three successful elections for district community councils, with more than 5,000 participants vying for approximately 45 council seats. There are new district governors in 12 of 14 districts, and new provincial authorities in the capital of Lashkar Gah. Within the provincial judicial system, the numbers of judges, prosecutors and defense counselors are steadily growing.

Provincial social conditions also show marked improvement. Marines have helped open 86 schools, providing a new normal of daily classroom participation by over 121,000 children. This total includes more than 28,000 female students, a 432 percent increase since 2005.

Healthcare is another area of vast improvement. In 2006, only six health clinics served the needs of the population of Helmand province, an area nearly twice the size of Maryland. Six years later, 57 health care facilities provide basic health services to more than half of the population. Infrastructure improvements currently underway include a $130 million major electrical power system project and additional major road construction projects.

Transitioning from counter-insurgency operations to security force assistance in Afghanistan, we are adjusting our force posture into an advisory role in support of the ANSF. U.S.-led missions have given way to U.S.-Afghan partnered missions; and now are transitioning once again to missions conducted entirely by Afghan forces with only advisory support from U.S. forces. As nearly all Districts in RC–SW have entered the transition process, the next year remains a delicate and extremely important time. Afghan local authorities, supported by the ANSF and their citizens, have welcomed their responsibility to lead and are taking it upon themselves to contribute to the transition process.

I recently returned from visiting your marines in Helmand province, and I can attest to the progress there. Marines have given the people of Helmand a vision for a secure and prosperous society, and the responsibilities that come with that freedom. The marines are proud of what they and their predecessors have accomplished, and want to see this mission through to completion.

That mission is not complete until the massive project of retrograding our equipment from our dispersed operating locations across southern Afghanistan is completed. I am happy to report to you the tremendous progress our marines have made in recovering and redeploying our equipment. Our logisticians have spearheaded a recovery effort that has been proactive, cost-effective, and in keeping with the high stewardship of taxpayer resources for which the Corps is known. Much of our equipment, unneeded in Afghanistan but required for home-station training, has been successfully returned to the United States, where it can be refurbished and reissued. We are proud to preserve our reputation as the frugal force.

Global Crisis Response

Concomitant with our Afghan commitments, marines have been vigilant around the globe, responding to crises ranging from civil conflict to natural disasters. Crisis response is a core competency of your expeditionary force in readiness. The Marine Corps provides six MEUs operating from the continental United States, and one operating from its bases in Japan. Teamed with Navy ARGs, these expeditionary forces provide a rotational forward presence around the globe. Special-purpose MAGTFs, capable of rapidly responding when conditions deteriorate, augment the MEUs from forward security locations in key regions. The recent deployment of our 24th MEU and the Iwo Jima ARG is instructive. As this Navy-Marine expeditionary team transited the Mediterranean Sea and operated off the horn of Africa, they participated in their normal syllabus of exercises and operations to include African Lion with the Moroccan military, Eager Lion with the Jordanian Navy and the International Mine Countermeasures Exercise that included more than 30 international partners. While forward deployed participating in these partnership initiatives, however, they also provided an essential response capability for our national leadership when U.S. interests or citizens were threatened due to violence in Syria, Gaza, Sudan, Libya, Egypt, and Yemen. These forces planned against a variety of scenarios and were poised to swiftly intervene from the sea in each of these cases. Although past the end of their scheduled deployment, this Navy-Marine team was extended on-station, and maneuvered throughout the region in order to ensure our Nation could respond if crisis necessitated intervention to protect our citizens. If even one of these smoldering situations had ignited into the flames of crisis, our marines would have been quickly on the scene, protecting human life, preserving our interests, and evacuating our citizens. For our diplomats and citizens in these troubled parts of the world, there is no substitute for the capabilities brought by forward deployed marines and their Navy partners. Their ability to quickly respond to a variety of missions gave decisionmakers at all levels time to develop their plans, created options for execution, and provided assurance that there was a force ready to be called-on if needed. This utility, flexibility and forward presence is an essential feature of our Nation's ability to respond to crisis at a moment's notice.

In 2012, our diplomatic posts and embassies remained highly visible symbols of US presence and commitment. In the threat environment posed by the new normal, the protection offered by host states is often threatened by groups and organizations that do not respect the conventions of the state system. Marines are a key component in ensuring the security of these most vulnerable nodes of U.S. presence. Marine Security Guards are currently deployed to 152 embassies and consulates around the world. With congressional guidance, we are seeking to increase this number in close coordination with the State Department. Marine Embassy Security detachments and Fleet Anti-terrorism Security Teams (FAST), alongside their State Department colleagues, also protect our diplomatic missions against a range of threats. During 2012, specialized FAST marines deployed to reinforce U.S. diplomatic missions abroad, providing physical security and force protection. Last year we provided each Geographic Combatant Commander with FAST support to aid in

protecting U.S. interests worldwide. These teams provided immediate relief in Libya following the deadly terrorist attack on the consulate that claimed the lives of the Ambassador and three other Americans. As demonstrations spread across the Middle East and North Africa, marines from an additional FAST platoon deployed to Yemen when violent protests threatened American diplomatic personnel. These specially trained marines remain forward deployed at naval commands around the globe, poised to respond on short notice when our citizens and diplomats are threatened.

Humanitarian Assistance and Disaster Relief

Over the past decade, in the Asia-Pacific Area alone, major natural disasters have claimed the lives of an average of 70,000 people each year. American leadership in response to global natural disaster is a clear and unambiguous demonstration of our strength, our values, and our good intentions. This demonstration gives credibility to our security promises, strengthens the value of our deterrence, and creates goodwill among our potential partners. Although built for war and maintained forward to protect our security interests, the utility of expeditionary Marine forces makes them a natural response option when disaster strikes. Forward deployed marines responded to numerous natural disasters over the past year, smoothly integrating as a contributor to multiagency and multinational relief efforts. As an example, just this last December, marines from the III Marine Expeditionary Force supported a USAID-led response by providing disaster relief in the aftermath of super typhoon Pablo in the Philippines. When hours mattered and the survival of large populations was at stake, marines from their forward bases in Japan quickly organized and executed their participation in the U.S. relief effort. KC–130J Hercules transport planes delivered critical food packages and other supplies to Manila for distribution by the Philippine military. This is but one example of a regular feature of the global security environment, and the utility of your forward-postured marines.

Defense Support to Civil Authorities

In a similar vein, when Hurricane Sandy struck our own nation in October 2012, more than 300 marines and sailors from the 26th Marine Expeditionary Unit provided critical recovery and relief operations in support of Americans in need in New York City and Long Island. Marines were one part of a multiagency response that included ships of the USS *Wasp* ARG and other military assets. Marine aviation conducted disaster relief assessments and provided the necessary airlift for marines to deploy into the hardest-hit areas. On the ground, marines successfully coordinated with local leaders and residents for priority relief requirements, providing critical supplies and assisting with clearing debris and helping restore normalcy to people's lives. The swiftness of the Marine response, and their ability to conduct relief efforts from the sea made them an important contributor, without imposing additional strain on the roads, airfields and infrastructure supporting the broader relief effort.

Security Cooperation

In 2012, marines participated in more than 200 security cooperation engagements, including multilateral and bilateral exercises, training, and military-to-military engagements. Forward-deployed MEUs participated in joint and coalition exercises around the globe from Morocco to the Philippines, strengthening our partnerships with allies such as Kuwait, Oman, Saudi Arabia, United Arab Emirates, Jordan, Thailand, Malaysia, Indonesia, Korea, and Japan.

In Europe, marine trainers deployed to support battalions of the Georgian Army, strengthening a decade-long partnership with that nation. Because of this small investment of marines, Georgian battalions have been effectively fighting alongside U.S. marines in Afghanistan since 2008. Marines continue to provide forces and leadership to activities such as the Black Sea Rotational Force, an annual U.S. European Command initiative with the Romanians, Bulgarians, and other Black Sea regional allies.

In Africa, a Special Purpose MAGTF, tailored to conduct theater security cooperation in support of OEF-Trans Sahara, trained counterterrorism forces and supported coalition forces combating al Qaeda affiliates across the Maghreb region. This MAGTF also trained with forces from the African Union Mission in Somalia (AMISOM), providing well-trained African peacekeeping forces that are currently countering the Al Shabaab terrorist group in Somalia.

In Australia, our new rotational units continued to expand the training and partnership opportunities offered by one of our strongest and oldest allies in the Pacific. This past year, Marine Rotational Force Darwin conducted bilateral training with their hosts on the superb training ranges available in Northern Australia. The partnership of our Australian allies is a cornerstone of our Pacific rebalance. Marines

are natural partners for an Australian military that continues to expand its expeditionary capabilities. As the Australians take delivery of their new big-deck amphibious ships, U.S. marines look forward to more combined training opportunities and reinforced crisis response capabilities. From Darwin, marines embarked aboard USS *Germantown* to participate in the annual Landing Force Cooperation and Readiness Afloat Training (LF CARAT) amphibious patrol of the Southeast Asian neighborhood. Through LF CARAT, marines conducted training exercises with our partners in Thailand, Indonesia and Malaysia.

Maintaining a sound international economic system and a just international order are the foundations of our Nation's Defense Strategic Guidance. Your marines remain forward deployed around the world, projecting U.S. influence, responding to contingencies, and building strong international relationships. By doing so, we significantly enhanced the security and stability of the global commons and contributed to the mechanisms of collective security that underpin the global economy and our own return to prosperity.

II. FISCAL YEAR 2014 BUDGET SUBMISSION HIGHLIGHTS

As we move into fiscal year 2014 and beyond, our budget submission balances our force structure, our readiness and our capability to meet national security commitments. A critical measure of the effectiveness of our Marine Corps is its readiness. Our readiness is preserved through a careful balance of high quality people, well-trained units, modernized equipment, well-maintained installations and a force level sufficient to accomplish our many missions. Failure in any one of these pillars of readiness begins to set the conditions for an eventual hollowing of the force. We will do everything within our power to avoid this outcome, and request your continued support. The linkage between resources and readiness is immediate and visible, and our fiscal restraint has caused us to pay keen attention to our priorities. To guide us as we optimize investments and readiness in our force, our priorities are as follows:

- We will continue to provide the best trained and equipped marine units to Afghanistan
- We will continue to protect the readiness of our forward deployed rotational forces within the means available
- We will reset and reconstitute our operating forces as our marines and equipment return from more than a decade of combat
- We will modernize our force through investments in human capital and by replacing aging combat systems
- We will keep faith with our marines, our sailors, and our families

This year we are seeking $24.2 billion to fund our baseline operations. This funding allows the Marine Corps to continue to provide forward deployed and engaged forces, rapid crisis response capabilities, and the necessary training to ensure readiness for our forces to fulfill strategic demands. In addition, this funding provides adequate resources for us to reset our combat-worn equipment, rebalance to the Asia-Pacific region, and keep faith with our marines, sailors, and their families.

Two years ago, the Marine Corps initiated a Force Structure Review (FSR) whose mission was to reshape the Marine Corps for a Post-OEF environment. This FSR sought to find ways to meet our national security responsibilities in the most resource-efficient manner possible. Our goal was to provide the most ready, capable, and cost-effective Marine Corps our Nation could afford. Last year, we reported on our approved multi-year plan to draw down the Corps from the end strength of 202,100 in fiscal year 2012 to 182,100 by the end of fiscal year 2016. I am pleased to report that these reductions are being made in a measured and responsible way, maintaining our commitment to provide adequate transition time, effective transition assistance, and family support for our marines who have given so much to our Nation . . . we remain committed to doing so.

We will continue to reshape the force, ever mindful of our operational requirements and our responsibility to keep faith with the marines that fulfill them. As the Nation's principal crisis response force, we must maintain a continuous high state of readiness in both our forward deployed and ready forces at home station. Maintaining an expeditionary force in a high state of readiness creates a hedge against the unexpected, giving the Nation the ability to swiftly contain crisis, respond to disaster, and buy time for strategic decision-makers. For us, a hollow force is not an option. This not only enables joint success, but also allows selected follow-on capabilities of the joint force to be maintained at more cost-effective readiness levels. Marines are poised to swiftly fill the temporal gap between crisis initiation and when the joint force is fully prepared to conduct operations; buying time for the

deployment of the larger joint force in major contingencies. Readiness is a key to making this possible.

This high state of readiness is necessary for security of our global interests, but financing near-term readiness has caused us to continually decrement our modernization and infrastructure accounts. To meet strategic guidance during the current period of fiscal austerity, the Marine Corps has funded near-term manpower and readiness accounts at the cost of significantly increased risk in longer-term equipment modernization. Over the long-term, resourcing short-term readiness by borrowing-forward from long-term investment resources is unsustainable, and will eventually degrade unit readiness to an unacceptable level. Full implementation of sequestration and the associated cap reductions in the coming years will require a top to bottom re-examination of priorities, missions and what it will take to continue to be the Nation's Expeditionary Force in Readiness.

The current period of fiscal austerity significantly pressurizes each of our appropriation accounts, especially operations and maintenance, equipment modernization, and military personnel. Our challenge in balancing modernization and end-strength costs is especially acute, as we invest nearly 60 cents of every appropriated dollar on our most vital assets, our personnel. Our ground materiel modernization investment accounts comprise a mere 10 percent of our baseline budget. Because of this significant variance between personnel and ground modernization funding, even proportional cuts across the Services have disproportionate impacts on our already pressurized small investment programs. In the Marine Corps' ground investment portfolio, the top 25 programs consume 60 percent of the available budget, while the remaining 40 percent supports 171 small programs. These small programs are essential to equipping individual marines and providing their qualitative edge. These programs, and the small businesses they support, have limited flexibility to respond to reduced funding, and are increasingly vulnerable as resource shortfalls become more acute.

Sustained combat operations in the harsh environments of Iraq and Afghanistan have also significantly degraded the readiness of our existing ground equipment. Our combat equipment has aged far faster than it would have given normal peacetime utilization rates. Accordingly, we are requesting funding to support the reset and restoration of our equipment to ensure we provide marines the most combat ready equipment needed to respond to future crisis and contingencies around the world.

We are proud of our reputation for frugality, and will always remain good stewards of every defense dollar we are entrusted with. In a period of budget austerity, we offer a strategically mobile force optimized for forward presence and rapid crisis response for a notably small portion of the Department of Defense (DOD) budget. The Marine Corps will remain ready to fulfill its role as the crisis response force of choice for our Nation's leaders.

III. SHARED NAVAL INVESTMENTS

The Department of the Navy's (Navy) investment in amphibious warships, maritime prepositioning ships, ship-to-shore connectors, mine countermeasures, and the Navy Expeditionary Combat Command (NECC) represent critical Navy investments that also support the Marine Corps. Due to current fiscal challenges, we have agreed to take risk in the number of amphibious ships to a fiscally constrained fleet of 33 amphibious warships, producing 30 operationally available ships if readiness levels are significantly improved. Thirty operationally available amphibious warships allow for the employment of two Marine Expeditionary Brigades (MEBs), the minimum capability and capacity necessary to fulfill our combatant commander commitments for sea-based forcible entry. This represents a minimal capacity for a maritime nation with global interests and key dependencies on the stability of the global system. By way of comparison, a two brigade force was necessary to wrest control of the mid-size city of Fallujah from insurgents in 2004. Two brigades of forcible entry capacity are required to create access for the rest of the joint force should defense of our interests make it necessary. There are no acceptable substitutes for this capability within our national defense inventory. This fiscal year, the total amphibious warship inventory will rise to 31 ships with the delivery of LPD–25. Within the next 2 years, the inventory will decline before rising to an average of 33 amphibious warships across the 30 year shipbuilding plan.

The Navy's programs and plans to sustain fleet quantities of landing craft include the Landing Craft, Air Cushion (LCAC) Service Life Extension (SLEP), LCAC Fleet Maintenance Program (FMP), and the Ship-to-Shore Connector (SSC) program which will produce the replacement LCAC–100 class craft to maintain the non-displacement ship-to-shore capability of the fleet. The LCU Sustainment Program is

the single program to maintain the displacement component of the connector fleet. The Surface Connector (X) is Navy's planned program to replace and recapitalize the aging LCU. These Navy programs are important to marines, and are essential for our Nation's ability to project its influence from the sea. Additionally, we support the Navy's idea to extend the life of select LCAC SLEP craft for 10 years to reduce inventory shortfalls in the 2020s. The Marine Corps actively supports and depends upon these programs.

To complement our amphibious capabilities, the Maritime Prepositioning Force (MPF) program is designed to rapidly deploy the combat equipment and logistics required to support Marine Air Ground Task Forces from the sea. The MPF provides the capability to rapidly equip MAGTF personnel, who fly in to marry up with their gear. Although Maritime Prepositioning Ship Squadron One (MPS Squadron One)—homeported in Rota, Spain—was eliminated in 2012, efforts are currently underway to enhance MPS Squadron Two (Diego Garcia) and MPS Squadron Three (Guam) to ensure the two remaining squadrons are optimized for employment across the full range of military operations. The current 12-ship inventory has been re-organized into two Maritime Prepositioning Ship Squadrons that possess new sea basing-enabling capabilities, including at-sea selective offload of equipment and supplies, thereby providing combatant commanders a greater range and depth of sea-based capabilities. An additional two ships will be added during fiscal year 2015, for a total of 14 ships, 7 in each MPS Squadron. Additionally, the Marine Corps Prepositioning Program in Norway (MCPP–N) is being reorganized to provide combatant commanders with balanced MAGTF equipment set for training and operations. This combination of prepositioned equipment locations, afloat and ashore, greatly enhances our ability to swiftly establish critical combat capabilities in times of major crisis.

IV. INVESTING IN OUR MARINES

The core of our overall readiness and combat effectiveness resides in the individual marine. Recruiting and retaining high quality people is essential to attaining a dedicated and professional Marine Corps. Recruiting provides the lifeblood of our Corps; the foundational step in making marines. To maintain a force comprised of the best and brightest of America's youth, the Marine Corps uses a variety of officer and enlisted recruiting processes that stress high mental, moral, and physical standards. We retain the most qualified marines through a competitive career designation process for officers, and a thorough evaluation process for enlisted marines. Both processes measure, analyze, and evaluate our marines performance and accomplishments for competitive retention.

Our ability to attract young men and women is tied directly to our ability to establish and foster a dialogue with the American people. We do this through an aggressive outreach and advertising campaign that seeks to reach all sectors of American society. We continue to seek qualified young men and women of any race, religion, or cultural background who are willing to commit to our demanding standards.

Marine Reserve Forces continue to serve as a strong force multiplier of the total force, and are a high-payoff investment in capability. Since September 11, 2001, more than 60,000 Marine reservists, from all across the United States, have participated in over 80,000 activations or mobilizations. Our Reserve marines are uniquely well-positioned to seamlessly integrate with the Active component, to reinforce our service priorities, and to provide a reservoir of capacity for future national emergencies. Our Reserve marines are well-equipped and highly-trained professionals, providing an essential shock absorber for the Active component in the uncertain global environment.

Professional Military Education (PME) is designed to produce leaders who are proficient in the thinking skills necessary to face the complexity of conflict we expect in the future. As such, PME represents a key, cost-effective investment in our most valued resource—our marines. Marine Corps University (MCU), a part of Training and Education Command (TECOM), is a regionally accredited, degree-granting institution committed to providing world-class educational opportunities through both resident and distance/outreach programs. Marine Corps University is a globally recognized, world-class PME institution that is designed to advance the study and application of the operational art. Our commitment to improve the quality of our PME programs and advance the PME opportunities for our marines is unwavering. Beginning in fiscal year 2011, military construction projects totaling $180 million have helped dramatically improve MCU's educational facilities, to include staff noncommissioned officer academies across our installations as well as an expansion of our primary campus in Quantico. In addition, we will continue to improve the quality and quantity of our active duty and civilian faculty.

V. INVESTING IN READY UNITS

The Marine Corps will continue to meet the requirements of strategic guidance while resetting and reconstituting the force in-stride. Our reconstitution efforts will restore our core combat capabilities and will ensure units are ready for operations across the spectrum of conflict. Sustaining combat operations for more than a decade has required the use of a large share of the available assets from our home bases and stations. This has produced ready forces where they have mattered most, but has taken a toll on nondeployed Marine units. Currently, 65 percent of non-deployed units are experiencing degraded readiness due to portions of their equipment being redistributed to support units deploying forward. While necessary in times of crisis, this commitment of our 'seed corn' to current contingencies degrades our ability to train and constitute ready units for their full range of missions over time. Unbalanced readiness across the force increases risk to timely response to unexpected crises or large-scale contingencies. We will continue to emphasize our reset and reconstitution efforts that cost-effectively restore combat equipment and return it to units for training.

Vital to maintaining readiness is the operations and maintenance (O&M) funding to train in our core missions and maintain our equipment. MAGTF readiness continues to improve with larger scale naval exercises that are maximized to enhance our ability to operate from the sea. Over the next 2 years, we anticipate incremental increases in the core training readiness of units as marines return home from Afghanistan and have time to train to their full range of capabilities. The peacetime availability and readiness of amphibious warships and maritime prepositioning ships are critical dependencies for training readiness, and for supporting expeditionary, amphibious operations around the globe.

The geographic combatant commanders (GCCs) continue to register an increased demand for crisis response and amphibious forces in order to meet requirements across the range of military operations. Forward deployments provide deterrence, reassure our allies, posture our forces for crisis response, and enable rapid contingency response to major conflict. GCCs recognize and appreciate the agility and operational reach of ready expeditionary capabilities. As we construct the forces for the next decade, we will continue to seek cost-effective ways of saying 'yes' to joint commanders on the leading edge of our national security effort, while preserving skills and training necessary for larger contingencies. The multi-purpose nature of Marine forces makes them a cost-effective investment for a wide range of application.

In addition to our traditional crisis response and expeditionary capabilities, the Marine Corps has reinforced its contributions to our Marine Special Operations Command (MARSOC) and Marine Forces Cyber Command. The demand for our expeditionary MARSOC forces remains high as these marines provide critically needed capability and capacity to theater special operations commands supporting both Special Operations Command (SOCOM) and the GCC operational requirements. Marines have excelled as special operators, combining the Marine ethos with the training and skills of the special operations community. Additionally, the Marine Corps continues to expand its capability and capacity for cyberspace operations; including offensive and defensive cyber capabilities. The Marine Corps Information Operations Command (MCIOC) supports deployed MAGTFs, integrating information operations in support of forward deployed forces and joint commanders.

VI. INVESTING IN MODERNIZATION

Across the spectrum of conflict, our adversaries have adapted their tactics to counter our significant technological advantage. Even many 'low-end' threats are now equipped with modern technologies and weapons. Our adversaries oppose us with tools of the information age, including modern communications, intelligence and cyber capabilities. While state-sponsored opponents continue their development of advanced technologies, non-state threats have likewise become increasingly sophisticated and lethal. An increasing number of threats now possess intelligence capabilities, precision munitions, and unmanned systems. This 'rise of the rest' erodes the technological advantage we have enjoyed for decades, making the qualitative advantages of the modern Joint force even more important. This situation creates an imperative for maintaining our investments in new equipment, better technology, research, and development.

Our desire for our marines to maintain a qualitative edge over their opponents applies equally to both our large-scale weapons programs, and the numerous small programs that equip our individual marines with modern capabilities. This modernization mandate is a fundamental pillar of a ready force, shared by all of the Services. With the smallest modernization budget in the Department of Defense, the

Marine Corps continually seeks to leverage the investments of other Services, carefully meting-out our modernization resources to those investment areas which are the most fiscally prudent and those which promise the most operationally effective payoffs.

Innovative warfighting approaches and can-do leadership are hallmarks of the Corps, but these cannot overcome the vulnerabilities created by our rapidly aging fleet of vehicles, systems and aircraft. Long-term shortfalls in modernization will have an immediate impact on readiness and will ultimately cost lives on the battlefield. At some point, sustaining fleets of severely worn vehicles becomes inefficient and no longer cost-effective. This inefficiency reduces available modernization resources from an already small account, degrading our ability to effectively operate in today's complex security environment. Our modernization investment requires a balanced approach across the Air-Ground-Logistics Team.

Aviation Combat Element Modernization

On average, more than 40 percent of our aviation force is deployed at any time, with an additional 25 percent preparing to deploy. All told, this means two-thirds of Marine Aviation forces are currently deployed or preparing to deploy. This creates an increasing cost burden as we work to sustain our heavily used and rapidly aging fleet of aircraft.

Accordingly, even as we invest in new aircraft as a part of our aviation modernization, we must take every opportunity to drive down operations and sustainment (O&S) costs while ensuring the continued safety, reliability, and operational relevance of our "legacy" and recently fielded platforms. The F/A–18A–D, originally designed for a 6,000-hour service life, has reached an average usage of 6,800 hours. Ongoing upgrades and analysis have extended service life to 8,000 hours, but this buys only limited time. A service life extension program to increase service life to 10,000 hours would rely heavily on depot capacity, rapid engineering assessment, and adequate funding. Our aging AV–8B fleet depends on careful stewardship of its supply chain and targeted capability enhancements to keep it relevant through the mid twenties. Similar oversight and investment in the CH–53E, UH–1N, and AH–1W will keep our helicopter fleet operating while the next generation is fielded. On a positive note, the MV–22 program has continued to excel in combat and crisis environments, even as it has reduced flight hour costs by 18 percent over the past 2 years. We intend to find similar savings throughout Marine aviation.

To do so, we will use our Aviation Plan—a phased, multi-year approach to modernization that encompasses aircraft transitions, readiness, aircraft inventory shortfalls, manpower challenges, safety and fiscal requirements. The following programs form the backbone of our aviation modernization effort:

F–35B:

As we modernize Marine fixed-wing aviation assets for the future, the continued development and fielding of the short take-off and vertical landing (STOVL) F–35B Joint Strike Fighter remains the centerpiece of our effort. The capability inherent in a STOVL jet allows the Marine Corps to operate in harsh conditions and from remote locations where few airfields are available for conventional aircraft. It is also specifically designed to operate from amphibious ships—a capability that no other tactical fifth-generation aircraft possesses. The ability to employ a fifth-generation aircraft from 11 big-deck amphibious ships doubles the number of "aircraft carriers" from which the United States can employ this game-changing capability. The expanded flexibility of STOVL capabilities operating both at-sea and from austere land bases is essential, especially in the Pacific. Once fully fielded, the F–35B will replace three legacy aircraft—F/A–18, EA–6B, and AV–8B. Training continues for our F–35B pilots. In 2012, we flew more than 500 hours and trained 15 pilots. Just recently, in November 2012, we established our first operational squadron, VMFA–121, at MCAS Yuma. Continued funding and support from Congress for this program is of utmost importance for the Marine Corps as we continue with a plan to "sundown" three different legacy platforms.

MV–22B:

The MV–22B Osprey has performed exceedingly well for the Corps and the Joint Force. This revolutionary tiltrotor aircraft has changed the way marines operate on the battlefield, giving American and coalition forces a maneuver advantage and an operational reach unmatched by any other tactical aircraft. The MV–22B has successfully conducted multiple combat deployments to Iraq, six deployments with MEUs at sea, and is currently on its seventh deployment to Afghanistan. In the Pacific, we have fielded our first permanent forward-deployed Osprey squadron, VMM–265, in Okinawa. Our squadron fielding plan continues apace as we replace the last of our Vietnam-era CH–46 helicopters. The MV–22B's proven combat capability re-

inforces the necessity that we continue to procure the full program of record quantities. The record of performance and safety this aircraft brings in support of marines and the joint force on today's battlefields has more than proven its value to the Nation.

CH–53K:

The CH–53K is a new-build heavy lift helicopter that improves on the legacy CH–53E design to increase operational capability, reliability, maintainability, and survivability; while reducing cost. The CH–53K will transport 27,000 pounds of external cargo under high altitude/hot conditions out to 110 nautical miles, nearly three times the lift capacity of the legacy CH–53E. It is the only naval rotorcraft able to lift all Marine Corps air-transportable equipment from amphibious warships and the Maritime Prepositioned Force. Our Force Structure Review has validated the need for a CH–53K program of record of eight CH–53K squadrons.

UH–1/AH–1:

The H–1 program, composed of the UH–1Y utility and the AH–1Z attack helicopters, is a single acquisition program that leverages 85 percent commonality of major components between the two platforms. This commonality enhances deployability and maintainability while reducing training requirements and logistical footprints. Both aircraft are in full rate production. The H–1 procurement objective is 160 UH–1Ys and 189 AH–1Zs for a total of 349 aircraft. Currently, 181 H–1 aircraft are on contract, with 72 UH–1Ys and 30 AH–1Zs delivered to date. The UH–1Y has supported sustained combat operations in OEF since November 2009. The AH–1Z completed its first deployment alongside the UH–1Y in June 2012 as part of the 11th MEU. The AH–1Z performed extremely well on its initial MEU deployment. These aircraft had high mission capable (MC) readiness rates while deployed (89.9 percent MC for AH–1Z, 94.4 percent MC for UH–1Y). All subsequent West Coast MEUs are sourced with UH–1Y and AH–1Z aircraft. The continued procurement and rapid transition to these two platforms from legacy UH–1N and AH–1W assets in our rotary-wing squadrons remains a priority.

KC–130J:

The new KC–130J Hercules has been fielded throughout our Active component, bringing increased capability, performance and survivability with lower operating and sustainment costs to the Marine Air Ground Task Force. Using the Harvest HAWK weapon mission kit, the KC–130J is providing extended endurance Close Air Support to our marines in harm's way. Currently, we have procured 48 KC–130Js of the stated program of record requirement totaling 79 aircraft. Continued procurement of the program of record will allow us to fully integrate our active and Reserve Force with this unique, multi-mission assault support platform.

Unmanned Aerial Systems (UAS):

Marine Corps operations rely heavily on a layer of small UAS systems that complement the larger systems provided by the joint force. These smaller systems provide direct support for forces operating from sea-based platforms, and enable critical low-altitude and immediate responsiveness that enable small units on the ground. The RQ–7B Shadow unmanned aircraft system has provided excellent intelligence, surveillance, reconnaissance, and battlefield management capabilities in Afghanistan. The RQ–21A Small Tactical Unmanned Aircraft System is uniquely capable of operating from ship or shore, is transportable by High Mobility Multi-Purpose Wheeled Vehicles (HMMWV), and will be an integral part of the future MAGTF. We remain committed to these two critical programs.

Ground/Air Task Oriented Radar (G/ATOR):

The TPS–80 G/ATOR system is the three dimensional short/medium range radar designed to detect low observable/low radar cross section targets such as cruise missiles, UAS, aircraft, rockets, mortars, and artillery shells. G/ATOR replaces five legacy radar systems and supports air surveillance, fire finding, and air traffic control missions. G/ATOR provides fire quality data that supports the integrated fire control concept and the extension of defensive and strike capabilities from the sea to landward in the littorals.

Ground Combat Element Modernization

Age and operational tempo have taken a toll on our Ground Combat Element's (GCE) equipment, creating a requirement to recapitalize and modernize key components. Essential to modernizing the GCE is a comprehensive technologically advanced vehicle portfolio. Two key initiatives to modernize the GCE are the Amphibious Combat Vehicle (ACV) and the Joint Light Tactical Vehicle (JLTV). These sys-

tems, coupled with the recapitalization of our family of Light Armored Vehicles (LAV), a refurbishment of a portion of our legacy HMMWV fleet, and improvements in advanced simulations systems, are critical to sustaining individual and unit combat readiness while ensuring core capabilities of the GCE.

Amphibious operations are a core mission of the Marine Corps. Amphibious operations is a category which includes a broad range of missions including reinforcing diplomatic facilities from sea-based platforms, conducting strikes and raids against terrorism targets, delivering aid in the case of humanitarian disaster, and conducting forcible entry where our forces are not invited. The future security environment dictates that we maintain a robust capability to operate from the sea, placing special demands on our equipment. When operating in a maritime environment, Marine systems are exposed to the effects of salt water and extreme weather. Our operational concepts depend on rapid maneuver in littoral waters by which we avoid threat strengths and exploit weaknesses. Thus, our combat systems must bridge the gap between sea and land. Our tactics exploit swift action by marines ashore, mandating a seamless transition from maneuver at sea to maneuver on land. In every operating environment we must provide a modicum of protection for our marines while preserving all-terrain mobility and minimizing weight. The specialized craft utilized by marines support the unique missions of the sea-based crisis response force, and are essential for swift maneuver and forcible entry across a range of environments.

Amphibious Combat Vehicle:

Many of our systems show the signs of age, but none more than the current Amphibious Assault Vehicle (AAV) which has been in Service since 1972. The legacy AAV has served the Corps well for over 40 years, but faces multiple component obsolescence issues that affect readiness, sustainment costs, safety, and our ability to respond from the sea. The ACV is needed to replace this aging fleet. To meet the demands of both amphibious crisis response and forcible entry, the ACV program will develop and field an advanced generation, fully amphibious, armored personnel carrier to Marine Corps expeditionary forces. The ACV will provide the ability to maneuver from the sea and to conduct amphibious operations and combat operations ashore by providing the capability to self-deploy from amphibious ships and to seamlessly transition between sea and land domains. The ACV will enable the efficient, tactical mobility of infantry combat forces from ships to inland objectives across beach landing zones under uncertain, non-permissive, or hostile conditions in order to facilitate the rapid buildup of combat power ashore. Bridging this sea-land gap with surface vehicles is a necessary complement to the maneuver capabilities brought by our MV–22 aircraft. Our objective in the ACV acquisition program is to provide a sufficient quantity of vehicles to ensure we can meet the requirement of the surface assault force for forcible entry and sustain MAGTF operations.

During the interval in which we design, build and field the ACV, we must ensure the continued safety, reliability, and operational capability of our "legacy" AAV. The current AAV platform faces significant maintenance challenges and obsolescence issues. Accordingly, AAV sustainment efforts, to include the AAV Upgrade program, remain a top Marine Corps recapitalization effort priority until fielding of the ACV.

Joint Light Tactical Vehicle:

The JLTV will provide the Marine Corps with modern expeditionary light combat and tactical mobility while increasing the protection afforded our marines in the light utility vehicle fleet. Working closely with the Army as the lead Service, the Marine Corps is a partner in developing this key system for the tactical-wheeled vehicle fleet of the Joint Force. A relatively light system is necessary to retain our expeditionary capabilities aboard amphibious warships, and to support transport by rotary wing aircraft. The program also seeks to provide a level of protection that is an improvement over the HMMWV. As a reflection of a constrained fiscal environment, our initial planned purchase is 5,500 vehicles, only enough to meet critical needs in the most dangerous combat mission profiles of the light vehicle fleet. The JLTV development will benefit from early user and life cycle cost analysis to ensure its long-term cost-effectiveness. The Marine Corps also seeks funding to refurbish the balance of the HMMWV fleet that will be retained. This is a cost-effective strategy to use these older vehicles in mission profiles where a lack of the advanced capabilities of the JLTV can be mitigated.

Light Armored Vehicle:

The family of LAVs enables combined arms reconnaissance and security missions in support of the GCE. This family of vehicles has proven itself over more than 2 decades of combat, and is an essential element of the combat power of the MAGTF. Heavily utilized in crisis response, conventional combat, irregular environments,

and stability operations, this fleet now requires robust recapitalization and modernization in order to sustain its capabilities. Additionally, obsolescence issues with several critical components threaten the sustainability of the LAVs through the expected end of service. Funding is requested to maintain the operational availability of these platforms and provide upgrades to adapt to the current and anticipated operating environments.

Ground Training Simulation Systems:

Modernization efforts in ground training simulation systems have capitalized on advancements in technology developed over a decade of preparing marines for combat deployments in Iraq and Afghanistan. Leveraging our success with these programs, we will further enhance combat training to maintain our readiness for the current and future security environments. These critical simulation systems develop combat unit proficiency in core skills such as command and control, leadership decisionmaking, and combined arms coordination. They develop proficiency in individual skills through combat convoy vehicle operator training, advanced gunnery training, and individual marksmanship. These systems complement necessary live ammunition and range training, but allow the fundamentals of these capabilities to be practiced in a much more cost-effective manner. Training simulation systems conserve training and maintenance funds, reduce ammunition expenditures, and mitigate limited availability of training ranges.

Joint Nonlethal Weapons Program:

As DOD's Executive Agent for the Joint Nonlethal Weapons Program, the Marine Corps also continues its efforts, in concert with the other Services, to advance nonlethal technologies, and to provide capabilities in support of operational commanders and our allies to minimize collateral damage and unnecessary loss of life. These capabilities are becoming increasingly relevant in the security environment of the new normal of instability, non-state actors, and a desire to minimize collateral damage.

Logistics Combat Element Modernization

Our logistics modernization efforts include the Global Combat Support System-Marine Corps (GCSS–MC) as the Information Technology enabler for logistics supply chain management throughout the Marine Corps. When fully developed, GCSS–MC will provide an unprecedented capability for inventory accountability, providing accurate logistics data to commanders and logisticians in near real-time at any location in the world.

The past decade's operational tempo and the continuing evolution of warfare have also emphasized the importance of engineer equipment modernization. Explosive Ordnance Disposal (EOD) capability has become increasingly important with the rise of the improvised explosive device as the enemy's weapon of choice. Development of the Advanced EOD Robotics System and Route Reconnaissance and Clearance Sets have proven themselves in combat, saving lives and preempting casualties.

Energy Modernization

Expeditionary Energy is a multi-year initiative integrated with our approach to amphibious and expeditionary operations. Over the last decade of combat, marines have increased their lethality and situational awareness, but at the expense of increased requirements for fuel and batteries. These dependencies increase the logistics footprint and combat weight of our force, impairing our expeditionary responsiveness. The Marine Corps takes seriously the necessity to increase energy efficiency, deploy renewable energy technology where it makes sense, and train marines to employ resources more efficiently. We have made tremendous strides in weaning ourselves from external energy dependencies, and we remain committed to continue our investments in expeditionary energy. For expeditionary marines operating in austere environments, these energy efficiency measures represent a significant increase in combat effectiveness.

VII. INVESTING IN INSTALLATIONS AND INFRASTRUCTURE

Infrastructure Sustainment

Marine Corps Installations are a foundational support element to our Air-Ground-Logistics teams. Our bases and stations serve as launch platforms for our combat deployments, and are host to the realistic training and facilities that make our marines successful on the battlefield. Our installations also provide for the safety and support of our military families, our combat equipment, and our civilian workforce. The quality of life for our marines, sailors, and families is measurably impacted by

the condition of our facilities. Our installation commanders are required to be good stewards of their properties, to respect natural and cultural resources and to operate in a manner that sustains the environment and their mission. We will continue to ensure that Marine Corps facilities are well planned, built, and maintained, and that they cost-effectively support Marine Corps readiness. To maintain our physical infrastructure and the complementary ability to train and deploy highly ready forces, we must adequately resource the sustainment and readiness of our bases and stations.

In fiscal year 2014, the Marine Corps Facilities Investment strategy ensures that our infrastructure can adequately support Marine Corps' needs. The proposed fiscal year 2014 budget provides $653 million for facilities sustainment of Marine Corps facilities and infrastructure, maintaining funding at 90 percent of the sustainment model requirement. Our budget request adequately supports environmental compliance, family housing improvements and the replacement of inadequate and obsolete facilities across our installations. The fiscal year 2014 budget request provides proper stewardship of Marine Corps infrastructure. Sequestration necessitates significant cuts in facilities investments and subsequent degradation in infrastructure conditions and readiness.

With over $800 million requested in fiscal year 2014 for required Military Construction projects, we are prioritizing funding to support new mission and new platform requirements, force structure repositioning, replacement of aging infrastructure, and support to enduring missions. Our efforts to improve force protection, safety, and physical security requirements are continuous.

The fiscal year 2014 budget provides $69 million for military construction and $31 million for operations and maintenance funding to continue improvements in our installations energy posture. This funding will target energy efficiency goals established by the Energy Independence and Security Act of 2007 aimed at reducing consumption by 30 percent from a 2003 baseline. Additional efficiencies will be gained by decentralizing older, inefficient steam heating plants and by improving our energy management and control systems. Overall, our planned investments are intended to increase energy security on our installations while reducing the cost of purchased utilities. Lean and efficient basing infrastructure allows us to put every precious dollar to use making marines and deploying them where they are needed most.

To enable essential changes in training requirements as well as new weapon systems, we are seeking Congressional support to expand the Combat Center at Twentynine Palms, CA, extend the existing withdrawal of land for the Chocolate Mountain Aerial Gunnery Range, CA, as well as purchase private property to expand the Townsend Bombing Range in Georgia. At Twentynine Palms, we are requesting the withdrawal of approximately 150,000 acres from the public domain as well as the purchase of approximately 2,500 acres of California State Land and 10,000 acres of privately held land enabling it to support training and exercises for a Marine Expeditionary Brigade size force. The Marine Corps is also requesting to extend the existing withdrawal of land for the Chocolate Mountain Aerial Gunnery Range in southern California. The current withdrawal expires in 2014 and requires renewal by Congress so that this vital range can continue its use for air and ground training. Finally, the current 5,000 acre Townsend Bombing Range, adjacent to Savannah, is not large enough to meet the required safety or space requirements for use of precision guided munitions. We are seeking to purchase privately held land to increase this facility as well, allowing us to drop a wider range of ordnance in training. This is a critically important Marine Corps aviation training requirement that would be safely supported with the proposed expansion by approximately 28,000 acres. For decades, Townsend Range has been used by the joint aviation community as a centrally located and preferred Air-to-Ground training facility on the east coast; the fielding of the F–35 Joint Strike Fighter to all three Services makes the expansion of Townsend Range even more critical.

VIII. ORIENTING TO THE FUTURE

Rebalancing Toward the Pacific

As the world's leading democracy and largest economy, the United States is a global nation with economic and security interests inextricably linked to the Asia-Pacific. The arc extending from the chain of our own Alaskan islands down the Asian continent follows a vast littoral and archipelagic swath that is home to close allies, emerging partners and potential threats. It contains vast resources, vibrant populations, and great cities. It continues through the narrow straits of Southeast Asia and extends all the way into the Indian Ocean. Our return to prosperity as a nation (and thus achieve our lasting security) depends on the restoration of global

growth. No engine of growth is more powerful than the Asia-Pacific. Rebalancing to the Pacific theater is a central element of strategy. Geographically, culturally, economically, even by name, the "Pacific" is a maritime theater. The vast stretches of ocean, the thousands of small islands that dot its map, and the vast inland waterways that shape its demography are all artifacts of this maritime character, and have implications for the types of forces required to achieve our security there. The tyranny of distance underscores the value of forward deployed maritime forces in the Pacific region. The Navy-Marine Corps team is uniquely suited to operate in this vast blue water and littoral environment. Marines have a long legacy of serving in the Pacific; it is where the Marine Corps 'came of age.' We are proud of our heritage in that theater through a world war and the many smaller conflicts, crises and contingencies that have followed. Strategic imperatives demand that our Nation continues to build on the presence of sailors and marines who operate daily throughout this region.

As we draw down our presence in Afghanistan we will reset in stride, resuming our Unit Deployment Program in Okinawa and re-establishing our force posture in the Pacific. The Marine Corps has developed a comprehensive campaign for a future force lay down in the Pacific that retains the ability to contribute a stabilizing presence, continues to contribute to deterrence and regional stability in Northeast Asia, revitalizes our traditional partnerships while developing new ones, and postures forces to take advantage of key partnership opportunities in Southeast Asia. Our desired end state through this rebalance is four geographically distributed and operationally resilient Marine Air Ground Task Forces (MAGTFs) trained and prepared to conduct combined arms and amphibious operations in support of the global requirements of the joint force.

In the Pacific, forward presence is a key necessity for timely response to crisis. Where hours matter, a response measured in weeks or months wanes in relevance. Expeditionary Marine forces operating in the Western Pacific can trim 2 weeks off the response time of units coming from the continental United States. Forward naval presence and training with our Pacific allies demonstrates our commitment to the region, and builds trust that cannot be surged during times of crisis.

Innovation and Experimentation

The Marine Corps has remained at the forefront of innovation, especially during the last decade. Through experimentation and realistic training, the Marine Corps has adapted to the challenges of the modern operating environment, and has developed new concepts, tactics, techniques and procedures to ensure marines are prepared to meet the challenges of the future. Two key components of our training innovation are our Marine Corps' Tactics and Operations Group (MCTOG) and our Marine Corps Logistics Operations Group (MCLOG). These organizations represent the collective wisdom of years of combat operations rapidly turned directly into our training curricula. Combined with the Marine Aviation Weapons and Tactics Squadron One (MAWTS–1), we are implementing a professionalization syllabus and certification process for our mid-level combat leaders.

Through a rigorous process of wargaming, technological assessment, and experimentation, the Marine Corps Warfighting Laboratory (MCWL), works closely with the Office of Naval Research and other partners to produce material and non-material solutions for our operating forces. This mix of combat veterans, technical experts and forward thinkers conducts timely innovation to meet current needs and emerging threats. We intend to build on this ability to adapt and innovate through MCWL and the Marine Corps University. Leveraging the human capital represented in a combat-proven generation of marines is essential for our future force.

LARGE SCALE EXERCISES

Nations around the world, many of whom are our allies, are purchasing and constructing amphibious capabilities at an increasing rate. Even as total fleet numbers decline, the number and tonnage of amphibious fleets is on the rise, and the growth of expeditionary maritime capabilities is similarly resurgent. Our allies and partners, especially in the Pacific, continue to improve amphibious arsenals and realize the importance for this capability, as do our competitors and potential adversaries. The forward deployed Navy-Marine Corps amphibious team continues to be a significant power projection capability and a compelling model for other countries to emulate. Our ability to train with and mentor this global force development is essential.

In 2012, the Navy-Marine team conducted a number of large-scale amphibious exercises to revitalize, refine, and strengthen our core amphibious competencies. Exercises such as Bold Alligator on the U.S. East Coast, Cobra Gold in Thailand, and Ssang Yong in South Korea each draw significant international participation. Our

allies have seen the broad utility of expeditionary forces in achieving national security objectives, and are investing to achieve these capabilities themselves. These large exercise series, and others like them, leverage the explosive growth of amphibious capabilities among our allies and partners. They contribute not only to the training readiness of our own forces, but also achieve combined training objectives with our allies. They demonstrate our collective ability to provide the mechanisms of collective security in the global commons. The investment of operating funds to conduct these large-scale exercises not only trains forces, but also builds strong security relationships.

IX. KEEPING FAITH WITH OUR MARINES, SAILORS, AND FAMILIES

Family Readiness

The Marine Corps remains acutely aware of the critical relationship between quality of life and Marine Corps combat readiness. The strong support of Congress in providing quality of life funding continues to yield needed enhancements in family support programs. Our Marine Corps Family Team Building (MCFTB) trainers and Family Readiness Officers support the Unit, Personal and Family Readiness Program to ensure marines and their families maintain a high level of family readiness. Over the last year, we have made significant strides in making our entire syllabus of MCFTB training available online via computer based training modules. As of 1 March, families are now able to register for an account and utilize computer based training on our Marine-Net training website. With over 227,000 subscribers and growing, our online family readiness website, e-Marine, continues to be a valuable and innovative tool to securely and safely share family readiness information while improving lines of communication within individual commands. Marines, family members, and unit commanders can access documents, view photos and videos, participate in forums, and receive important information about their marine's unit from anywhere in the world.

Wounded Warriors

The Marine Corps' Wounded Warrior Regiment (WWR) is a fundamental component of the Marine Corps' pledge to "keep faith" with those who have served. The WWR supports marines wounded in combat, those who fall severely ill, and those injured in the line of duty. The WWR administers the Marine Corps' Recovery Care Coordination Program that ensures medical and non-medical needs fully integrate with programs such as the Warrior Athlete Reconditioning Program. Facilities such as our new Warrior Hope and Care Centers provide necessary specialized facilities that allow us to support our wounded warriors and their families.

Key to this care is ensuring marines execute recovery plans that enable their successful return to duty or reintegration to their civilian communities. Around the country, we have established District Injured Support Cell Coordinators who assist marines transitioning from active duty to veteran status. Our WWR Medical Staff provides medical subject matter expertise, advocacy, and liaison to the medical community. The Sergeant Merlin German Wounded Warrior Call Center conducts an average of 7,000 outreach calls per month and receives calls for assistance 24 hours a day from both active duty and veteran marines. Our contact centers conduct outreach to marines who remain with their parent command ensuring their needs are met. Depending upon the individual marine's requirements, these programs and services are coordinated for optimal care delivery, proving that Wounded Warrior care is not a process, but a persistent relationship between the Marine Corps and our marines.

One of my greatest concerns is the long-term care and support for our wounded veterans. Many of our young men and women have sustained injuries that will necessitate support for the remainder of their lives. Given the youthfulness of this wounded population, this represents a debt to our Nation's warriors that will have to be paid for several decades. Our Wounded Warrior capabilities are an enduring measure of our commitment to keep faith with our young men and women, and we expect this capability will continue well beyond our return from Afghanistan.

Resiliency

We continue to invest, treat and care for our marines with Post-Traumatic Stress (PTS) and Traumatic Brain Injury (TBI). We are working to ensure that marines understand that, "it's OK to not be OK." Our efforts will continue to ensure that marines seek help and are provided effective care when they need it. We stress that all marines and lsailors have a responsibility to look out for one another and to assist anyone who might be struggling.

PTS and TBI are invisible enemies we cannot ignore. We are thoroughly screening all marines and sailors prior to deployment, enhancing the delivery of care in the-

ater and identifying and testing all at-risk personnel as they return from deployment. Enhanced resilience, achieved through training and improved physical, spiritual and psychological fitness, can decrease post-traumatic stress, decrease incidents of undesirable and destructive behaviors, and lead to greater likelihood for future good health. Most servicemembers who seek and receive psychological health support improve, and are eligible to remain on active duty.

Since January 2010, we have been building Operational Stress Control and Readiness (OSCAR) teams at the unit level. These teams consist of selected unit marines, leaders, medical and religious personnel, and mental health professionals who work together to provide a network of support. This model empowers marines with leadership skills to break stigma and act as sensors for the commander by noticing small changes in behavior and taking action early. OSCAR teams strengthen marines, mitigate stress, identify those at risk and treat those who need support, with the goal of swiftly re-integrating marines back into the force. This investment comes at a cost, and places increased demand on an already stressed Navy medical capacity.

In fiscal year 2013, we will continue to advance our Marine Total Fitness concept to develop marines of exemplary physical, psychological, spiritual, and social character. Marine Total Fitness infuses fitness-based information and concepts into all aspects of a marine's training and readiness and prepares marines to successfully operate in and respond to the rigors, demands, and stressors of both combat and garrison.

Sexual Assault Prevention and Response

Sexual assault is a crime. Like other serious crimes, it is incompatible with our core values, negatively impacts individual marines, and directly undermines readiness, unit cohesion, and morale. Protecting our marines and eradicating sexual assault from our ranks are top priorities for me and our Corps. I believe we are making real and tangible progress. Over the last year, we have taken deliberate and substantive steps toward dramatic changes in our sexual assault prevention and response capabilities. The focus of effort has been on changing our culture—specifically, changing the behavior of those who might commit sexual assault and the actions of those who respond to it. We believe that all marines are part of the solution, from small unit leaders to peer and bystander intervention, to legal professionals, to unit commanders. In April 2012, I handpicked a two-star general to lead an Operational Planning Team (OPT) comprised of our Corps' most credible officers and senior enlisted marines. They were tasked with defining the sexual assault problem in our Corps and providing me recommendations on how we could eliminate it from within our ranks. This study led to our Sexual Assault Prevention and Response (SAPR) Campaign Plan. While recognizing that there is no single solution to preventing and responding to sexual assault, this plan makes every marine accountable in our fight against it. We reconfigured the entire SAPR program at the Headquarters level, assigning oversight to a General Officer and a newly established team of experts. In an unprecedented move, we pulled one of our very best colonels from his operational command to implement the initiatives outlined in the Campaign Plan. We brought back all of our general officers to Quantico in July for 2 days of training and cross-leveling of their responsibilities in turning this crime around. On the heels of that effort, the Sergeant Major of the Marine Corps brought all of his top senior enlisted leaders back to DC in August to deliver the same message.

The campaign's first phase consisted of 42 tasks, including new large-scale training initiatives at all levels. It was comprised of Command Team Training for senior leaders, bystander intervention training for noncommissioned officers, and all hands training for every single marine. In these training sessions, we employed ethical decision games and interactive discussions to engage all marines in this difficult topic. To achieve long-term cultural change, this training will be sustained through enhancing the training curricula in all of our professional schools, customizing the training based on the rank and experience of the individual marine.

Protection of the victims of sexual assault, even while cases make their way through the legal system, is an immediate and enduring requirement which we take very seriously. Regarding response to sexual assault, we professionalized our victim advocate community by revising our advocacy training and implementing credentialing requirements for SAPR personnel. Additionally, we have added 47 full-time Sexual Assault Response Coordinator and Victim Advocate billets for fiscal year 2013. We have completely reorganized our legal community to improve our ability to successfully prosecute these complex cases after they have been investigated. The centerpiece of this new model is the Regional Complex Trial Team, which ensures we have the right prosecutor on the right case. Our complex trial

teams are staffed with experienced military prosecutors and augmented by civilian—Highly Qualified Experts—giving us a wealth of experience to prosecute complex sexual assault cases. These teams will not only be able to prosecute "special victims" type cases, but all types of complex cases.

This effort complements our Campaign Plan's central Phase II initiative: the establishment of Sexual Assault Response Teams (SARTs). SARTs will be established regionally to prevent a fragmented approach to victim care. This requires continued collaboration with various entities, such as the US Navy Bureau of Medicine and Surgery and Naval Criminal Investigative Service (NCIS), adding to the enhanced training and surge capability that NCIS has already implemented to expedite assault investigations.

Perhaps counter-intuitively, one potential manifestation of our intensified institutional response will likely be an increase in unrestricted reported cases. If this represents an increase in the bonds of trust between our junior marines and their chain of command, I will consider that a successful step on the path to eliminating this issue in the Marine Corps. Eliminating sexual assault in our ranks is our ultimate goal, and I will stay personally and actively engaged in leading this campaign.

Suicide Prevention

During 2012, the Marine Corps experienced a rise in suicides and suicide attempts after 2 encouraging years of declining numbers. During calendar year 2010 and 2011, 37 and 32 marines, respectively, died by suicide. For calendar year 2012, the number of suicides increased to 48. We remain committed to preventing this great tragedy. Suicide is an issue that belies simple or quick solutions; it is an important issue that demands our continual attention. We have learned that the most effective methodology for us to prevent suicides is vigilant and persistently engaged leadership at every level. Proactive leaders are alert to those at risk for suicide and take action to help marines optimize their physical, psychological, social and spiritual aspects of their lives. To counter suicide, affirming and restoring the indomitable spirit of marines is an enduring mission.

Our primary challenge remains teaching marines to engage our many services early, before problems worsen to the point where they contemplate or attempt suicide. Last year we signed the first formal policy and procedural guidance for the Marine Corps Suicide Prevention Program. Never Leave a Marine Behind suicide prevention training focuses on how marines can help one another, and how they can seek help early before a situation becomes a crisis. In 2012, we also expanded our successful—DSTRESS—Line worldwide, which provides anonymous 24/7 counseling services to any marine, sailor, or family member. Additionally, we have trained and implemented Suicide Prevention Program Officers for every battalion and squadron. We will continue focusing our efforts on preserving the health of our greatest and most cherished resource, our marines, sailors, and their families.

Civilian Marine Workforce

Civilian marines exemplify our core values. They embrace esprit de corps, teamwork, and pride in belonging to our Nation's Corps of Marines. The 95 percent of our civilian workforce that is employed outside the Headquarters element in the Pentagon, are located at our installations, bases, and stations; they are the Guards at our gates, the clerks who pay our bills, the therapists who treat our wounded, the experts who repair our equipment, our information technology support, and the teachers who instruct our children. Sixty-eight percent of our civilian marines are veterans who have chosen to continue to serve our Nation. Of those, a full 13 percent have a certified disability. Still, our civilian workforce is very small in comparison with similar organizations. The Marine Corps maintains a very frugal ratio of one civilian to every 10 Active Duty marines. Our civilian non-appropriated funded workforce continues to steadfastly provide vital support to our marines, Reserve marines, their families, and our wounded, ill, and injured. Since 2009, the Marine Corps has taken proactive measures to prioritize civilian requirements and realign resources to retain an affordable and efficient workforce directly linked to our mission. In our effort to restrain growth, we implemented a hiring freeze from December 2010 through December 2011 to achieve our appropriated funded civilian end strength commensurate with a goal of 17,501. We started into this era of budgetary uncertainty not fully recovered from the hiring freeze and we have no chance of recovering in fiscal year 2013. In pursuit of the leanest possible institution, the Marine Corps' 2013 budget restrains growth in our civilian marine workforce; our 2014 and beyond budget plans are based on a stabilized workforce. Further civilian reductions will severely jeopardize our ability to meet mission requirements.

Women in Service Restriction Review

The Marine Corps continues its efforts to review the laws, policies, and regulations that restrict the service of female marines. As our policies evolve, we must ensure the effectiveness of our combat units, the long-term physical well-being of all of our marines, and the broadest possible career opportunities for all. To that end, I initiated a measured, deliberate, and responsible research effort to provide the meaningful data necessary to make fact-based recommendations to the senior leadership of the Department of Defense and Congress. Our research efforts will continue as we implement the 24 January 2013 Secretary of Defense decision to rescind the 1994 Direct Ground Combat Definition and Assignment Rule. Additionally, in order for us to collect performance data in our most demanding and rigorous ground combat skills training environment, female graduates of our Basic Officer Course at The Basic School are afforded the opportunity to volunteer to attend our Infantry Officers Course. That effort is ongoing and will continue into 2016 as we collect the necessary data.

During this past year, we requested and received approval for an exception to the 1994 Ground Combat Exclusion Rule. Under this Exception to Policy (ETP), the Marine Corps opened 371 Marine and 60 Navy positions in combat arms units previously closed to females. These 19 previously closed operational units include artillery, tanks, assault amphibians, combat engineers, and low altitude air defense communities. The assessments and feedback from these units to date has been encouraging.

Following the Secretary of Defense's required notification to Congress later this spring, we intend to further expand the ETP beyond these original 19 battalions to include opening Military Occupational Specialties (MOSs) within Air-Naval Gunfire Liaison Company units and the 0203 Ground Intelligence Officer MOS. During 2013, ETP participants and Commanders will continue to provide assessments which will afford our leadership the opportunity to address issues such as optimum cohort size, mentorship and career development. Currently, 90 percent of our military occupational specialties are open to females.

Additionally this year, the Marine Corps will continue our measured, deliberate and responsible research effort by completing our review and validation of standards for those MOSs with the greatest physical demands. Once complete, our goal is to correlate and norm these proposed physical standards with our already established Physical Fitness Test (PFT)/Combat Fitness Test (CFT). The goal is to develop a safe, predictive mechanism to use during the MOS assignment process for all marines, both male and female, to ensure they are assigned where they have the greatest likelihood to excel to their fullest potential.

Returning Quality Citizens

It is vital that we meet the needs of our marines who transition from service. In March 2012, we implemented the new Transition Readiness Seminar (TRS) to maximize the transition-readiness of all servicemembers. In accordance with the Veterans Opportunity to Work (VOW) to Hire Heroes Act, TRS revolutionized our approach to meet the individual goals of each marine as he or she transitions to the next phase in their life. The seminar is a week long program which includes a mandatory standardized core curriculum and also provides four well defined military-civilian pathways: (1) College/Education/University; (2) Career/Technical Training; (3) Employment; or (4) Entrepreneurial. Each pathway has associated resources and additional tools to better prepare our veteran marines. An essential feature of the TRS is that it allows marines to choose and receive transition information and education in line with each marine's future goals and objectives.

X. SUMMARY

Even in challenging times, our great Nation remains the world's largest economy and an indispensable leader in the global community of nations. Our interests span the globe, and our prosperity and security are to be found in the protection of a just international order. That order is threatened daily by the instabilities of a modernizing world, putting our citizens, our interests, and our allies at risk. While we seek peace as a nation, the headlines remind us that those who would do us harm continue to bring conflict to our doorstep. The Marine Corps remains the Nation's ready hedge against unpredictable crises, an insurance policy that buys time when hours matter. In special partnership with the Navy, and on the ready leading edge of the larger Joint Force, your marines provide the capability to respond to today's crisis, with today's force . . . TODAY. The American people can rest assured that their marines are poised around the globe, ready to respond swiftly when danger, difficulty or disaster strikes.

I pledge that your Marine Corps will continue to work with Congress and the Department to provide the Nation's ready expeditionary force with economy, frugality and good stewardship. Through Congress, the American people entrust us with their most-precious capital: their sons, their daughters, and their hard-earned resources. With your continued support, we will carefully invest this capital to provide young marines with the ethos, training, and equipment that have made them successful for over 2 centuries. We will uphold high standards of training, leadership and discipline. We will keep faith with our Wounded Warriors. We will care for our families. Most importantly, we will ensure that your marines are ready when the Nation needs us the most. We will do this all with dignity, humility, and a keen sensitivity to the sacred trust the American people have placed in us. Thank you for your continued faith in us. We remain . . . Semper Fidelis.

Chairman LEVIN. Thank you so much, General Amos.

Let's have a 6-minute round. We hope to get everybody in in time. If there's a few minutes left, then we can see if there's additional questions.

Mr. Secretary, General Amos just talked about what the effect of continuing sequestration would be if the assumption which is made in the budgets that we have adopted, both the President's budget and the House and Senate budgets, prove not to be true, if, as you point out, the assumption that sequestration will not continue in 2014 proves to be a false assumption. Can you tell us what the effect would be if sequestration occurs in the next fiscal year, the one that we're considering right now?

Mr. MABUS. Mr. Chairman, the effect would be wide-reaching, deep, and incredibly damaging. For the Navy, we have met all our deployments for this year following the passage of the appropriations bill. We are training to meet all our deployments for next year. However, the risk that we are taking is that we are maintaining ships and aircraft in lesser amounts. We are maintaining our bases at very low levels. Except for emergency repairs, we're essentially not doing repairs on those bases.

In terms of investments for ships, there is a term "cost to complete" and it's things like documentation, all the government-furnished equipment being put on the ships, things like that. We have moved those further out so that they're not required to be paid for today. But that bill will come due and it will be very difficult for us to complete ships or to get to the level of shipbuilding that we need to.

For the Marine Corps, as the Commandant said, they have put their money into readiness today because they have to be our first-to-deploy, always ready force. They have to be ready every day. If sequestration continues, the degradation to training would not only occur in units at home, it would begin to occur in the units next to deploy.

The harm of sequestration is number one in its amount, but number two is in the fact that it allows us no planning time, no ramp time to get ready; and number three, that it does not allow money to be matched against strategy. It's a fairly mindless way of cutting funds.

So while the effects are very real in 2013, the effects will be far more damaging and far-reaching should it continue into 2014.

Chairman LEVIN. Thank you.

Do you know how much the Overseas Contingency Operations (OCO) funding is going to be, the request for OCO for fiscal year 2014 yet? Has that number been established?

Mr. MABUS. No.

Chairman LEVIN. In the past, witnesses have told our committee that the Navy and the Marine Corps will require at least 2 to 3 years of additional OCO funding after the end of combat operations just to bring equipment and personnel back to an acceptable state of readiness. Is that your position as well?

Mr. MABUS. That is, and I'd like for both Admiral Greenert and General Amos to answer this, but the Department of the Navy has been moving funds previously expended under OCO back into our base budget very aggressively. But we have OCO-related expenses for both the Navy and Marine Corps, particularly in terms of reset for the Marine Corps, but also in terms of maintenance for our ships, which is the Navy's version of reset.

Chairman LEVIN. Admiral?

Admiral GREENERT. As the Secretary said, reset is the key term to cover 3 years following the completion of operations in the Middle East. For us it's the depot work that didn't get done while we spent the extra time supporting operations in the Middle East. We've captured that amount and quantified it. It's relatively modest compared to the Marine Corps's numbers, which I'll turn over to the Commandant.

But as the Secretary said, in my opinion, Mr. Chairman, we need a strategy in order to move ahead. Supplementals have been around for years and years. Decades we've had supplementals for various and sundry reasons, and I believe it would be a good idea if we could work through a strategy as we move from this OCO to determine what's an appropriate way to deal with emergent costs for emergent operations.

Chairman LEVIN. General?

General AMOS. Mr. Chairman, 2 to 3 years is a good marker on the table. It's a function of physically being able to get all the equipment, the remaining equipment, out of Afghanistan and actually getting it through the depots and back reset to the fleet. If sequestration continues—and we're planning on it—that's going to be in the long run a 75 percent reduction in our depot capacity because it's going to reduce civilian manpower, contractors, and everything else reduce. So it's going to have an impact. That 2 to 3 years could go to the right.

But for us it's 2 to 3 years, about $3.2 billion, to reset the Marine Corps and get all our equipment out.

Chairman LEVIN. Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

I have two areas that I want to address in this brief period of time. One is, a couple of days ago, during one of our hearings, I cited, having to do with the Article 60 of the Uniform Code of Military Justice (UCMJ) the incidents where a convening authority overturned a particular conviction and I covered all four Services, and mistakenly there was an article saying I didn't think that sexual assaults were a reality. That was wrong. That was corrected after that.

However, as far as the Marine Corps and the Navy are concerned, from 2010 to 2012 in the Marine Corps, as you and I talked about, General Amos, there were 1,768 courts-martial resulting in findings of guilty. In seven out of those—that's 0.4 percent—they

were overturned by the convening authority. In the Navy, it's a little bit more—a little stronger case in terms of how things are working. Over a decade, 2002 to 2012—16,056 special and general court-martial cases resulting in findings of guilty. There are only two in the Navy. I state that because I think we need to put it into perspective.

So I am sending each of you a letter and a letter actually to the Chiefs, and Mr. Chairman, I want to have this made part of the record at this point.

Chairman LEVIN. It will be made part of the record.

[The information referred to follows:]

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United States Senate
COMMITTEE ON ARMED SERVICES
WASHINGTON, DC 20510-6050

May 3, 2013

General James F. Amos
Commandant of the Marine Corps
Room 4E734
3000 Marine Corps Pentagon
Washington DC 20350-3000

Dear General Amos:

It is my understanding you recently concurred with Secretary of Defense Hagel's decision to direct the DoD General Counsel to prepare a legislative proposal to revise Article 60, Uniform Code of Military Justice (UCMJ). I have also been informed if this proposal becomes law it will restrict the authority of military commanders to exercise discretion in disposing of military justice matters and require a formal written justification. However, the testimony at the Personnel Subcommittee hearing on March 13, 2013 confirmed that commanders rarely exercise their lawful discretion to set aside findings of courts-martial. And yet, we have already heard Members of Congress criticize those rare actions and, in some cases, call for the commanders to be relieved from their duties for taking that action. Therefore, I request your personal, professional views concerning the following matters which may result from this proposed change to Article 60:

- I am concerned the new requirement to provide a written statement explaining the commander's decision to exercise lawful discretion under Article 60 could create a basis for the defense to challenge, and successfully appeal an otherwise lawful court-martial conviction. No doubt, a zealous defense attorney representing a person convicted by a court-martial will now challenge the legality of a commander's written statement if it does not provide their client the relief they expect. Therefore, under this proposed change, the potential for such appeals will greatly increase if rules defining the commander's statement are not carefully studied and clearly spelled out in the UCMJ or in the Manual for Courts-Martial.

- Some in Congress and in the public have already demanded that senior officers, who have lawfully exercised authority under Article 60, should be relieved from duty or, at least, denied confirmation by the Senate for future promotion. In this highly charged environment there is an increased risk

commanders might not take action they might otherwise believe to be lawful and correct because of the potential public reaction to their decision. Some commanders have already been subjected to public criticism which unfairly calls their character and judgment into question. If this climate of distrust for commanders is allowed to continue, I fear we may lose the services of some outstanding commanders who may decide the professional risks and personal sacrifices are simply too great to continue to serve.

- When Secretary Hagel announced his intention to modify Article 60 there was not a consensus on how to define a "minor offense." This is a key concept which must be clearly established. Under Secretary Hagel's proposed approach commanders will only be able to set aside a conviction for a "minor offense". Significantly, those who oppose a commander's lawful exercise of discretion under Article 60 are silent on whether a commander should be authorized discretion to determine if an offense is "minor". I believe these critics' silence is, in part, due to their opposition to <u>any</u> continued exercise of discretion by the commander in the military justice process. They will not rest until they achieve their objective to establish an independent prosecutor outside the chain of command.

- In addition, there appears to be a shift in military justice policy from a well-established, balanced approach to a well-intentioned, but short-sighted effort. Specifically, the Secretary's proposal will undermine the longstanding foundations of the military justice system; a system which strives to protect the rights of the most vulnerable junior enlisted person accused of an offense from the awesome power of a military service, where authority is held by senior officers. Therefore, this proposal threatens to disrupt the carefully crafted protections built into the UCMJ and could result in potential harm based on disparate power and the risk of unlawful command influence.

- Chairman Levin's questions to Mr. Robert Taylor, Acting DoD General Counsel, at the recent Subcommittee hearing on sexual assault in the military elicited a response which suggested persons convicted in military courts-martial have "robust appellate procedures." However, while ever court-martial receives post-trial review, not every person convicted by a court-martial is eligible for review by an appellate court. For example, a service member loses the right to appeal to a military appellate court if their sentence does not include a punitive discharge and/or a year or more of confinement. It is also important to remember servicemembers convicted by courts-martial do not have a guaranteed right to Supreme Court review of their case. Therefore, a member of our military can be convicted at a contested court-martial and as a result be required, without the right

of appeal to an appellate court, to register as a sex offender, be prohibited from owning firearms, and lose the right to vote. In short, there is a mistaken impression that all military defendants are afforded equal access to the full appellate process when, for some, the only real avenue for relief is during the convening authority's post-trial review under Article 60.

- Post-trial advocacy is a robust and essential role for defense attorneys in military justice practice. The commander's discretion to affect findings and to reduce or suspend sentences is a valuable form of clemency, particularly for those persons described above who have no other avenue of post-trial appellate review. It would be unacceptable if a precipitous decision to appease ill-informed critics of the military justice system were allowed to undermine an opportunity for clemency in the military justice.

I am also concerned some strident voices who have called for these changes to Article 60 will be emboldened to make further changes if there is not a robust response by the service chiefs. This may include an effort to entirely remove the authority of military commanders to dispose of military offenses and to substitute the judgment of someone outside the chain of command. Several problems could arise, if this were to occur:

- Military leaders will be deprived of a fundamental readiness tool. Specifically, by losing the independent discretion to determine the best means to dispose of disciplinary offenses our commanders will be deprived of the opportunity to exercise leadership and improve military performance and personal behavior. If a commander is not permitted this vital role their ability to organize, train and equip their troops will be severely degraded. While we are currently blessed by a highly motivated and well trained all volunteer force it is likely some marginal performers will determine the commander's authority has diminished and could exploit that systemic vulnerability, undermining military readiness.

- Removing the authority from commanders to make timely, informed decisions on military justice matters and transferring that authority outside the command will inevitably result in a change in the behavior of the military organization. Troops may not trust some remote official they do not know. In addition, the cause of justice may be subverted since outside authorities may not be aware of the particular circumstances and stresses placed upon the service member or unit. There is simply no substitute for the commander's informed judgment on her command climate.

- Finally, I am concerned about the most damaging message this hastily conceived policy will send to commanders and the troops they lead. Specifically, can troops trust their commanders to lead them into battle if the service Chiefs cannot trust those same commanders to exercise proper military authority?

I have no doubt you and your fellow service Chiefs are willing to consider all reasonable options to effectively eliminate sexual assault in the United States military. But I am concerned the proposal currently being developed could undermine the authority of military commanders to establish a combat-ready force as it reduces the role of commanders in the military justice system. I am concerned those who are calling for an independent convening authority have not assessed the efficacy of recent changes in the law to help the armed services eliminate sexual assault. Specifically, the Independent Panel Congress established in Section 576 of the FY'13 NDAA will examine the UCMJ and to permit experts from the civilian sector to carefully and fully evaluate the relative strengths and weaknesses of the military and civilian judicial systems. I believe the Independent Panel's review will address the issue of sexual assault in a way that is fair and just, and empower our commanders to prepare our men and women to fight and win our nation's wars.

As you know, during the confirmation to your current position, you promised to give your personal views when asked, even if those views differ from the Administration. I have no doubt, given the serious nature of these proposed changes to the UCMJ, you will provide your candid assessment of the issues.

Thank you for your consideration.

Sincerely,

James M. Inhofe
Ranking Member

Cc: The Honorable Ray Mabus, Secretary of the Navy

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United States Senate
COMMITTEE ON ARMED SERVICES
WASHINGTON, DC 20510-6050

May 3, 2013

Admiral Jonathan Greenert
Chief of Naval Operations
Room 4E662
2000 Navy Pentagon
Washington DC 20350-2000

Dear Admiral Greenert:

It is my understanding you recently concurred with Secretary of Defense Hagel's decision to direct the DoD General Counsel to prepare a legislative proposal to revise Article 60, Uniform Code of Military Justice (UCMJ). I have also been informed if this proposal becomes law it will restrict the authority of military commanders to exercise discretion in disposing of military justice matters and require a formal written justification. However, the testimony at the Personnel Subcommittee hearing on March 13, 2013 confirmed that commanders rarely exercise their lawful discretion to set aside findings of courts-martial. And yet, we have already heard Members of Congress criticize those rare actions and, in some cases, call for the commanders to be relieved from their duties for taking that action. Therefore, I request your personal, professional views concerning the following matters which may result from this proposed change to Article 60:

- I am concerned the new requirement to provide a written statement explaining the commander's decision to exercise lawful discretion under Article 60 could create a basis for the defense to challenge, and successfully appeal an otherwise lawful court-martial conviction. No doubt, a zealous defense attorney representing a person convicted by a court-martial will now challenge the legality of a commander's written statement if it does not provide their client the relief they expect. Therefore, under this proposed change, the potential for such appeals will greatly increase if rules defining the commander's statement are not carefully studied and clearly spelled out in the UCMJ or in the Manual for Courts-Martial.

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commanders might not take action they might otherwise believe to be lawful and correct because of the potential public reaction to their decision. Some commanders have already been subjected to public criticism which unfairly calls their character and judgment into question. If this climate of distrust for commanders is allowed to continue, I fear we may lose the services of some outstanding commanders who may decide the professional risks and personal sacrifices are simply too great to continue to serve.

- When Secretary Hagel announced his intention to modify Article 60 there was not a consensus on how to define a "minor offense." This is a key concept which must be clearly established. Under Secretary Hagel's proposed approach commanders will only be able to set aside a conviction for a "minor offense". Significantly, those who oppose a commander's lawful exercise of discretion under Article 60 are silent on whether a commander should be authorized discretion to determine if an offense is "minor". I believe these critics' silence is, in part, due to their opposition to <u>any</u> continued exercise of discretion by the commander in the military justice process. They will not rest until they achieve their objective to establish an independent prosecutor outside the chain of command.

- In addition, there appears to be a shift in military justice policy from a well-established, balanced approach to a well-intentioned, but short-sighted effort. Specifically, the Secretary's proposal will undermine the longstanding foundations of the military justice system; a system which strives to protect the rights of the most vulnerable junior enlisted person accused of an offense from the awesome power of a military service, where authority is held by senior officers. Therefore, this proposal threatens to disrupt the carefully crafted protections built into the UCMJ and could result in potential harm based on disparate power and the risk of unlawful command influence.

- Chairman Levin's questions to Mr. Robert Taylor, Acting DoD General Counsel, at the recent Subcommittee hearing on sexual assault in the military elicited a response which suggested persons convicted in military courts-martial have "robust appellate procedures." However, it is incorrect to state access to the full appellate process is available to every person convicted by a court-martial. For example, a service member loses the right to appeal to a military appellate court if their sentence does not include a punitive discharge and/or a year or more of confinement. It is also important to remember servicemembers convicted by courts-martial do not have a guaranteed right to Supreme Court review of their case. Therefore, a member of our military can be convicted at a contested court-martial and, as a result, be required, without the right of appeal, to register as a sex

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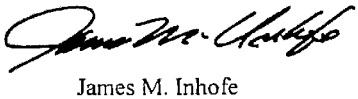
As you know, during the confirmation to your current position, you promised to give your personal views when asked, even if those views differ from the Administration. I have no doubt, given the serious nature of these proposed changes to the UCMJ, you will provide your candid assessment of the issues.

Thank you for your consideration.

Sincerely,



James M. Inhofe
Ranking Member

Cc: The Honorable Ray Mabus, Secretary of the Navy

Senator INHOFE. Then I think we can come down to a couple of ideas or conclusions that I feel strongly about. First of all, Secretary Hagel came out with a solution—it was a suggestion, I guess it was, and I thought it was very generous. He was wanting to change the convening authority's jurisdiction on post-conviction trials, and I thought that that was giving up more than I thought should be given up, when you consider these commanders have the responsibility of sending our kids in where their lives could be lost and certainly that's something that is very significant. That's an authority that they have and they should keep.

So I would like to ask each one of you in terms of the suggestion that Secretary Hagel had on just addressing the post-sentencing authority.

Then also, there's a review that's going on, that's going to be convening this summer. Wouldn't it be better to address this after we get the results of this hearing and the study that's taking place this summer? Those are the two questions I would ask each one, starting with you, Secretary Mabus.

Mr. MABUS. Thank you, Senator. The legislative proposal that's being done under the direction of Secretary Hagel is to take away the power of a convening authority to change the findings of a court-martial, which is a very narrow exception. I support this, as do all the Judge Advocates General of all the Services. I think it's representative of how our military justice system has matured over the past 50 or 60 years. You now have professional prosecutors, defense attorneys, judges, and a very strong appeals process.

I know that General Amos and Admiral Greenert are concerned about this and will talk more specifically about it, what it does not do is take away any authority in terms of convening, in terms of post-trial sentence relief or clemency. It seems to be a very directed and very fair and prudent change to make.

Finally, in regard to the panel that was set up by the National Defense Authorization Act (NDAA), while it's true that it will begin meeting this summer, I believe the results will not be out for about 18 months, and this seems to be an area, because of the attention that it's gotten, that needs to be acted on sooner than that. But it will be a congressional decision and not a DOD decision.

Senator INHOFE. I would say, you generally agree with Secretary Mabus? I'm almost out of time here.

Admiral GREENERT. I do agree.

Senator INHOFE. Okay.

General AMOS. Sir, I'm probably just a little bit out of sync here, because I think we need to proceed cautiously. I support Secretary Hagel's panel that he's setting up. I think that's exactly the right way to go. I just think we need to be cautious of what it is we're trying to fix, what the problem is we're trying to fix.

Senator INHOFE. I appreciate that and I do, I'm in more agreement with you on this.

Secretary Mabus, I've been critical for quite some time about the over 400,000 gallons of fuel and all this stuff in terms of how much money it costs. This comes out of the budget, the warfighting budget. The Department of Energy, which was started in 1977, was set up for this very reason, and I'm going to put into the record the mission statement of that today, which shows that, in my opinion

as I look at it, they are the ones who need to be making these determinations.

[The information referred to follows:]

The mission of the Energy Department is to ensure America's security and prosperity by addressing its energy, environmental, and nuclear challenges through transformative science and technology solutions.

Senator INHOFE. If our concern is to do away with our reliance upon foreign countries, we can do that quite easily just by developing the resources that we have right now. You've heard me say this. I'm sure you're tired of hearing it. But the one thing that I had learned during our conversation, Mr. Secretary, was that DOD will not make bulk purchases—I'm reading now—"of alternative drop-in replacement fuels unless they are cost-competitive with petroleum products."

Is that the commitment that you would make at this time?

Mr. MABUS. It's a commitment I have made. I made it to this committee last year at this very hearing. But, Senator, in terms of needing alternative sources, I applaud the fact that our resources are going up in terms of fossil fuels and we should certainly continue that. However, oil is the ultimate global commodity and the prices are not set here. They are set around the world.

In the last 3 years, the Department of the Navy has been hit with additional fuel bills over and above what we had budgeted for of $1.5 billion to pay for unexpected oil price shocks. That amount of money comes directly from our operations accounts, maintenance accounts, and if the bill gets too big it will come from platforms. I simply think that that is unacceptable and I think it's irresponsible for us not to address this sort of military vulnerability.

I am confident, I am absolutely positively confident, that by the time we begin buying bulk amounts of biofuels, which is one important but fairly small part of this whole effort, is that it will be competitive with petroleum products.

Senator INHOFE. Yes, but we have the language in there to be sure that that will be the case. I'm old-fashioned enough to still believe in supply and demand, and once we open up our resources here, I think that's going to positively affect the costs that we have to bear. Thank you.

Mr. MABUS. You and I, Senator, agree very enthusiastically on the free market, and I simply think that relying on one type of fuel which is a monopoly today is not a prudent thing to do.

Senator INHOFE. I think the safeguard you have is satisfactory. Thank you.

Mr. MABUS. Thank you.

Chairman LEVIN. Thank you very much, Senator Inhofe.

By the way, on the 18-month provision that you referred to for the first report on the powers of the convening authority, it says no more than 18 months. I hope it won't take anywhere near that amount.

Second, in terms of proposed changes in the legislation that follow that, there's another panel that we've created I hope will review that. It's much too long a process, I think unnecessary, because there's a growing, I think, if not a consensus, there's a growing understanding that we have to do something at the end of the process relative to reversing the findings. They've been rare, as I

think Senator Inhofe has pointed out, and that means this would not be disruptive, to just focus on that one narrow part of the process. I hope we'll do that in this year's defense authorization bill.

Senator Manchin.

Senator MANCHIN. Thank you, Mr. Chairman.

Secretary Mabus, Admiral Greenert, and of course General Amos, I thank you all for your service and also for the quality of men and women that serve in the Navy and in the Marine Corps.

I know a lot of people wouldn't know it, but in West Virginia geography-wise, we're not maybe at the largest body of water, but we do have a real close tie to the Navy and we cherish that. Sugar Grove Naval Base in Pendleton County is a strategic position and it's been a strategic asset for a long time for the Navy, and we know that might be changing and we look forward to working with you as the changes come about to make sure that we're able to serve this country in a continued future.

We also have the Navy Rocket Center at the Allegheny Ballistics Laboratory, which I think you just designated as the Navy Enterprise Data Center, which is extremely important. We appreciate that and we're proud of that designation and when it continues that partnering with you.

Let me ask this to Secretary Mabus, if I may. I know we talked about sequester and sequestering is now starting to hit and we're seeing the effects of it. I think it was very draconian how it's been implemented across-the-board. None of us run our lives that way. So we've talked about flexibility. I know there's an awful lot of politics in this whole flexibility.

But I think when you look at the security of our Nation—are we too far down the road with sequestration, since there's a $42.5 billion cut between now and September 30 or October 1, and in between that time we have to come up with a budget or we continue, the way the legislation is written?

If we were able to vote as a body to give you the flexibility, to DOD, to pick and choose where the $42.5 billion in cuts would come from, are you too far down the road to make a difference, or could you change quickly enough to stop some of the draconian things that are happening?

Mr. MABUS. I think the short answer is no, we're not too far down the road. The flexibility in terms of whether it's under the traditional reprogramming or something else would certainly be welcome. What I don't want to imply is that that would solve anything for 2014.

Senator MANCHIN. Sure, we know that. I'm just trying to get you through this fiscal year to October 1.

Mr. MABUS. I appreciate that.

Senator MANCHIN. To me it just makes sense, sir, as a former governor—and we have a few former governors on this committee. We understand that it's tough sometimes, but sometimes you can work through these things, and we're just hoping that you're still in that position, if we can make something happen for you.

Mr. MABUS. Thank you.

Senator MANCHIN. The other thing I would ask is on Sugar Grove Naval Base, which we just talked about. I think we've been asking you for your assistance on that—anyone can comment on

that—to try to help us. Maybe, Admiral, you might have more input on that.

Admiral GREENERT. I'll give you a better written answer, but my fleet cyber command commander, Admiral Rogers, and I are talking about that, how do we make that adjustment, directed by Cyber Command, that makes sense so we use the civilian cyber warriors we have properly and make the best of an activity which has been around for quite some time supporting us. I'll give you a better written answer.

[The information referred to follows:]

U.S. Fleet Cyber Command has examined all aspects of potential reuse of the Sugar Grove facility including potential use by civilian cyber warriors. Based on the anticipated small number of civilian cyber warriors and the specialized mission needs for these people to be co-located with other cyber personnel and cyber mission functions, Fleet Cyber Command has concluded they have no requirement for use of the Sugar Grove facility beyond 2015.

Navy officials have visited the site, in conjunction with other Service and National Guard representatives, to meet with local Pendleton County community leaders. Despite our efforts to identify potential reuse alternatives within the Department of the Navy, no requirement for the site has been identified to date.

In compliance with 10 U.S.C. 2696, the Navy will continue to work with appropriate organizations to identify potential use of the property elsewhere within the Department of Defense (DOD). If no DOD use is identified, we will work with the General Services Administration to transfer the property to another Federal Government agency, local government, or to the public. The Department of the Navy will continue to provide monthly updates to you, Senator Manchin, and to Senator Rockefeller, throughout this process.

Senator MANCHIN. If you could do that. Also, if I could ask—and I know with your schedules—but if there's a time that we could meet there, myself and Senator Rockefeller would love to meet with you there. If you haven't had a chance to visit there, the assets that the Navy has there is unbelievable and we'd like to be able to work with you.

Admiral GREENERT. Yes, sir.

Senator MANCHIN. Maybe we'll schedule that with your staff.

Mr. Secretary, I think this might come back to you and really to General Amos and to the Admiral also. I know, General Amos, the Marine Corps is reducing by 20,000 marines and there are civilian furloughs that have been looming and hiring freezes in place for many of the DOD civilian positions. Sir, I think you know my position on contracting. It's not real favorable.

Do you know how many contractors we will still have and are we downsizing our contracting fleet in proportion to our military fleet?

Mr. MABUS. You ask a question that I asked exactly: How many do we have? The best answer that I have is for the Department of the Navy we have a little over 170,000 contractors or contracts out there. We are moving——

Senator MANCHIN. That's just the Navy, right?

Mr. MABUS. That's the Department of the Navy.

Senator MANCHIN. Department of the Navy, I have it, yes, sir.

Mr. MABUS. We're moving pretty aggressively to go into these things, and we've set up something called contract courts. It has a more formal name, but that's what we call it. It makes every contracting officer come in every year and say: Here are the contracts I have, here's why I need them, here's the best price I can get, this sort of thing. We're moving toward becoming more aggressive on that, which is, instead of saying here are the contracts I have, tell

the contracting authorities to come in at zero and say, here's what I need, because I think that there are still some areas that we can make a difference here. It's too opaque right now. It's too hard to get into.

Senator MANCHIN. Let me ask just real quickly. My time is running out. But on auditing, you know that myself and Senator Coburn have put in legislation to have DOD audited. Does that cause a problem with Navy, to meet this auditing that we've been talking about?

Mr. MABUS. Senator, I started my elective career as State Auditor of Mississippi.

Senator MANCHIN. Yes, sir.

Mr. MABUS. I'm a big fan of auditing. I'm going to brag on the Navy and Marine Corps right now. The Marine Corps audit is under way right now and we're expecting an opinion soon.

Senator MANCHIN. Thank you, General.

Mr. MABUS. The Navy's audit will be ready to go, we think by the end of this year.

Senator MANCHIN. So that doesn't create—the audit does not create a hardship for you? The Navy can meet that auditing requirement?

Mr. MABUS. We are meeting it. I don't know about adding layer on there, but we're meeting it on current things.

Senator MANCHIN. Thank you, sir. I appreciate it.

Chairman LEVIN. Thank you, Senator Manchin.

Senator McCain.

Senator MCCAIN. Thank you, Mr. Chairman.

I thank the witnesses. Admiral Greenert, due to sequester the Navy is faced with the prospect that two-thirds of the fleet will not be fully mission-capable by the end of the year; is that correct?

Admiral GREENERT. Yes, sir, those that are not on deployment. So if you're not on deployment or just ready to go, two-thirds will be what we call C3, and that's a capability rating or less.

Senator MCCAIN. So they will not be ready to replace those rotating back out?

Admiral GREENERT. Typically, we have about half the fleet at C3 or C4. They're in the progress of getting ready to deploy. That will increase to two-thirds from one-half.

Senator MCCAIN. General Amos, you said recently: "By the end of this year more than 50 percent of my combat units will be below minimal acceptable level of readiness for deployment to combat." Is that still the case?

General AMOS. Yes, Senator, it is.

Senator MCCAIN. If the sequester is not fixed, Admiral Greenert, are you ready to identify where you would have to cut your budget?

Admiral GREENERT. I can't give you specific program and budget lines now, but we are working on that right now. We're working within the Department and we're working with DOD staff. It's called a strategic concepts management review.

Senator MCCAIN. But you are working on the eventuality of actions that need to be taken, budgetary actions that need to be taken in case sequester is not repealed?

Admiral GREENERT. We are working that within the Department, yes, sir.

Senator MCCAIN. General?

General AMOS. Senator, we absolutely are. We're under the assumption that sequester will stand. It's law. The pain of that will be a Marine Corps that's going to be below 182,000. So the immediate impacts will be a drastic reduction, probably reductions-in-force in the Marine Corps, to some number below that once the strategic forces has leveled out and gives us the amount of money we have. But it'll be civilians, it'll be military, it'll be programmatic, and the cuts will be severe.

Senator MCCAIN. One of our problems is that the budget that has been submitted to Congress does not take into account the effects of sequestration, assuming that sequester will be repealed. So I'm glad to hear that, at least at your level, you are planning on actions that need to be taken if sequester is not repealed.

General Amos, earlier this week General Odierno testified that sequester will produce a hollow Army. Will it have the same effect on the Marine Corps?

General AMOS. Absolutely, Senator.

Senator MCCAIN. General Amos and Admiral Greenert, from talking to a lot of young officers, this is having a significant effect on the morale and willingness to retain high-quality NCOs as well as commissioned officers; is that correct? Is that a correct impression that I have from conversations with our senior NCOs and captains and majors and lieutenant commanders and lieutenants?

General AMOS. Senator, we're not seeing that right now. In fact, the retention both of our enlisted ranks and our officer corps is very high. But I will say that with an air of caution, because as we go through sequestration, the full impacts take place, and we come back from 12 years of combat, there's going to be a sea change in the Marine Corps and it wouldn't surprise me at all to find that the retention will become challenging.

Admiral GREENERT. It's the word, the simple word, "predictability." They ask us, "so what's the predictability? How can I plan my future?" That's the case, Senator. My retention right now is good, but there are some signs here and there. I attribute it to increased operations right now based on the skill set, the Navy enlisted classification code, pilots, nukes, that nature, right now. But it's about predictability, Senator.

Senator MCCAIN. Secretary Mabus, the repositioning or, unfortunate word, pivot that was used to Asia-Pacific, how much credibility do we have when we consider, when we continue to have our Navy shipbuilding plan continue to decline now to 270 ships in fiscal year 2015?

Mr. MABUS. Actually, Senator, I think that our credibility remains high. If you look at our shipbuilding plan, it takes the fleet up to 300 ships by the end of 2019, and the fact that we are forward deploying four LCS in Singapore—the first one is there on its maiden deployment today—the fact that we are putting our new builds, our most capable ships, into the Pacific, and the fact that 60 percent of our fleet will be in the Pacific by the end of the decade.

Senator MCCAIN. So you are planning on by what year?

Mr. MABUS. To have 300 ships in the fleet.

Senator McCAIN. We will remember those, that testimony, Secretary Mabus, because it isn't going to happen.

Admiral Greenert, the 30-year shipbuilding plan reflects the reduction of the fleet to 270 ships in 2015. How many ships with the right capabilities do you think the Navy needs?

Admiral GREENERT. I need 306 ships with the right capabilities to do the jobs assigned to me in accordance with the DSG we have today.

Senator McCAIN. You need 306 and we're going to be down to 270 by 2015, and you believe that we're going to add 30 more ships plus those that need to be replaced by 2019?

Admiral GREENERT. Based on the ships we have under construction today, yes, sir. We have 47 ships under contract or in construction today.

Senator McCAIN. I'd like to see those numbers for the record, please.

[The information referred to follows:]

The Navy will have 300 ships in 2019. Between 2013 and 2019, 66 ships will be delivered and 56 ships will be decommissioned. Of the 66 ships to be delivered, 47 (listed in the table below) were under contract on April 25, 2013. As of June 3, 2013, 55 were under contract.

The list below does not include AGOR–27, AGOR–28, and T–AGS–66 which are also under construction, but are not included in the Navy battle force count.

CVN 78		**LCS**		**LPD**	
78	GERALD R. FORD	4	CORONADO	25	SOMERSET
		5	MILWAUKEE	26	JOHN P. MURTHA
DDG 1000		6	JACKSON	27	PORTLAND
1000	ZUMWALT	7	DETROIT		
1001	MICHAEL MONSOOR	8	MONTGOMERY	**MLP**	
1002	LYNDON B. JOHNSON	9	LITTLE ROCK	1	MONTFORD POINT
		10	GABRIELLE GIFFORDS	2	JOHN GLENN
DDG 51		11	SIOUX CITY	3	LEWIS B. PULLER
113	JOHN FINN	12	OMAHA		
114	RALPH JOHNSON	13	WICHITA	**SSN 774**	
115	RAFAEL PERALTA	14	MANCHESTER	783	MINNESOTA
116	THOMAS HUDNER	15	BILLINGS	784	NORTH DAKOTA
		16	TULSA	785	JOHN WARNER
JHSV				786	ILLINOIS
2	CHOCTAW COUNTY	**LHA 6**		787	WASHINGTON
3	MILLINOCKET	6	AMERICA	788	COLORADO
4	FALL RIVER	7	TRIPOLI	789	INDIANA
5	TRENTON			790	SOUTH DAKOTA
6	BRUNSWICK			791	DELAWARE
7	CARSON CITY				
8	YUMA				
9	BISMARK				
10	BURLINGTON				

Senator McCAIN. I thank the witnesses. It's interesting that we are now in a panic mode because the Federal Aviation Administration is delaying flights. We don't seem to be concerned about the testimony that you and other uniformed leaders have given to Congress about the devastating effect on our national security of sequestration. It's one of the more embarrassing moments for me in the many years that I have had the honor of serving here in this body.

I thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator McCain.

Senator King.

Senator KING. Thank you, Mr. Chairman.

Thank you all, gentlemen, for being here this morning and for your service.

Admiral, I'd like to begin by a comment about the Navy. My home town is Brunswick, ME, and for about 60 years, we were the home of the Brunswick Naval Air Station. Losing that station was a tremendous blow to our community, but it was a blow in a way—it was certainly economic with business and the economic effect.

But as a resident of that community with kids in the schools, the loss of the Navy personnel was a tremendous loss for us because of what they contributed to the community, teaching in Sunday school, coaching in the Little League, kids in the schools. The Navy added so much to our community, and this is just a way of complimenting you on the quality of people that you have because they were our friends and neighbors for so many years.

The economic loss we can calculate, but the loss to the community of the Navy personnel, was incalculable. I just want to convey that to you. We regret that decision.

Secretary Mabus and Admiral, talk to me about how you envision the future of the Navy's destroyer force. We continue to retire frigates. The decision several years ago not to procure the next generation cruiser—it seems like destroyers will fill multiple roles in the Navy. Can you give me, Admiral, an idea of how you see the destroyer, the future of the destroyer fleet?

Admiral GREENERT. We need 88—we call them large surface combatants and that's cruisers and destroyers. So as we phase out the cruisers that we have, destroyers will, if you will, replace them.

The destroyer of today, the ones built, for example, in Bath, ME, is very high-end ship, in fact, much higher end, if you will, capability-wise, it has more capability than a cruiser. It's multi-mission. It's a fantastic vessel right now.

So the future is we need 88. We have 84. We're growing and will continue to grow through this decade, and we need to sustain that. To do that into the 2020s, we need to build about 2½-a-year on average of these destroyers or a ship like them.

Now, I'd add to this. In 2016 we will add a capability, the Advanced Missile Defense Radar, which will make the current *Arleigh Burke* even more capable, missile defense-capable, in addition to anti-air capable. We call it integrated air missile defense.

Senator KING. How do you intend to leverage the technology that's been developed for the DDG–1000? That's an amazing ship as well.

Admiral GREENERT. We get a lot of engineering technology from that ship, its fuel efficiency as well as the reduced manning. So we'll take that capability as well as the stealthiness that the ship provides. There's a good element of anti-submarine warfare, the hull-mounted sonar and the towed array sonar, that we would want to backfit as much as feasible into destroyers.

Mr. MABUS. We are putting the dual-band radar that came out of the DDG–1000 on our aircraft carriers now.

Senator KING. So that technology is being used in other areas?

Mr. MABUS. Yes.

Senator KING. I think it was the Admiral who used a phrase that I never want to hear these three words in the same sentence, "Reducing nuclear maintenance." Talk to me about the impact on maintenance from the sequester, which we've talked about today? To me, not doing maintenance isn't a savings. It's simply deferring the cost to a later date and it will probably be more expensive at that point. Your thoughts?

Admiral GREENERT. Senator, if you're talking those numbers, which the one I was referring to was $23 billion, it's a balance of sustaining the force of today, and that would be the maintenance and the readiness of it, the force structure today, the number of ships and aircraft, and building the future fleet. So we need to do this in a balanced manner.

If we ensure we do all the nuclear maintenance that needs to get done, we bring all of the non-nuclear maintenance to kind of parade rest, to very little. I can't do that. We have to have a balance towards that. Those numbers at that level make it difficult for me to see how we would preclude needing to reduce the number of shipyard workers we have, that capacity, and therefore the amount of ship maintenance that would go on.

Senator KING. Gentlemen, I've been going to these hearings now for a couple of months and every single uniformed and civilian official in Defense and also—I'm on the Intelligence Committee—the Intelligence Community has told me that they have never seen a more dangerous, volatile, and complex period of threats to the United States. Yet at the same time, we are going through the sequester and hollowing out our Services, which has been testified.

What are we doing to ourselves? I just don't understand it. I think Senator McCain made the point that everybody knows about the delays at the airports. What's happening to you? We're putting not only our soldiers and sailors at risk, but our people at risk. Am I overstating this problem?

General AMOS. Senator, I don't think you are at all. I had a little bit of an advantage a couple of years ago. I spent almost a year with a very elite team working on trying to determine what the future security environment would look like. It was an international team, to include corporate America. I think your sense for the world we're in is accurate. I see no indication that the world is getting any nicer. I think all you have to do is look at the Washington Post on Sunday and you can start from the front and go all the way to the back and you can see that.

So from my perspective, it is every bit as dangerous and perhaps because it will be spread out, it could be considerably more dangerous in the future. From my perspective as a service chief, I think that dictates—it's a predicate for us to remain engaged in the world. We're the only global superpower on this planet. We have people that count on us for leadership. They expect us to be leaders.

So that's part of why I said what I said in my opening statement. We are global leaders. We have a responsibility globally, international and quite honestly, very selfishly and myopically. That's really what the Navy and Marine Corps team is able to do, is be

out there engaging and representing the interests of the United States of America.

Senator KING. Thank you, gentlemen.

Chairman LEVIN. Thank you very much, Senator King.

Senator Donnelly.

Senator DONNELLY. Thank you, Mr. Chairman.

Admiral, thank you. Mr. Secretary, thank you. General, thank you.

Our State of Indiana is proud to be a key center for naval operations at the Naval Surface Warfare Center (NSWC) Crane. The dedicated people there work night and day to keep our servicemembers safe, and we want you to know we are proud to be your inland Navy.

In regards to China, Admiral, when you look at the threats that are out there, can you give us an update on their development of anti-ship ballistic missiles and what the intention of that program is? Do you consider that a game changer in regards to our aircraft carrier reliance?

Admiral GREENERT. My assessment would be China wants to be able to influence what we call within the first island chain, roughly 1,000 miles and in, the first island being—if you're familiar with that, the Philippine Islands.

Senator DONNELLY. Yes.

Admiral GREENERT. They want to be able to influence that area to a great degree. It's a defensive measure for the mainland. They look to that area as, they call it their "Near Sea." They want to have the ability to defend it, if you will, as they need to.

Is it a game changer? It certainly could be. It depends. But in a perhaps more classified setting I could describe to you, we haven't been standing around wringing our hands. There is a series of events that has to take place for something like that. You have to have the right detection, you have to classify it, you have to be able to target, you have to know when to launch it, you have to have confidence in that launch. It has to go through its launch sequence. Then do you shoot it down? Do you deceive it, do you jam it? Then lastly, do you shoot a bullet with a bullet?

All of these things go through what we call the kill chain, and we study that very closely.

Senator DONNELLY. That was going to be my next question, was the current capability in regards to countering that. But as you said, perhaps a more classified setting would be more appropriate for that.

In regards to the balance of power in submarines, you hear of the Chinese bringing a submarine on and the discussion of other nations seeing how important this is. In regards to where we are today in helping to control the seas and the strength of our submarine program, has our premier position changed at all in the last year? If so, how? What do you see 5 years from now?

Admiral GREENERT. Senator, simplistically, I say we own the undersea domain, and we still do and I have empirical data that convinces me of that, and I watch it very closely. It is our job to keep that asymmetric advantage in the future. I believe it is our asymmetric advantage, one of our asymmetric advantages, and it's our job, my job, to come to you and show you how we can sustain that.

Senator DONNELLY. Okay.

General, your marines have done an extraordinary job in Afghanistan. As we look toward the next year or 2 ahead, for instance Helmand Province, do we have the confidence of the people in Helmand Province as we move forward in this process that they have some confidence level that they'll be able to be protected, that they'll be able to have a life that they can protect their children and have a decent life?

General AMOS. Senator, they do. The chemistry has changed dramatically over the last 4½ years. It's leadership. It's leadership by the provincial governor, Governor Naim, the district governors, mayors, and the ANSF.

The Taliban have—I'm not saying they're not there. They're there, but they have been marginalized to the point where the ANSF have become strong enough where they can handle this themselves. So we are today turning over—I've already said major operations belong to the ANSF. We don't write operation plans any more. We just write supporting plans. So we're there as a backup.

But the actual kind of control of the districts, the Afghans have it. So in Helmand the answer is yes. The key will be the continued stable support of the central government, the ability for the central government to continue to put resources down in these various provinces, to include the Helmand Province. If that stays, the confidence of the people will remain. If that goes, then it will evaporate quickly.

Senator DONNELLY. Do you think that the continued presence of—we don't know the exact number, but 8,000 to 10,000 or whatever that number is at the end of 2014, the continued presence of those marines, soldiers, sailors, or airmen, do you think that the Afghan people—that the presence of those military people makes them sleep better at night?

General AMOS. Senator, without a doubt. You talk to them personally face-to-face, whether it be in Kabul or whether it be in Helmand or anyplace else, and they are very worried. The normal Afghan civilian is extremely nervous that we will just completely come out, as we did in Iraq.

Senator DONNELLY. Are our servicemembers viewed by the Afghan people as we move forward in those much smaller numbers, as the glue that will help hold things together?

General AMOS. Sir, I think so. At the very senior levels of government and the military and whatever, we will help be that connecting tissue with thought and resources that perhaps they wouldn't otherwise have.

Senator DONNELLY. Thank you very much. To all of you, thank you for your service.

Chairman LEVIN. Thank you, Senator Donnelly.

Senator Kaine.

Senator KAINE. Thank you, Mr. Chairman.

Thanks to all of you for your service and your testimony today.

Secretary Mabus, your written testimony really talked about something I'm very focused on, which is that the challenges of the future require flexible force more than a fixed force, and the combined operations that you represent here in this hearing give the Nation a great flexible force capacity to deal with challenges when-

ever and wherever they arise. That's why this is such an important hearing.

I stepped out for a few minutes to attend a Senate Foreign Relations Committee meeting on embassy security. So I think I may just start, General Amos, with you on that topic. I visited the Marine Security Guard Program at Quantico, VA, within the last month or so and was very impressed. But certainly there's a significant need in the aftermath of Baghdad. One of the recommendations from the review board was upgrading Marine Security Guard and the foreign affairs security training, and it looks like you have a pretty significant both capital expansion at Quantico as well as an upgrading of about an additional thousand Marine Security Guards to help our missions around the world.

I'd love to just know how the current budgetary challenges or sequester if it continues will affect our ability to beef up the needed Marine Security Guard presence and training.

General AMOS. Senator, none of that is funded. It was all done in good faith, for all the right reasons, 6, 8 months ago. The original intent, my understanding is, is that once the NDAA authorized the 1,000-marine plus-up to the already, I think our number is at 1,449 marines we currently have in that field, so it will be another thousand on top of that to perform the missions that you talked about, that the funding of that would follow basically on top of whatever funding I would normally get.

We're on our way down to 182,100, as Secretary Mabus said. So to add another 1,000-marine requirement on top of that pulls those combat forces out of the 182,000 and makes me a 181,000-size force. So I'm still hoping that we're able to sort through the funding of that. But right now it's not funded.

We are pressing ahead, just so that you know. We're not sitting back. In agreement with the State Department, we will stand up three new Marine Security Guard Detachments between now and June. We'll stand up another 7 by the end of this year, and then over the next several years we'll stand up another 26.

So we're proceeding as if we're going to have the money, because the need is there. So our intent is honest. We just would appreciate the funding.

Senator KAINE. I think we have to be consistent in our message. I'm on the Budget Committee, too, and we end up hearing a lot about the need to cut, cut, cut, and then at the other side, on the foreign relations side, we're telling you that we need a dramatic expansion of security presence at our embassies, and the Marine Corps' own part of that space. So we have to be consistent in the message we deliver.

You have a sizable price tag for the retrograding of equipment back from Afghanistan. I think the testimony I heard earlier, not today but earlier, was about $3 billion or so just to retrograde equipment back for the marines. Then that equipment has to be retrofitted and improved, et cetera, before it's ready for additional use. So the budgetary environment and sequester affects both the retrograding and the upfitting of that equipment to make it available for its next use in the field.

General AMOS. Senator, you're 100 percent correct. In fact, within our Corps as a result of the sequester we've gone back and said,

okay, what's good enough? What is it we currently own? What is it we've been driving and using for the last 5, 10 years? Whereas otherwise we might have moved on to something new, we're actually taking that back through the depots right now.

We have 60 percent of the equipment that we had on the ground in Afghanistan out as of today. I'm pretty pleased about that. 38,000 principal end items are working their way through the depots, all really important to reset the Marine Corps, and the bill is about $3.2 billion to complete the mission and reset it.

Just to give you a sense for how we've done, though, it wasn't but about 4 or 5 years ago the bill was about $15 billion. So Congress has been very good, helped us out. We've been faithful stewards to get our equipment through, and now we're in the final stages of that to get the equipment out once we finish the mission and to reset the Corps.

Senator KAINE. Excellent.

For Secretary Mabus and Admiral Greenert, one of the things I noticed in the 2014 submission was that you're funding 80 percent of ship depot maintenance, but I believe it looks like it's 100 percent funding on both carrier and submarines. So this is surface ships, I gather. Is there an intent to put in an additional budgetary request through OCO for the remaining ship maintenance? Or how will you manage lesser maintenance on the surface ships?

Mr. MABUS. That's correct. We would get from 80 percent to close to 100 percent based on our OCO submission. That's based on the fact that, unlike the Marine Corps, who pull equipment out, send it through a depot and reset, the Navy tends to reset every day through maintenance, through maintaining our ships. So that OCO request—and as I said earlier, we are aggressively moving OCO into base. But this is—that 20 percent of maintenance is still very much related to the operations tempo in CENTCOM right now.

Senator KAINE. How about just generally the sequester environment and future shipbuilding costs and scheduling? If we don't find that solution that is assumed in the budget that the President has submitted, that you're testifying to today, what will be the long-term effect on the costs and scheduling on the shipbuilding side?

Mr. MABUS. One of the things that we have done based on the bill passed here in 2009 on acquisition reform, WSARA of 2009 is we've pushed things like multi-year contracts, which save a great deal of money. We've pushed things like competition. Sequester would have a bad effect on all those things. Again, as the CNO said, we're working through exactly what that effect would be.

We have, for example, the *Virginia*-class submarine program now under multi-year, the DDG–51 under a multi-year, the Marine Corps MV–22 aircraft under a multi-year, the Hawkeye electronic surveillance aircraft for the Navy under a multi-year.

If we cannot continue those multi-years or if we can't execute them as multi-years, the cost goes dramatically higher for fewer ships and aircraft.

Senator KAINE. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Kaine.

Senator Shaheen.

Senator SHAHEEN. Thank you, Mr. Chairman.

Gentlemen, thank you all very much for being here this morning and for your service.

I want to begin by saying I share Senator McCain's frustration and outrage that this Congress hasn't yet addressed sequestration and very much appreciate the challenges that we have given to all of you as you try and deal with a budget that has so much uncertainty.

One of the things that I do every week is to host a coffee for my constituents from New Hampshire who are here. Several weeks ago I had a woman at the coffee who approached me close to tears because her husband works at the Portsmouth Naval Shipyard and she said: We don't know what we're going to do about our personal budget because of the furloughs that he is expecting.

I know the Navy has been working on this issue, trying to address the furlough question. Clearly it's one of the things that has an impact on morale, which all of you have mentioned this morning. So I wonder if you can give us any insights into whether you are going to be able to address the furlough and how you might do that?

Mr. MABUS. Thank you, Senator. That decision has not been made yet. It's being made at a DOD-wide level and they're looking at the health of the whole force. But as you point out, we have civilian workers—shipyard workers is a great example—that have a direct operational impact on the Navy. The CNO and I have both talked about this publicly, about how that will impact the ships that go through these depots, how it will impact the sailing schedules, the steaming schedules, and our operational schedules.

That's part of the input that we've been given. As Secretary Hagel said, if we can do better we will do better. I think everybody recognizes just how crucial these civilians are. General Amos says that he considers them civilian marines. We consider them civilian sailors. They are absolutely crucial to the fleet and to the Marine Corps.

Senator SHAHEEN. Thank you very much, Mr. Secretary. I know that the shipyard workers at Portsmouth and throughout the country appreciate the efforts that are being made to try and address their situation.

I want to switch to energy, because one of the best things I've done since I've been in the Senate was to join with you in the hearing on the USS *Kearsarge* about the efforts that are being made by the Navy to address energy use. I certainly agree that we have to reduce our what has been almost a total dependence on oil in recent years.

I know that biofuels is something that you've been working very hard on and I very much appreciate that. But I wonder if you could also address some of the other efficiencies that you're trying to achieve in order to address energy usage throughout the Navy and the Marine Corps?

Mr. MABUS. I appreciate the opportunity to talk about it. You're right, we're proceeding down two tracks. One is to change the type of energy we use, but the other is to do the same amount with less energy. In the Navy we're doing things like different hull coatings, stern flaps, different kinds of lighting on ships, voyage planning tools, this sort of thing, to use less energy.

All these things have a tremendous impact on the amount that we use. We have the USS *Macon Island*, the first hybrid ship, that has an electric drive for under 12 knots. They made a deployment to CENTCOM and to PACOM. We sent them out with a $33 million fuel budget and they brought $15 million back that they did not use, which is able to put back into operations.

The Marines, through their Experimental Forward Operating Base that they have twice a year, once at Quantico, once at Twentynine Palms, and get whatever industry is doing. So marines are lightening their loads by using fewer batteries and by charging their radios and global positioning systems with solar power. They're doing insulation. They're using wind power, they're using hybrid generators at their bases.

So we are bringing down the amount of energy that we use and not cutting our operations at all. In fact, we're increasing the amount we can do on the same amount of energy. I think we have to keep proceeding down these two tracks because, as I said in answer to a previous question, in the last 3 years just from the spike in oil prices the Department of the Navy has had to pay an additional $1.5 billion in fuel bills that we didn't have budgeted. That money could have gone to operations or to platforms.

Senator SHAHEEN. Particularly in these challenging economic times, I think it's prudent for you to continue proceeding down this path, and hope that we can provide you as much support in the Senate as possible.

General Amos, I'm almost out of time, but I wanted to go back to your comments about sexual assault and about the convening authority, because I certainly appreciate your concern about proceeding with caution in this area, but the fact is that there are over 3,000 reported sexual assaults in the military. The estimate is that it's more than 19,000.

You've indicated that you're going to lead a cultural change within the Marine Corps regarding sexual assault. How do you do that? Do we not have to look at how the system addresses sexual assault in order to make that cultural change?

General AMOS. Senator, I don't want to confuse you here. I'm working my way through the convening authority Article 60 mentally as it relates to sexual assault, because I don't want anybody to think for a second that this isn't important to me. If that's what it takes, if that becomes part of the solution set, then I fully support it. So I just want you to know that.

To your question, though, about our institution, the U.S. Marine Corps, this has to be a culture change. We began last, probably around the May timeframe, began with a general officer symposium. I brought every general in the Marine Corps back to Quantico for 2 straight days and talked nothing but where we were. It was a cold dose of reality, where we are in the Marine Corps, because quite frankly—and it's like the Gregg Zoroya article that popped in USA Today 2 days ago. The numbers are shameful. It's more than being embarrassed. I'm ashamed of this thing.

But that's not where we're headed and that's not where we are right now. We have the entire senior leadership of the Marine Corps after this—I'm talking about officers and staff NCOs. We've just really been after it since probably about the mid-summer. We

started in the spring, but all the campaign plan, three phases of it—and there's a host of things we've done.

I know we're out of time. I'd be honored to come by and talk to you about it. But I don't want anybody to think for a minute that this culture change is going to be easy. But we are dedicated, my generals are and my sergeant majors are, and we're going to succeed. It's going to be hard, but we are going to succeed at this, because it's the right thing to do.

Senator SHAHEEN. Thank you, General. I appreciate that. I have other questions, but I'm sure my colleagues on the committee will follow up.

Thank you.

Chairman LEVIN. Thank you very much, Senator Shaheen.

Senator Reed.

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

Thank you, gentlemen.

Just a quick follow-up question because both Admiral Greenert and General Amos indicated that they are looking at units that will be C3 towards the end of the year. As I understand it, that has several different components in terms of the rating, personnel, the equipment, et cetera.

Can you go just one step down? What's the problem? Is it personnel readiness, availability of sailors? Is it equipment? Just to give us some texture for the rating.

Admiral GREENERT. The fact that a unit is C3, Senator, unto itself shouldn't be that alarming. It is not unusual. In other words, we have units that just before they're ready to deploy they are fully manned, trained, equipped. They need to get their ammo on board. They pick it up and they go. So for the record, they remain C3 until that point.

The point is it's a trend and it's a quantification of how those that are ready to deploy, they are C1 and C2, those that are in the surge are drifting further from that C1–C2. It's like a Slinky dog that goes further behind. It takes that much more to get it ready to deploy.

So what is the issue? It tends to be training. They don't have as many skill sets as they need to have when they're ready to deploy. If they're called to surge, we have to have a longer conversation to say, okay, here's what your unit will have. It could be an air wing, it could be a destroyer, but we have to have a more in-depth conversation, whereas if they're where we want them to be and where they are typical in our fleet response plan, then that is automatic, that is the covenant that we already have.

Senator REED. Thank you.

General Amos, your comments about the Marine Corps?

General AMOS. Senator, the reality is it's equipment available—we talk what C3 is. The exact definition of C3 is units trained to undertake many but not all wartime missions. We don't typically deploy units that are C3. We deploy them C1 and C2, and that's what the combatant commanders, that's what they expect.

Would we deploy a C3 unit? Absolutely, yes. If war broke out, I'd deploy a C4 or a C5 unit. So I want to be clear about that.

But what's happening is the equipment readiness as a result of things going through depot—I've said, when sequestration fully

hits in 2014 and 2015, 75 percent of our depot capacity is going to be affected in one way or the other. That's going to have an effect on the equipment availability. It's training ranges, it's O&M, it's fuel, it's ammunition. It's the ability to be able to take a unit and fly it out to or move it out to Twentynine Palms to do its final integrated training exercise. It's all of that.

Finally, the last I guess kind of litmus test is, because the depot maintenance and aviation has had an impact as a result of O&M, we're going to have—and I'll give you the exact numbers. Today I have 102 of 257 F–18s that are out of reporting status, which means they're not flyable. They need depot maintenance of some kind. 23 F–18s are not going to be inducted in the third and fourth quarter of this year.

So the net result will be this, I'll have 125 out of 257 Marine Corps F–18s out of reporting status. If you take all the squadrons that I have forward deployed, which will have the full complement of airplanes, the ones on carriers, the ones that I have in the Persian Gulf, they're my first priority. The remaining squadrons back home by January 2014 will have 6 of 12 F–18s sitting on the flight line.

Senator REED. Thank you, sir.

Let me do one follow-up question, too, because this was brought up previously. As you retrograde equipment out of Afghanistan, some of that equipment I presume, because it was specifically, particularly some of the Mine-Resistant Ambush-Protected (MRAP) vehicles and some of the vehicles, were designed for the conflict in Afghanistan—do you have the flexibility to bring them out, but then deferring maintenance, as a way to husband resources without affecting the ability of a MEU to operate and conduct?

General AMOS. We do, Senator. For instance, we have well over 2,500 MRAP vehicles right now. Our long-term plan is to keep roughly about 1,200 of them. We're going to bring them all back.

Senator REED. Right.

General AMOS. We'll start parsing out those that need it and those that don't, to be able to husband resources.

Senator REED. Understand.

Admiral Greenert, I was particularly impressed with the brilliance of Senator Donnelly's questioning about submarines, and also the threat to surface ships. I think it raises an interesting question. As you know and Admiral Locklear testified, there are a number of countries, particularly in Asia—China, Australia, Singapore, Indonesia, Malaysia, Vietnam, the Republic of Korea—who are developing new submarines, much more capable submarines. Indeed, I'm also indicated that Russia and China are expected to soon field new ballistic missile submarines, which adds another dimension.

Then you can join that with the surface-to-surface precision long-range weapons, particularly with the Chinese, which threaten the surface fleet, which raises I think not only the necessity, but the criticality of the submarine fleet. Is that a view that you support or take?

Admiral GREENERT. I absolutely support that. As I testified last year, that 2014 submarine was our number one priority.

Senator REED. Thank you very much.

Thank you all, gentlemen, for your service and your thoughtful testimony today.

Thank you.

Chairman LEVIN. Thank you, Senator Reed.

Senator McCaskill.

Senator MCCASKILL. Thank you, Mr. Chairman.

Thank you all for being here very much.

General Amos, I know that you had expressed to my colleague that you want to get at this culture change and it's very important to you as to sexual assault. But let me just say the quickest way to change the culture is to put these cowards in prison. The people who commit these crimes are sullying your ranks and they are diminishing what you are as a powerful force in this country.

I think the challenge around that is getting the victims to come forward. This has to be one of the problems that is foremost in your mind: How do we create an environment of professionalism and justice that gives victims the confidence that they can help you weed out these cowards and get them out of our wonderful military that I know you are so proud and it is your life, and you want nothing more than the Marine Corps to be seen for the wonderful men and women they are.

So when you have a convening authority that picks five colonels and lieutenant colonels to sit on a jury and they do the thing that you always do in these cases, and it is one thing you do as a jury, you decide who's telling the truth, because all this case was about was who was telling the truth—was it the fighter pilot and his wife or was it the victim? These five colonels and lieutenant colonels decided the victim was telling the truth, and with one stroke of a pen that convening authority said to every victim out there that he's confident if they come forward they're either not going to be believed or they're not going to be supported or nothing is going to happen to the guy.

You know what he did when he did that? He told all of them they were exactly right to hide in the shadows. That is more damaging to our military in the area of sexual assault than anything that could happen. All the training in the world will not fix this problem if you don't give these victims confidence.

Frankly, when he wrote the letter explaining how he did it and the first point in his letter is that she hadn't taken a ride home from the party? Are you kidding me? You know what every victim said? Oh my gosh, no matter what happens at the trial, no matter if they believe me, some general is going to decide that I'm a slut because I didn't take a ride home.

That is the problem. Until you guys at the top levels of the military get that, we're not going to fix it. I firmly believe that. I'm so proud that the Joint Chiefs made the recommendation to the Secretary of Defense to change Article 60 of the UCMJ.

I'm going to work as hard as I can to change Article 60. I don't want to throw it all out. I get that the convening authority has a role in terms of the good of the order. I get that. But the idea that they can overturn a factual determination by a jury they handpicked, that's ridiculous.

So I feel better.

Now, on to F/A–18s. I think it's really an issue here that we're taking a real risk with our strike fighter inventory when it comes to JSF. I know that we now have a problem with them landing on the carriers, with the tailhooks, that they're all going to have to be modified. This is a huge issue. We now know another $8.5 billion just to fix the tailhook problem.

The F/A–18 line is going to end domestic production after the final procurement this year. Doesn't the F/A–18 line mitigate the risk of this shortfall going forward? We're now not to full production until 2019 on the JSF. I would like Admiral or Secretary Mabus or any of you to speak to this issue.

We can talk about how expensive it is. We can talk about how it's not doing what it should have done. We can talk about the capability being diminished. But at the end of the day, what about the inventory?

Mr. MABUS. On the F/A–18 line, in our budget we're requesting 21 more Growlers, F/A–18Gs, be built in fiscal year 2014, which would keep the line going through 2016. We do think that it's important to have that capability there.

I'll let Admiral Greenert talk about the issues with the F–35 and the tailhook and the inventory.

Admiral GREENERT. Simply, Senator, I need a tailhook, a helmet, and I need a program that will deliver weapons equivalent to a Super Hornet, so that the F–35 comes into the air wing. The air wing can't turn around the F–35. I've been pretty clear on that. My air wing of the future has to be Hornets, Growlers, and a fifth generation. So I do need the capability, and in my view unmanned; there's an unmanned element to that.

Does it mitigate? Yes, it definitely would mitigate the need for the capability. So it all fits together into an air wing of the future that has to be able to deliver ordnance as well as jam and handle the electromagnetic spectrum, which is huge, in the future.

Senator MCCASKILL. In terms of extending the flight hours, I know that the report came back from GAO saying that maybe we need an independent assessment about what the cost is going to be on extending the flight hours on existing Super Hornets. Can you speak to that? Based on experience, we've not always gotten the right number when it's been an interior assessment as opposed to an independent assessment.

Admiral GREENERT. Let me get you a written answer, but here's what my Naval Air systems commander is telling me, that the extension on the Super Hornet looks very good, that the Super Hornet's performing very well and its fatigue factors and those areas look well. So that he was confident that we could get an extension.

I'll just give you something in writing that is deliberate.

[The information referred to follows:]

The cost and schedule to extend the service life of the Super Hornet is not fully known at this time. A Service Life Assessment Program (SLAP) is in progress to provide detailed analysis of fleet usage compared to structural test data. At this time, indications are that life extension will be achievable through modifications and inspections similar to the ongoing F/A–18C Hornet Service Life Extension Program (SLEP). Compared to the previous F/A–18A–D SLAP, the Super Hornet SLAP has the advantage of having three lifetime test cycles completed on certain test articles, which provides additional data and insight into fatigue issues that will need to be addressed if extending service life beyond 6,000 flight hours is required. As the

Super Hornet SLAP results are delivered, we will be able to develop SLEP cost estimates, plans, and milestones.

Senator MCCASKILL. That would be great.

Thank you all very much. General Amos, I know your heart wants to get this fixed, and we'll work together and get it done. I know all of the military wants to do this. As you can tell, this one hits close to home for me because of the years I spent doing this.

Thank you very much.

Chairman LEVIN. Thank you very much, Senator McCaskill.

Senator Blunt.

Senator BLUNT. Thank you, Mr. Chairman.

Admiral Greenert and Secretary Mabus, I was here yesterday at the Defense Appropriations Committee hearing. I didn't get a chance to ask the questions I wanted to ask then. I think maybe my colleague Senator McCaskill has opened that door and asked some of them already.

Admiral, you're the last in line of the Services to get the F–35s, is that right?

Admiral GREENERT. Yes, sir, that's right.

Senator BLUNT. The same things you mentioned today I heard you mention yesterday, that you have to have some things happen before those are really useable planes.

Mr. Secretary, you mentioned you've ordered the Growlers. You've asked for them in the budget, rather. You haven't ordered them; you've asked for them in the budget. I guess one of my questions is, I know your tactical aircraft, you're 29 or 30 short of what you think you need and what's the risk of not moving forward, asking for more of the Super Hornets at the same time? Or is there just not a shortage in the Super Hornet part of the tactical aircraft (TACAIR) mix?

Mr. MABUS. Senator, the TACAIR shortfall which the chairman mentioned in his opening statement has gotten significantly better. It's down to less than 20 aircraft in about 2,023 now. This is a result of a lot of things. Part of it is what Admiral Greenert said. As we're doing the high flight hour inspections of the Hornets and Super Hornets, these inspections are turning out better than we had anticipated. The wear is less, the repairs will be less. We are currently planning to do the service life extension on 150 aircraft to get us there.

The other thing is we're transitioning quicker to the Super Hornets from the legacy Hornets, which are giving us more capability and more flight hours.

So I think that, just in terms of numbers of TACAIR risk, the risk is relatively low as we're going forward. We're buying the extra F/A–18Gs or requesting that we buy 21 additional Gs because of the electronic attack mission. The Marine Corps is retiring their EA–6s and this would be required to make sure that we maintain that important capability of electronic attack in an expeditionary way, so that we can have enough expeditionary squadrons to support electronic attack, not just for the Navy and Marine Corps, but across the joint force.

Senator BLUNT. I'm hearing right that you think that your shortfall is now less than the Navy might have thought it was going to

be a couple of years ago, because these planes are more serviceable and lasting better than anticipated?

Mr. MABUS. Yes.

Senator BLUNT. Admiral?

Admiral GREENERT. There's also, when we did the numbers that you referred to, the higher numbers as to what the shortfall might be, a big factor was the use, how many cycles are the aircraft being used. That number has come down as we've operated in the Gulf. So 2 years ago the use of the Super Hornet and the legacy Hornets, if you will, was much higher than it is now.

So as we do the measurements we're finding, hey, they're not as fatigued as we originally thought. The assumptions have changed in the analysis.

Senator BLUNT. I think there was a fairly significant request for maintenance and parts, maybe beyond what I would have thought. But General Amos, do you have anything to say on this topic of your transition on planes?

General AMOS. No, sir. I'm in complete agreement with my Secretary and the CNO on this. The management of the shortfall has been mitigated by a large degree as a result of actually managing each bureau number aircraft. Every single airplane, the number of carrier landings, the number of arrested landings, catapults, Gs on the airplane. So the naval aviation enterprise is actually managing each one of those aircraft by bureau number to mitigate the long-term effects of a lot of flying hours.

So we're actually managing the fleet and that's what's helping us out.

Senator BLUNT. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Blunt.

Senator Hagan.

Senator HAGAN. Thank you, Mr. Chairman.

Gentlemen, thank you so much for your service. Thank you for being here. Thank you for what you do for our country.

Before I get into my questions, I did want to make one comment and it's echoing Senator Shaheen and Senator McCaskill. It's about sexual assault. General Amos, I really appreciate what you're doing, but you made a comment saying that it is not going to be easy to change this culture. I think if you look at the training, you look at the convictions, you look at the punishments, we shouldn't be saying it's not going to be easy.

This is something that has, as you said, has the attention. You brought the generals together. You've discussed this.

I guess one question is, how many of those generals are women percent-wise?

General AMOS. I can't tell you percent-wise, but we have a slice of our general officers, 80-plus general officers, that are females.

Senator HAGAN. I just think it is imperative that we understand that sexual assault, sexual harassment, has absolutely no place in our military, and that it is something that is really affecting the culture, especially of our women who are in Service. I just echo the other comments, how important this is. I appreciate what you're doing.

General Amos, I did also appreciate the time that you've taken to discuss with me a lot recently on the issue of notifying those af-

fected by water contamination at Camp Lejeune. The Agency for Toxic Substances and Disease Registry's (ATSDR) recently released water model did find that the levels for some contaminants were as high a 150 times now what is considered safe. So it's very important to me that the marines, the civilians, and family members who were exposed to these contaminants are kept informed as key information is released. I appreciate our discussion and our commitment to do so.

Can you update the committee on what the Marine Corps has done since we talked to notify those affected by this tragedy of recent and future findings?

General AMOS. Senator, I can. I'll be happy to. Thank you for the opportunity.

As you said, the ATSDR released what they call a chapter 8 water model and it became public, and that was an official report. That's one of five phases of reports, and it talks about the contamination started as early possibly as 1953 instead of 1957. So as a result of that, we've advertised in USA Today, national publications, full-page ads talking about the report, and with a link on there that you can link to get the report.

We've notified 104,000 email addressees that we currently have in our registry. We've sent them emails. We also mailed out 188,000 letters here just this month. All this has been done this month, to notify everybody that we are in contact with that have come forward, that are part of the registry, about the results of the report.

I'll also say, Senator, we intend to do exactly that same type of mass notification and awareness for all the other reports as they come out in the future over the next year or 2. So we're dedicated to this. We want to do it right—we are going to do it the right way.

Senator HAGAN. Thank you. I appreciate us working together on that, I really do.

The Department of the Navy's investment in amphibious warships represents a critical investment that also supports a key Marine Corps mission. Citing fiscal constraints, you've decided to reduce the number of amphibious ships to a fleet of 33, with only 30 available at any given time due to maintenance requirements. My understanding is that 30 ships is the bare minimum required for sea-based forcible entry.

Secretary Mabus, do you consider it an acceptable risk to rely on the exact minimum number of ships needed to execute such a mission should the need arise? Then what is plan B if there are not enough ships operationally available?

Mr. MABUS. Senator, in the shipbuilding plan that we've sent the tables to Congress we're building toward that 33 level. The Commandant has said repeatedly that if he could have 50 he would. So would I. But given the fiscal constraints, I think 33 is a reasonable number with a reasonable amount of risk.

The other thing that is in there is that in terms of operations concepts there perhaps are other ways we can transport things beside just amphibious ships. The afloat forward staging bases that we're building two of today and two more to be configured as—the last two will be afloat forward staging bases. The first two are mobile landing platforms that can transport huge amounts of equip-

ment into an amphibious assault area. The Joint High Speed Vessel that can move people and equipment around very quickly.

So the Marines I know are looking at the concept of operations, but also we find that these amphibious ships, the three-ship amphibious ready groups with the big-deck amphib, the landing platform dock, and the landing ship dock, are some of our most flexible and important forces, and we think that these, the Gator Navy, the amphibs, are some of the most important things that we have.

Finally, we're exercising that as well, the exercise Bold Alligator that happened off the coast of North Carolina last year and will be repeated next year, to make sure that the Marines have gone back to the amphibious roots and have the training and the doctrine to be able to perform the way that we know Marines do perform.

Senator HAGAN. We definitely know that.

Thank you all for being here today and your testimony.

Thank you.

Chairman LEVIN. Thank you, Senator Hagan.

Senator Ayotte.

Senator AYOTTE. Thank you, Mr. Chairman.

I want to thank the witnesses for their service during challenging times and for all of those that serve underneath you, we're grateful.

I wanted to ask Admiral Greenert and certainly Secretary Mabus about the fleet size. I know that you've testified about the fleet size and I believe you began with that if you look back to September 11 our fleet size was 316 and now we're at 283. We know from your recent reporting to us that what you believe you need is 306 to meet all of our needs.

As I look at the schedule, the schedule that you have put forward that would put us dropping down to a fleet of 270 in 2015, did I understand that correctly? Is that a schedule that is based upon the President's proposed budget? In other words, this 270 by 2015 does not account for sequestration, does it?

Mr. MABUS. That's correct. The reason that you have the dip is that there were a lot of smaller surface combatants, particularly frigates, built in the 1980s during the big Cold War buildup and they are reaching the end of their service life. Now, they're being replaced, as you can see from those charts, and we're going to go back to 300 ships by the end of this decade, by far more capable, far more flexible ships in the fleet.

One of the things—and I was the one that said, that gave the numbers—is that we today have 47 ships under contract and 43 of those ships have been put under contract since I got here.

Senator AYOTTE. But just to understand, we don't meet 306, which is what we've said we'd need, until 2037, is that right? That is with what we believe to be more robust, appropriate levels of funding.

Mr. MABUS. I believe that is correct, Senator.

Senator AYOTTE. So that's according to the P–14 Battle Force Inventory. That's where I got that number.

So as I look where we are, we have pretty great challenges of getting to where we need to be for our naval fleet now, even if we keep funding where you've proposed it to be without sequestration.

So what happens to us if we go forward with sequestration in terms of fleet number and capacity?

Mr. MABUS. I'd like Admiral Greenert to also comment on this. But sequestration looms over everything and it will have impacts on things like multi-year programs that we're building submarines and destroyers under. It will have obviously an impact on the number of ships we can build.

But the President's budget, the Senate budget resolution, the House budget resolution, all went forward saying that sequestration was not a good idea——

Senator AYOTTE. Mr. Secretary, I'm looking around here and I don't see, unfortunately, people doing what needs to be done to resolve sequestration. So I want to make sure that everyone here understands if we go forward with sequestration for our military, for our Navy, what size does our fleet end up being? Because we right now are at 283. We know we need 306. As far as I can see—and I'm sure you would agree with me—the world's not getting any safer with Iran marching toward a nuclear weapon, with what's happening in the Persian Gulf, with our shift to the Asia-Pacific region, all of which needs naval capacity. Numbers obviously matter in terms of what we can cover around the world.

So, Admiral Greenert, I don't know if you can share with me, what happens to our fleet?

Admiral GREENERT. If we just apply sequestration, the number is $50 billion a year through there, and they are pro-rated, you prorate it to the shipbuilding plan, and then I have to reduce force structure, again it's a straight linear extrapolation: 30 less ships, roughly, by 2020. So you're looking at, instead of 295, somewhere around 265. You keep taking that out to a 2-year posture, we could be down as low as 235 ships.

Senator AYOTTE. 235 ships. Would you agree with me that that would take on tremendous risk, given the challenges we face around the world? What would that do to our shift to the Asia-Pacific region?

Admiral GREENERT. Number one, yes, I agree with you it would be tremendous risk. The shift to the Asia-Pacific, it would slow it down, truncate it by a lot.

A point I'd like to make: Ships are definitely important. Ships forward are most important. So we have to sustain our forward-deployed naval force, the Singapore Initiative, making sure we take care of lift for the Marines to Darwin. That is something I think would be most important to work out, so that we do the best we can to be forward.

Senator AYOTTE. I appreciate it.

I wanted to ask—I know it was touched upon before, Secretary Mabus and Admiral Greenert, on the Navy's proposed—as I understand it, you submitted a proposal to OSD that would allow you to forego furloughs for 2013. Do you know when that decision will be made from OSD as to whether we can forego civilian furloughs? Because obviously one of the concerns that I have heard that seems to me to be a sensible concern is that we will get behind on the maintenance schedule, which will further exacerbate the difficulties and the strain put on our fleet.

Mr. MABUS. Secretary Hagel said, I believe last week, that the decision had not been made, would not be made for a few weeks. One of the things that both the Commandant, the CNO, and I have said during these discussions is that, exactly as you pointed out, some of these civilian workers that we have, like our shipyard workers, have a direct operational impact in terms of maintenance and in terms of getting ships back out to sea.

Senator AYOTTE. Thank you.

I appreciate all of you being here. I know that it's a challenging time to serve. Sequestration is something that I think is particularly foolish with regard to our national security, and I think it's been clear from your testimony and the other Service Chiefs that if we continue with this we're going to really diminish the strongest military in the world.

So I thank you all for being here.

Chairman LEVIN. Thank you, Senator Ayotte.

Senator Nelson.

Senator NELSON. If we get out of our ideological stances here on both sides of Capitol Hill, we can get rid of the sequestration going forward. But it's baked into the cake between now and October 1st.

Admiral and General, since you're not going to have as many flying hours, can you use simulators to try to keep your crews tuned up?

Admiral GREENERT. We can, and in fact during this phase we went through with the Continuing Resolution and the sequestration we turned to simulators to help keep our folks as current as feasible. There are some skill sets that you can't replicate in a simulator.

Some are getting better. The P–8 you're well aware of down there in Jacksonville. That's an excellent simulator and does magnificent things. But you can do some, but it's very limited.

General AMOS. Senator, exactly. We revamped the training and readiness manual for our aviation squadrons some time ago to incorporate more simulation as pressurization on flight hours increased. So we are and we obviously are going to have to continue to do even more.

Senator NELSON. Mr. Secretary, I want to thank you for your service. It has been extraordinary.

As evidenced by the female Senators that have spoken so emotionally, I want to point out that 6 and 7 years ago in another committee I chaired hearings about the rapes that were occurring in Iraq among contractors. I did that through the means of the Senate Foreign Relations Committee. What we had was the dramatic testimony of a number of female contractors, and they came to the committee and told about how everything was swept under the rug, that in some cases—now, this is only 6 or 7 years ago—that they could not get medical attention, and of course they had to rely, not just on the contractor medical attention, but they were in the war zone, the U.S. military—and in addition, that once they got home they couldn't get the U.S. attorneys to prosecute because all of the evidence had been swept under the rug. It was so bad that they could not get rape kits.

Can you bring me up-to-date on what is the standard procedure not only of this raw issue that has been brought out here with re-

gard to Active Duty military, but with regard to the contractors as well under the supervision of the military?

Mr. MABUS. Senator, just as an overall thing I want to say that—and this is the way I put it—that, asked if I'm concerned about sexual assault in the military, I've said—and I know I speak for General Amos and Admiral Greenert here—we're angry. It's an attack. It's a crime. It's not anything else. If somebody was walking around and taking shots at random at our Service, we would fix it, and this is the same thing. This is an attack. This is an attack from the inside.

We have made a lot of progress, I think. We're beginning to learn what works.

In answer to your specific question, we now have trained sexual assault responders, victim advocates. We've trained our medical personnel in sexual assault and rape. There is a requirement to keep evidence for very long periods of time and not discard it after a certain amount of time.

We have other things to encourage people to come forward, that if they feel in danger we will transfer someone immediately to get them out of even that feeling of danger.

We are finding that we're beginning to figure out what works in a lot of these cases. I think we're doing a good job in terms of just training like NCIS investigators in this specific thing, training prosecutors in this specific thing, training defense attorneys in this specific thing.

There's a lot more that can be done, but I do think that we have to make it clear from the seaman recruit to the four-star that we won't put up with this, this is unacceptable.

Senator NELSON. Is this being applied now to the contractor personnel as well as the military?

Mr. MABUS. Senator, as far as I know, in terms of the contractor personnel that the military supports in medical care and things like that, it is. On the broader question, I simply will have to get back to you.

Senator NELSON. Okay. That was the situation that we examined in the committee years ago. In some cases some of the rapes were perpetrated by contractor personnel on contractor personnel, in some cases Active Duty military on contractor personnel.

Admiral GREENERT. Excuse me, Senator.

Senator NELSON. Yes, Admiral?

Admiral GREENERT. If I may, just a tidbit.

Senator NELSON. Please.

Admiral GREENERT. Contractors, we can't compel them and order them to come to training. We're doing training. But the feedback is they are attending the training and they're quite interested in what we're doing. They're embedded in our people and those that are embedded are coming to the training and interfacing. Just thought you'd want to know that.

Senator NELSON. I appreciate that, and I'm sure they are, because it all affects morale and so forth.

But in your execution of a contract with them, I wish you would look into the fact that your contract could compel contractor training.

Don't forget those women.

Thank you.

Chairman LEVIN. Admiral, will you get back to us about that last point of Senator Nelson, about whether contracts can be amended to require the training which you've referred to?

Admiral GREENERT. Yes, sir, I will.

[The information referred to follows:]

Navy will pursue the establishment of a requirement that contractors attend sexual assault training into our contracts. I will work with the Secretary of the Navy and the Under Secretary of Defense (Acquisition, Technology, and Logistics) on this issue.

A requirement for Sexual Assault Prevention and Response (SAPR) training does not typically fall within the specifications or statement of work (SOW) section of Navy contracts. To mandate that SAPR training be included in contracts, Navy would have to establish a policy requiring contracting officers to do so. Pursuant to the Defense Federal Acquisition Regulation Supplement (DFARS) 201.304(1)(i), "Approval of the USD(AT&L) is required before including in a department/agency or component supplement, or any other contracting regulation document such as a policy letter or clause book, any policy, procedure, clause, or form that: (A) Has a significant effect beyond the internal operating procedures of the agency; or (B) Has a significant cost or administrative impact on contractors or offerors".

This type of contractor training has been held by USD(AT&L) to fall within both categories (A) and (B) above; therefore we must seek USD(AT&L)'s approval before implementing such a requirement.

Chairman LEVIN. Thank you.

Thanks, Senator Nelson.

Senator Blumenthal.

Senator BLUMENTHAL. Thank you, Mr. Chairman.

Thank each of you for your service and most especially the service of the extraordinary men and women under your command. I'm grateful to you for being here today and proud of your service to our Nation.

Let me begin, Admiral Greenert, you were very kind to come to visit the sub base in New London. Mr. Secretary, you've been there as well. I assume that you continue to be of the view that that submarine base is important, indeed essential, to our national security?

Admiral GREENERT. Yes, sir, I do, both the piers and the support to the submarines, as well as the submarine training—actually, the Submarine Learning Center, excuse me.

Senator BLUMENTHAL. Are you satisfied, Admiral, that the President's budget has sufficient funding to continue the submarine building program, *Virginia*-class program, at the present pace of two submarines a year for 2014 and beyond?

Admiral GREENERT. Yes, it does. We have a submittal and a funding mechanism in place that we proposed to Congress. With that, I'm comfortable.

Senator BLUMENTHAL. I've noticed that mechanism, which I fully support because I think the submarine program, as you and the Secretary observed, is absolutely essential to our continued undersea superiority, which in turn is vital to our national security.

Are you satisfied, Mr. Secretary, that there's enough funding for the *Ohio*-class program?

Mr. MABUS. I am, Senator. At the place we're in, which is early design, continuing to do some R&D, we have the funding in place and we are on track to not only begin construction on the timeline that we have laid out, but also working with our British partners

on the common missile compartment, we're on schedule for their successor class as well.

The one caveat that I would put in there is sequestration has the potential to change that answer considerably.

Senator BLUMENTHAL. My hope is that sequestration has no effect on the submarine program, because I think it ought to be clearly excepted from any of those cuts that could be contemplated in light of all the considerations that you and others have stated so powerfully and eloquently. So I'm hopeful that we can avoid those effects.

Also, with all due respect, I know that you may not be able to comment on this point in detail, but the proposal for another Base Realignment and Closure (BRAC) I think is probably destined to be doomed or, as it's been put, dead on arrival here in Congress. But I would certainly believe there are better ways to save money. Indeed, the BRAC process has shown itself to be cost-ineffective rather than a means of saving money. So I'm hopeful that we can avoid that mistake as well.

I know that you may not be in a position to comment on it, but I just want to state for the record that I'm hoping that the President will reconsider that point of view.

Let me say to you that I take with complete trust and confidence the position that you have stated, all three of you, with great passion and commitment to eliminating sexual assault. I think that one of the aspects of this that deserves greater scrutiny is the reporting, which has to be encouraged. I noted that the report released on Monday—I believe it was on Monday—the 2011 health survey, stated that the percentage of reporting or responding to that survey in the Marine Corps was only about 22 percent, or in other words 78 percent of troops declined to participate.

Now, that was before the legal reorganization, I suppose. So perhaps the reporting rates would be higher now.

General Amos, I wonder if you could comment on what more can be done to encourage reporting?

General AMOS. Senator, I want to make sure I'm clear here. When I think of reporting, it's not so much a survey as it is the actual victims coming forward and saying something bad happened. It could be male or female.

With the advent of this surge effort, this more than surge, this sustained long-term effort that the Marine Corps has taken on since the mid-summer of last year, we've said all along that we expect the numbers of restricted and unrestricted reports to go up. That would be an indication to me that my marines actually have confidence in the battalion commanders, the squadron commanders, the senior enlisted leadership, that they will not be revictimized, that they will not be humiliated, that they will be treated with dignity and respect and they'll be protected.

That's what's happening. Our reports are going up. So there's a side of me that you go: Oh, I hate to see that. But that's the reality. As I travel around, as my Sergeant Major travels around, the feedback we get, the anecdotal feedback we get from predominantly our females is that: Okay, we're more comfortable; we have more confidence in the leadership now.

A large percentage of the reports in this—and I can't tell you how many, sir, because the information is convoluted—are reports from 2 years ago. In other words, my marines have come forward and they've said: Okay, this happened to me 2 years ago. That's an indication that there is more confidence in the leadership's ability to be able to take this seriously.

So that's the reporting I'm looking at, Senator.

Senator BLUMENTHAL. Your point is very well taken that there are two kinds of reporting and the reporting of actual crimes is what really probably is most important. I would just suggest in closing, because my time has expired, that the way to get more reporting, the way to make this system more effective, the way to give confidence to the men and women under your command, is to increase the conviction rates. I say that with all due respect as a prosecutor and not as a career military person as you are. But the best deterrence is—and I would just second Senator McCaskill—putting people away, putting them in prison, giving harsh, significant, but fair punishment. I know that you're committed to that policy.

General AMOS. Senator, if I could, I realize time is of the essence. That's a very good point. As a result of NCIS's help and the result of reorganization of what we pull together are complex trial teams, where we actually have the pros from Dover doing this now, from 2011 to 2012 we more than doubled the amount of prosecutions and we've more than doubled the amount of convictions.

So we're headed in the right direction.

Senator BLUMENTHAL. Thank you.

Thank you very much, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Blumenthal.

I'm going to leave. I think that Senator Inhofe will be leaving. We have that meeting of all Senators.

Before I call on Senator Hirono, I would ask that when she's completed, if she's the last Senator here, which I think she will be, if she could then adjourn the hearing.

Thank you very much for your testimony, gentlemen, and I call on Senator Hirono.

Senator HIRONO [presiding]. Thank you, Mr. Chairman.

Gentlemen, thank you for your service.

I echo the sentiments of a number of my colleagues on this committee to focus on the need to do everything you can to end sexual assault in your Service and of course all the other Services.

Admiral Greenert, you gave a response to Senator Ayotte regarding the number of ships, and I believe that you said that the reduction in the number of ships will slow our rebalance to the Asia-Pacific. This is not a question. It's simply to say that I share those concerns with you and this is yet—your response is yet another reason that we need to end sequestration and focus on going forward come October 1.

Secretary Mabus, I want to thank you for your noting that you are doing everything you can to use some other method than furloughing the thousands and thousands of civilian employees at our various shipyards and other places in order to meet your budget cuts. So the thousands of our civilian employees at Pearl Harbor

Naval Shipyard and I commend you for those efforts and please continue them.

Yesterday the National Security Adviser, Tom Donilon, spoke of the critical link between energy security and national security. He stated, "Energy matters profoundly to U.S. national security and foreign policy." I could not agree more. I know that this is something that you, Mr. Secretary, have long recognized. I want to commend your work as Secretary in aggressively pursuing a strategy of diversifying the Navy's fuel sources and using energy more efficiently so that we would be saving significant amounts of money that can go for other defense priorities.

So as you note in your testimony, the Navy has historically been a leader in energy innovation. Given the successes you are seeing within the Navy and Marine Corps, what in your estimate would be the impact on the Navy's long-term capabilities if we were to reduce our investments and initiatives in energy security?

Mr. MABUS. Senator, this is a military vulnerability, the amount of fuel we use, the types of fuel we use, the vulnerability we have not only to supply shocks, but also to price shocks. I think that if we were to lessen that commitment to diversifying our sources, to becoming more efficient, that we would simply be making a military vulnerability worse; and that one of the things that leaders of military Services are required to do and certainly should do is identify, you have a series of adversaries' or potential adversaries' vulnerabilities, but also your own, and to work to lessen those. That's what we've been trying to do, and we very much appreciate the support of you and of your colleagues toward this goal.

It's a wide range of things. It's the efficiencies that we talked about, but it's also putting some competition in trying to develop sources of energy that are not influenced by world events, by somebody threatening to close a strait here or there and making the price of oil spike.

For every dollar that oil increases per barrel, it costs the Department of the Navy $30 million in additional fuel costs. So for fiscal year 2011, fiscal year 2012, and then the proposed increase for fiscal year 2013, that's $1.5 billion to the Navy. Those sorts of impacts have impacts on our operations, they have impacts on our people, they have impacts on our ability to do what our missions are.

So I would be very happy to—because I literally could go on about this all day, but to get you some of the figures that we have worked through in terms of the benefits of this, in terms of where this will take us, and, as you point out, the fact that the Navy in particular, but also the military in general, has led in this and other technology changes.

Senator HIRONO. Mr. Secretary, I could not agree with you more that we need to continue to make the investments in energy security, and you correctly identify this as a security vulnerability if we don't do that.

General Amos, it's good to see you again. The Marine Corps obviously plays a major role in the Pacific and are a significant part of the rebalance to the Asia-Pacific area. Can you talk a little bit about the latest with regards to relocating Marine Corps forces throughout the Pacific?

General AMOS. Senator, thank you. Yes, I can. We actually began this about a year and a half ago. If you take a look at the amount of monies over the Future Years Defense Program, there's about $3.5 billion all totaled money being focused on the reorientation of the marines in the Pacific. So that just gives you a sense for how committed we are.

We deployed our first rotating battalion back onto the island of Okinawa last year. One of the companies of that battalion went down to Darwin, Australia, and began the Darwin detachment down there, which has just been reconstituted again this month.

So that's going to begin an effort between our Nation and Australia, gradually eventually growing to about 2,500 marines there.

We started again this year with another installment of another Marine battalion from Hawaii to Okinawa. So today we not only have the kind of typical battalion that's affiliated with Okinawa; we now have two rotating battalions on the ground on Okinawa in support of the rotational forces.

This fall we're going to do that again. We'll triple down on that, so we'll have three rotating battalions plus one on the ground. We'll move more aviation assets into the Western Pacific.

So we're committed on that. There's already this footprint increasing in the Western Pacific for the shift to the Pacific.

Senator HIRONO. Thank you very much for that explanation.

As I am the last remaining person on the committee here, I want to once again, on behalf of our committee, thank you all for your service and for being here with your testimony.

The committee stands adjourned.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR BILL NELSON

MAYPORT AND STRATEGIC DISPERSAL

1. Senator NELSON. Secretary Mabus and Admiral Greenert, dispersing our capital ships is in our best national security interest and specifically, dispersing the east coast carrier fleet is a national security priority. The 2010 Quadrennial Defense Review (QDR) clearly states, "To mitigate the risk of a terrorist attack, accident, or natural disaster, the U.S. Navy will homeport an east coast carrier in Mayport, FL." The Navy has stated military construction costs to prepare Mayport to homeport a carrier would be approximately $500 million, while the Government Accountability Office (GAO), estimates the number to be $250 to $300 million. However, the Navy recently completed a Controlled Industrial Area (CIA) at the Naval Shipyard in Portsmouth, VA, for $33 million. Can you discuss how the Navy can provide such a drastically different quote for a similar facility?

Mr. MABUS and Admiral GREENERT. Several factors contribute to the disparity in cost between the Norfolk Naval Shipyard Controlled (NNSY) Controlled Industrial Facility (CIF) and Mayport: project scope, timing, and location. First, a direct one-for-one comparison of the NNSY CIF to Mayport cannot be made as several structures critical to operating a CIF already exist in Norfolk, whereas they would have to be included in constructing a similar facility in Mayport.

Second, the downturn in the economy after 2008 has led to a more favorable bidding climate nationwide. The award amount of $26.3 million for the NNSY CIF reflects a winning bid in the current economic climate. In contrast, cost estimates for Mayport were prepared to inform the selection of a Preferred Alternative from among many different ship homeporting options as part of the 2008 Environmental Impact Statement. Estimates for all the Mayport options were very conservative, as they were based on preliminary data and took into consideration the post-Katrina cost escalations prevalent in Florida and the other Gulf Coast States at the time.

Third, the Mayport CIF design is more robust to accommodate the increased potential for higher storm surges due to its location adjacent to the coast of Florida.

In closing, should the CIF be programmed in a future year, the estimate would be refined to reflect current economic conditions and lessons learned from constructing the CIF in Norfolk.

2. Senator NELSON. Secretary Mabus and Admiral Greenert, will you ensure strategic dispersal is again added as an objective in the 2014 QDR?

Mr. MABUS and Admiral GREENERT. The Navy is committed to strategic dispersal of its forces. Strategic dispersal ensures that ships and aircraft, their crews, supporting maintenance, and training-critical infrastructure are located in more than one facility or region whenever possible. To that end, strategic dispersal of our assets will have great emphasis in the development of the 2014 QDR.

QUESTIONS SUBMITTED BY SENATOR JOE MANCHIN III

CONTRACTORS

3. Senator MANCHIN. Secretary Mabus, what is the approximate number of contractors the Navy presently has in its inventory and whether this figure has gone up or down since last year?

Mr. MABUS. For fiscal year 2011, the Department of the Navy Inventory of Contracts for Services (ICS) reported 182,126 Contractor Full-Time Equivalents (FTEs) based on Navy contracted actions with $33.1 billion obligated. For fiscal year 2012 the Navy ICS reported 178,679 contractor FTEs based on Navy contracted actions with $28.5 billion obligated. Using this common reporting baseline, the Navy ICS figures have gone down.

Additionally, for fiscal year 2012 an improved model for gathering ICS data was implemented to include additional separate categories for actions contracted by defense agencies (not Navy) and by non-defense agencies using Navy funds. The table below includes the baseline Navy contracted figures for fiscal years 2011 and 2012; and, includes the fiscal year 2012 Navy ICS reported data for these two additional categories.

Department of the Navy fiscal year 2011 and fiscal year 2012 Inventory of Contracts for Services (ICS) Report	Obligated Dollars	Full-Time Equivalent Count
From fiscal year 2011 ICS		
Navy Contracted	$33,120,323,148	182,126
From fiscal year 2012 ICS		
Navy Contracted	28,478,906,028	178,679
Defense Agency Contracted (Not Navy)	1,765,038,233	9,844
Non-Defense Contracted	496,141,609	3,812
Total	$30,740,085,870	192,335

FURLOUGHS

4. Senator MANCHIN. Secretary Mabus, I'm told the Navy proposed an alternative to the 14-day furlough for its 201,000 civilian workers. According to Foreign Policy's Situation Report Newsletter, Navy leaders believe the ultimate cost of disrupting operations via a Department-wide furlough would negate the $300 million in projected savings. However, this request was disapproved by the Department of Defense (DOD). Would you implement an alternative to the civilian furlough if you were given the discretion to do so?

Mr. MABUS. The Navy provided input to the Secretary of Defense regarding possible ways to deal with the current budget crisis caused by sequestration. After consideration of the Navy's and the other Services' proposed options and alternatives, the Secretary of Defense on May 14, 2013, announced the decision to furlough DOD civilian employees, with a limited number of approved exemptions, as part of the solution to solve the budgetary shortfall across the DOD for fiscal year 2013. The Navy is implementing that decision. We continue to work with the Secretary of Defense to find ways to mitigate against the negative implications of sequestration on the Navy's mission.

5. Senator MANCHIN. Secretary Mabus, is the furlough going to create more bills than it will pay?

Mr. MABUS. Sequestration reduced the DOD's budget by $37 billion in fiscal year 2013, and of that amount, the Department of Navy was reduced by nearly $11 billion across various appropriations. It was these budget reductions that resulted in the Secretary of Defense's decision to furlough civilian personnel (with some exceptions).

Current estimates of projected savings for the 11-day furlough announced by the Secretary of Defense on May 14, 2013, are approximately $130 million in the Operation and Maintenance, Navy Appropriation and $2 million in the Operation and Maintenance, Navy Reserve appropriation. For those personnel funded by the Navy Working Capital Fund (NWCF), while the personnel will be paid less, the furlough will slow completion of orders and result in the lost recovery of overhead, which may actually increase costs in future years.

TUITION ASSISTANCE

6. Senator MANCHIN. Admiral Greenert, the Navy is the only Service to provide uninterrupted tuition assistance to its servicemembers. I find this to be a remarkable commitment to both the personal and professional growth of Navy servicemembers. Can you discuss why you feel tuition assistance is so vital to the Navy?

Admiral GREENERT. In addition to the readiness advantages offered by education, there is an implied commitment between sailors and the Navy they serve. One way that Navy honors this commitment is by preserving a Tuition Assistance program that assists sailors in achieving their education goals. This enables sailors to develop themselves both personally and professionally into leaders who can think critically, translate their thoughts into actions, and make effective, educated decisions. This is important both in the Navy, and if sailors choose to return to civilian life.

MARINE CORPS END STRENGTH

7. Senator MANCHIN. General Amos, you are in the midst of reducing the size of the Marine Corps from roughly 200,000 to 182,000 by 2017. Recently, the Army alluded to cutting an additional 100,000 soldiers if the sequestration's caps remain in place. If sequestration remains in place, would the Marine Corps have to make additional end strength cuts?

General AMOS. We will not have a definitive answer to this question until DOD completes its Strategic Choices and Management Review (SCMR) of our current National Defense Strategy and analysis of a range of potential budget cuts. Depending upon where the Department weights its effort, 182,100 may or may not be sustainable. We continue to believe that the Nation needs a ready crises response force that is forward deployed and forward engaged. The President's current National Defense Strategy which rebalances our forces towards the Asia-Pacific theater is suited to the capabilities and strengths of your Marine Corps. If the Marine Corps' budget is further reduced below current Budget Control Act levels, we will have to look at reducing forces below 182,100. Determining how much below 182,100 will again depend on how much the Marine Corps is required to reduce their budget based on decisions that result from the SCMR.

NAVY CREW SWAPS

8. Senator MANCHIN. Admiral Greenert, the respected defense expert, Michael O'Hanlon, suggested that the Navy could save about $2 billion per year by employing crew swaps. He stated, "by keeping a given ship abroad for roughly 2 years and having two or three crews share that vessel overseas, the Navy can do more with less. In fact, it can accomplish with about 3.5 ships, on average, what previously might have required 5." What do you think about using crew rotation as a means to do more with less?

Admiral GREENERT. I agree that using crew rotation can help us achieve more forward presence more efficiently. The Navy and Marine Corps are our Nation's "away team" and history demonstrates the Navy is at its best when we are forward and ready to respond where it matters, when it matters.

In order to maximize forward presence within resource constraints, we have explored the use of different manning (rotational crews and active duty/civilian mariner mixed crews) and basing (Forward Deployed and Forward Stationed Naval Forces) models.

When part of the Forward Deployed Naval Forces (FDNF), ships, aircraft, crews, and their families all reside in the host nation, such as Japan, South Korea, Spain, or Italy. As your question referenced, it typically requires at least four ships from

the continental United States (CONUS) to keep one forward: one ship is deployed, one is returning, one is on its way forward and one is in deep maintenance. For example, today we designate about 10 *Arleigh Burke*-class destroyers deploying from Norfolk and Mayport to provide two in the Eastern Mediterranean for missile defense to our European allies. In a few years, we will cover the same mission with four destroyers based in Rota, Spain, and, therefore, free up six destroyers to deploy to other regions of the world. This is much more efficient than rotationally deploying ships and aircraft from the CONUS. Similarly, we will soon homeport another submarine Guam, providing the same presence as four deploying from the West Coast. In addition, we will also transition Minecounter Measure (MCM) and Patrol Coastal (PC) ships to the FDNF in Bahrain.

Forward stationing and rotational crewing together provide more than twice the forward presence as traditional models. We also deploy Forward Operating Military Sealift Command (MSC) ships such as Mobile Landing Platforms, Joint High Speed Vessels, Combat Logistics Forces and Afloat Forward Staging Bases. These Forward Operating ships remain forward overseas almost continuously and employ rotating crews of civilian mariners augmented by rotating military detachments.

Each of these models that keep ships and aircraft forward enable Navy to maximize the presence delivered by the fleet. Each ship kept forward using one of these models provides the same presence of about four ships rotationally deploying from CONUS. These models all depend on U.S. bases overseas (such as in Hawaii and Guam) as well as places overseas, which are allied and partner nation facilities such as Singapore, Japan, and Rota, Spain, that are available for the use of our deployed forces. Bases and places enable our deployed forces to rest, repair, resupply, and refuel overseas and reduce the need for rotational deployments from CONUS.

ALLEGANY BALLISTICS LABORATORY

9. Senator MANCHIN. Secretary Mabus, I want to commend the Navy for being responsive to my colleague, Senator Rockefeller, and myself last year, when you examined the data center and information technology capabilities at the Allegany Ballistics Laboratory (ABL) in Rocket Center, WV. In particular, I note that you wrote to Senator Rockefeller on May 21, 2012, that ABL was being seriously considered for the designation as a Naval Enterprise Data Center. I also understand that recently ABL has been slated to be a research, development, test, and evaluation (RDT&E) hub for Navy information technology. Can you give me an update on that?

Mr. MABUS. The Navy is planning to include ABL as a part of our long-term Data Center Hosting options for the RDT&E environment. Our ongoing focus in Data Center Consolidation has been to close and consolidate multiple domestic computing environments in accordance with the Federal Data Center Consolidation Initiative (OMB). The Navy is considering using a portion of ABL as an RDT&E hub for the east coast. We will also designate a facility to be our RDT&E hub for the west coast. Plans for establishing these Navy hubs are currently in development.

QUESTIONS SUBMITTED BY SENATOR JAMES M. INHOFE

CIVILIAN FURLOUGHS

10. Senator INHOFE. Secretary Mabus, I am concerned about the potential impact of civilian furloughs on the Navy's critically important family support programs. If furloughs take place, do you expect any cutbacks in your operating hours at commissaries, exchanges, and child development centers or curtailment of morale, welfare, and recreation, Department of Defense Education Agency programs, transition assistants programs, or military spouse employment programs?

Mr. MABUS. The Navy provided input to the Secretary of Defense regarding possible ways to deal with the current budget crisis caused by sequestration. After consideration of the Navy's and the other Services' proposed options and alternatives, the Secretary of Defense announced the decision to furlough DOD civilian employees with a limited number of approved exemptions. The Navy is implementing that decision and continues to work with the Secretary of Defense to find ways to mitigate against the negative implications of sequestration on family support programs.

As a result of sequestration, most Commissary stores will close on Mondays. Overseas commissaries staffed primarily with foreign nationals will remain open. The Defense Commissary Agency Headquarters also plans to close every Monday.

Furlough will have minimal impact on Spouse Employment and Transition Assistance Programs (TAP). Furlough days for employees at delivery points will be rotated to ensure support is provided to Navy families.

The civilian furlough will not impact Navy child care programs. The majority of Navy child care workers are non-appropriated funded (NAF) personnel and therefore not subject to furlough. Additionally, appropriated funded personnel who provide direct caregiving have been exempted from furlough.

The majority of morale, welfare, and recreation employees are NAF personnel; accordingly reductions or curtailment of programs and services due to the civilian furlough are not anticipated. Morale, welfare, and recreation programs and services have already been reduced at most Navy installations due to sequestration and further reductions are not anticipated due to the furlough.

Navy exchanges employ non-appropriated fund personnel, therefore the civilian furlough will not impact operating hours. There are no plans to change operating hours at any Navy Exchange or Navy Lodge.

11. Senator INHOFE. Secretary Mabus, if civilian furloughs, in response to sequestration, impact the mission of the military entrance processing stations, then what options does the Navy have to ensure your recruit accessions are not disrupted?

Mr. MABUS. Marine Corps - All Service recruiting will be impacted by civilian furloughs at Military Entrance Processing Stations (MEPS); because 80 percent of MEPS personnel are civilians. The possible civilian furlough reduces their available processing capacity. Implementation of a 4-day processing week would likely degrade our accession efforts.

Navy - Navy ships its recruits from Monday through Thursday. We anticipate the furlough would shut down MEPS processing on Friday only. Therefore, Navy recruiting accession mission may not be impacted as a result of planned MEPS furloughs in fiscal year 2013. However, with the planned 11-day MEPCOM furlough, Navy recruiting would experience a new contract mission shortfall of approximately 2,900 total new contracts for both Active component (AC) and Non-Prior Service Reserve component (RC). This shortfall represents approximately 15 percent of the remaining fiscal year 2013 new contract mission of 19,675 (AC/RC). This shortfall would result in a 5 percent decrease in the Delayed Entry Program (DEP) posture for the beginning of fiscal year 2014. The reduction of the DEP posture from a target of 50 percent will increase our new contract mission for fiscal year 2014. However, we anticipate meeting our accession mission in fiscal year 2014. If MEPCOM furloughs continue into fiscal year 2014, MEPS capacity to process new contracts will be restricted and Navy's accession mission could be at moderate risk.

NAVY'S LONG-TERM SHIPBUILDING PLAN

12. Senator INHOFE. Secretary Mabus, last year, the Congressional Budget Office (CBO) issued a review of the Navy's 30-Year Shipbuilding Plan. That review questioned the Navy's estimates that the cost for new-ship construction under its plan would be $505 billion over 30 years, or an average of $16.8 billion per year. In contrast, CBO estimated that the Navy's intended new-ship construction would cost $599 billion over 30 years, or an average of $20.0 billion per year. Even with these estimates, CBO concluded that the Navy's 2013 plan would fall short of meeting the Service's inventory goals for destroyers, attack submarines, and ballistic missile submarines. In addition, CBO's estimate of $20.0 billion per year for new-ship construction in the Navy's 2013 shipbuilding plan is about 40 percent above the historical average funding of $14.3 billion. As of this hearing, we have not received an updated 30-Year Shipbuilding Plan this year that was supposed to accompany the President's budget. Will the Navy's updated plan for a 306-ship Navy reconcile differences in cost estimates with CBO?

Mr. MABUS. Yes. The differences between the Navy and CBO estimates is caused by different cost estimating methods, assumptions about design and capabilities of future ships, and inflation indices.

The cost estimates in the Fiscal Year 2014 Shipbuilding Plan are consistent with the estimates in previous plans. Cost estimates in Navy's shipbuilding reports are inflation-adjusted to constant-year dollars using the ship composite inflation rate which captures the historical increases in shipbuilding costs. This rate is typically 1.5 to 1.8 percent higher than the general inflation rate of the U.S. economy as a whole. CBO's estimates use this rate, but also inflate costs by market inflation rates, which Navy considers double-counting the effect of inflation.

13. Senator INHOFE. Secretary Mabus, what is the Navy's plan to address CBO's concerns for goals related to destroyers and attack submarines?

Mr. MABUS. The need to recapitalize our Fleet Ballistic Missile Submarine force will cause significant and noteworthy risks to the Navy's overall shipbuilding plan.

The Navy will try to maintain destroyer and submarine requirement goals through calculated procurements, cost reductions in the *Ohio* replacement SSBN and other ship programs, ship retention for the expected service life, and targeted service life extensions.

The Navy plans to procure 33 *Virginia*-class SSNs from fiscal year 2014 to fiscal year 2033. This will result in attack submarines falling to a low of 42 ships in fiscal year 2029—6 boats below the current planning requirement—before rising to 48 in fiscal year 2035 and remaining at or above the requirement for the rest of the 30-year period.

A particular planning concern is the Large Surface Combatant (LSC) force and the impact *Ohio* replacement SSBN funding will have on it. The Navy's Shipbuilding plan procures 66 LSCs which will reduce the effect of the retiring CG–47-class cruisers in the mid-2020s and the large number of retiring legacy DDGs in the late 2020s and early 2030s. Additionally, the Navy has extended the service lives of all Flight IIA DDG–51s to 40 years to reduce the impact on LSC force structure. Even with this measure, the LSC inventory will fall to a low of 80 ships in fiscal year 2034—8 below the current planning requirement—before rising to 88 LSCs in fiscal year 2038.

An important point is "not all ship types are equal in importance"; we will build and integrate ship types based on the capability each provides, the evolving global situation, payload integration, and other key factors. For example, the plan attempts to balance shortfalls in large surface combatants, amphibious warfare ships, and attack submarines until the Force Structure Assessment (FSA) (by ship type) requirement is reached. It is a complex balance of platforms, payloads, capacity, and capability.

All of these measures will help maintain the size of the battle force inventory at about 300 ships during the procurement of the *Ohio* replacement SSBN and the heavy ship retirement period expected in the 2020s and 2030s. However, even after all of these measures are taken, executing the build plan with expected future resources will present a planning and resource challenge.

14. Senator INHOFE. Secretary Mabus, how will the full funding of a replacement ballistic missile defense submarine affect the Navy's shipbuilding plan?

Mr. MABUS. The Navy will encounter several challenges in executing this shipbuilding plan; perhaps the most important is funding and delivering the *Ohio* replacement program SSBN. The *Ohio* replacement SSBN is projected to cost about $6 billion (fiscal year 2013 constant dollars) each. Therefore, during the procurement and construction of *Ohio* replacement SSBN between fiscal year 2021 and fiscal year 2035, an average of $19.2 billion per year is projected to be required for shipbuilding, which will be a key resourcing challenge for the Department.

If Navy funds the *Ohio* replacement SSBN from within its own resources, *Ohio* replacement SSBN construction will take away from construction of other ships in the battle force such as attack submarines, destroyers, aircraft carriers, and amphibious warfare ships. The resulting battle force will not meet the requirements of the Force Structure Assessment (FSA) and will therefore not be sufficient to implement the Defense Strategic Guidance (DSG). In addition, there will be significant impact to the shipbuilding industrial base.

15. Senator INHOFE. Secretary Mabus, how will the sequestration of funds in fiscal year 2014 affect the Navy's shipbuilding plan?

Mr. MABUS. I am committed to the successful execution of the Navy's shipbuilding plan, and I'm doing my best to ensure that we continue to build the fleet. We have 53 ships under contract today, 47 of which were contracted since I took office, and our current shipbuilding plan puts us on track for 300 ships in the fleet by 2019. However, the Navy shipbuilding plan is underpinned by the assumptions, that funding: will be sustained at the fiscal year 2014 President's budget level through the Future Years Defense Program (FYDP), will be increased during recapitalization of the *Ohio*-class submarines, and will be sustained at the appropriate levels (likely higher than current historical average) for the remainder of a 30-year period.

The Navy is concerned that sequestration poses significant risks upon these underlying assumptions and therefore upon the size of our fleet. This was highlighted by the Navy's determination to balance fleet wholeness with the constraints of the budget. The Department is currently assessing the impact of sequestration on its shipbuilding goals as part of the SCMR, which is designed to factor in defense-wide budget cuts and its impact on the DSG. Upon completion of the review, we will balance the level of risk across warfighting and support capabilities for the full range of potential military operations and prioritize procurements to meet the capabilities and capacities to achieve this balance.

Ultimately, in the event of full sequestration, the Navy's fiscal year 2014 shipbuilding plan will need to be reexamined. Under such circumstances, and in keeping with our shared responsibility for a Navy which provides for the Nation's security, the Department will work closely with Congress in determining the naval force the Nation can best afford.

16. Senator INHOFE. Secretary Mabus, how would you assess the current readiness of the amphibious fleet to meet Marine Corps deployment requirements?

Mr. MABUS. The Navy remains committed to providing sufficient amphibious warships for day-to-day presence as well as large-scale expeditionary operations. The Navy stands aligned with the Marine Corps on the fiscally-constrained requirement for 33 amphibious warships. This provides 30 operationally-available amphibious ships to meet Naval and Marine Air Ground Task Force (MAGTF) amphibious embarkation demand requirements. Although our current amphibious inventory stands at 30 ships, the Navy continues to meet Navy and MAGTF deployment schedules with a higher than normal OPTEMPO. Going forward, the shipbuilding program described in the fiscal year 2014 30-Year Shipbuilding Plan builds and maintains a battle force of at least 31 amphibious ships by fiscal year 2018 and achieves 33 amphibious ships in the required 11/11/11 mix no later than fiscal year 2025.

COSTS FOR CVN–78 AIRCRAFT CARRIER

17. Senator INHOFE. Secretary Mabus, the President's budget request for fiscal year 2014 includes a legislative proposal to amend the cost cap for the first *Ford*-class aircraft carrier (CVN–78), currently under construction from $11.8 billion to $12.9 billion. As you know, the CVN–78 is the first of three ships in the Navy's new USS *Gerald R. Ford* (CVN–78)-class of nuclear-powered aircraft carriers. The next carrier, CVN–79, is now estimated to cost the Navy $11.3 billion. Are the costs and schedule for the CVN–78 under control?

Mr. MABUS. The cost for CVN–78 has stabilized at $12.887 billion. Similarly, schedule performance has also stabilized, holding a constant 4-month variance to launch for the past few years. This delay in the launch date will allow increased outfitting of the ship while still on land, which is a key aspect in controlling the cost. CVN–78 is now scheduled to launch in November of this year and deliver no later than second quarter of fiscal year 2016. A detailed summary of the cost control measures for CVN–78 and CVN–79 is attached in the Report to Congress I provided in May of this year.

18. Senator INHOFE. Secretary Mabus, what challenges remain to deliver the CVN–78 to the fleet?

Mr. MABUS. The biggest challenge to delivery of CVN–78 to the fleet is completion of the test program for new development items aboard the ship. The primary developmental systems include Electromagnetic Aircraft Launch System (EMAL), Dual Band Radar (DBR), and Advanced Arresting Gear (AAG). As these are new technologies employed on the *Ford*, the first of the CVN–78 class, there are system integration risks with initial operation of these systems. To mitigate these first time integration risks, the Navy conducts land-based testing of these systems at Wallops Island (DBR) and Lakehurst (EMALS and AAG) prior to shipboard installation; however, there likely will still be interface issues that need to be addressed after full integration with other ship's systems during testing prior to ship delivery.

19. Senator INHOFE. Secretary Mabus, how will sequestration in fiscal year 2013 affect the delivery schedule?

Mr. MABUS. Fiscal year 2013 sequestration had no impact on the CVN–78 delivery schedule.

20. Senator INHOFE. Secretary Mabus, how would the sequestration of defense funds in fiscal year 2014 affect the *Ford*-class acquisition program?

Mr. MABUS. The Navy is examining the impacts of sequestration in fiscal year 2014, in conjunction with the Department's broader SCMR effort. The impacts to specific programs have not yet been determined.

21. Senator INHOFE. Admiral Greenert, given the current budget reality, how realistic is it that we be able to build and maintain 11 carriers?

Admiral GREENERT. Navy remains committed to maintaining a force structure of 11 aircraft carriers, as reflected in the fiscal year 2014 Long-Range Plan for Construction of Naval Vessels submitted to Congress in May 2013. The 11-carrier force

structure represents a balanced approach to best support a forward naval posture capable of meeting warfighting and peacetime requirements. Delivery of USS *Gerald R. Ford* (CVN–78) in fiscal year 2016 returns the carrier fleet to 11 aircraft carriers as statutorily established in 10 U.S.C. 5062(b). A combination of new carrier construction and the recapitalization of *Nimitz*-class carriers through the Refueling Complex Overhaul (RCOH) program will maintain the carrier force structure at 11 ships through 2039.

Continuing sequestration will remain the biggest challenge to executing this plan in the near term. Navy is aggressively pursuing cost-cutting initiatives to reduce the cost of subsequent *Ford*-class carriers. Initiatives include:

- Applying lessons learned from the construction of the first-of-class CVN–78; and
- Building follow-ships at regular intervals for a stable industrial base.

LITTORAL COMBAT SHIPS

22. Senator INHOFE. Admiral Greenert, the Concept of Operations for the Littoral Combat Ship (LCS) called for one ship with multiple mission modules to replace 30 FFG–7 frigates, 14 *Avenger*-class MCM vessels, and 12 MHC coastal mine hunters, for a total of 56 vessels. The current plan calls for the purchase of 52 LCSs, which will eventually comprise one-third of the entire Navy's surface combatant fleet. While the price per ship has increased by over 60 percent since inception, recent concerns have been raised within the Navy about the LCS's capabilities as compared to legacy systems as well as concerns about survivability, adequate manning, endurance, and the ship's ability to meet warfighter requirements. In how many core missions of the sea service's Cooperative Strategy for 21st Century Seapower is the LCS likely to succeed?

Admiral GREENERT. LCS, as seen in her initial operations, is performing as expected, and is likely to succeed in all of the core missions outlined in the Cooperative Strategy for 21st Century Seapower. In terms of price, the LCS and its mission modules are about the same (in inflation-adjusted terms) as when originally proposed. While the seaframes are more expensive than planned, the mission modules are less costly than expected.

Forward Presence:

LCS has already deployed and commenced forward operations out of Singapore. USS *Freedom* (LCS–1) deployed from San Diego on March 1, 2013, and will conduct multi-lateral exercises, port visits, humanitarian assistance, and counter-piracy operations with partner nations in Southeast Asia over the next several months. LCS deployments will alleviate the operational burden on our forward deployed surface forces based in Japan. When the LCS program reaches maturity, much of the class will operate forward from places such as Singapore, Bahrain, and Sasebo, as well as throughout the U.S. European Command, U.S. Africa Command, and U.S. Southern Command Areas of Responsibility (AORs).

Deterrence, Sea Control, Power Projection, and Maritime Security:

LCS, by virtue of its flexible capabilities and sheer numbers, is ideal for deterrence, sea control, power projection, and maritime security operations. The modular design allows operational commanders to tailor LCS to execute Surface Warfare (SUW), MCM, and Anti-Submarine Warfare (ASW) missions. LCS' high speed will allow it to quickly arrive on station, in numbers, to project power and serve as a credible deterrent.

Humanitarian Assistance and Disaster Response:

LCS's speed and agility provide limited noncombatant evacuation operations (NEO) capability, and the shallow draft allows these ships to enter austere ports that larger vessels could not safely navigate. LCS can be customized to rapidly support Humanitarian Assistance and Disaster Response missions. The large mission bays which normally support SUW, MCM, and ASW mission packages can be used to transport disaster relief supplies and can support evacuees for short durations.

23. Senator INHOFE. Admiral Greenert, is the Navy trying to find a mission for the LCS rather than working to meet the original concept of operations?

Admiral GREENERT. No. Since the LCS program was announced on November 1, 2001, LCS has continued to meet and expand on the original concept of operations. LCS was conceived as an integral part of a new battle force architecture based on an essential need for a new generation of "focused mission" multi-role surface com-

batants optimized for operations near land. This capability is precisely what the Department of the Navy has received with LCS.

LCS's concept of operations calls for LCS to operate in contested littorals to address three major anti-access threats which are documented joint capability gaps: swarming fast attack craft/fast inshore attack craft (FAC/FIAC), diesel submarines, and maritime mines. LCS's high speed, maneuverability, shallow draft, networked sensors, and readily exchangeable mission packages are specifically intended to allow LCS to counter these threats and assure access to the littorals.

24. Senator INHOFE. Admiral Greenert, in your professional assessment, does the LCS offer combatant commanders increased combat capabilities for the three missions assigned (SUW, MCM, and ASW) as compared to the legacy systems it is replacing?

Admiral GREENERT. The LCS and Mission Packages (MP) will provide greater combat capabilities compared to the legacy systems in today's Navy. LCS will assure access for joint operations through SUW, MCM, and ASW.

LCS embarked with the MCM MP will provide greater mine hunting capability per ship than current platforms. The MCM MP will provide capabilities to counter deep, shallow, floating, tethered, bottom, and buried mines. Using systems deployed from off-board manned and unmanned vehicles. The MCM MP also represents a significant tactical change by emphasizing the use of off-board assets, ensuring LCS and the crew will operate outside of mine danger areas.

LCS embarked with the SUW MP will have greater capability against highly maneuverable small surface craft than any of the ships they are replacing. Compared to a Frigate or Patrol Craft, LCS with a SUW MP embarked will have more guns (one 57mm + two 30mm) as well as a surface to surface missile capability and an embarked armed helicopter. These combined systems will provide the required volume and depth of fire required to defeat swarms of small littoral surface threats. Combined with maneuvering speeds in excess of 40 knots, LCS is a very adept SUW ship for the missions it was designed to execute.

LCS with the ASW MP will feature proven and effective anti-submarine technologies. LCS will provide greater detection capability than legacy systems.

25. Senator INHOFE. Admiral Greenert, how would you assess the LCS's core defensive capabilities, especially against air threats, when employed in the littorals during elevated threat environments?

Admiral GREENERT. I am very confident the LCS can defend herself. Even without the mission modules on board, the ship still has core capabilities for self defense, air defense, surveillance, search and rescue, and boarding capabilities.

LCS can operate independently in low- to medium-threat environments. LCS will use its speed, organic weapons (57mm gun and RAM missile system), and sensors to counter surface and air threats in the littorals. LCS has equal or greater self defense capability compared to frigates, patrol craft, and MCM ships.

In situations where the threat of anti-ship missiles is high, LCS will operate with a Strike Group or Air Defense ships. As a small surface combatant, LCS is not designed to operate independently in a high air threat environment without being networked into a larger force.

26. Senator INHOFE. Admiral Greenert, how would you assess the lethality of the LCS's SUW module as compared to other small surface combatants that are predicted to be encountered in combat operations?

Admiral GREENERT. During combat operations, the LCS is likely to encounter large groups of small FIAC or larger FAC. The typical FIAC is a militarized commercial boat less than 50 feet long with limited open water capability, with armament that typically consists of small caliber machine guns, rocket launchers, manportable air-defense systems (MANPAD) and rocket propelled grenades (RPG). The typical FAC is a designed military or militarized vessel greater than 50 feet long. Armament can include anti-ship cruise missiles (ASCM), torpedoes, small to medium caliber machine guns and MANPADs.

LCS, with the SUW MP embarked, is significantly more lethal than both enemy FAC and FIAC. The 57 mm and 30 mm guns provide greater engagement range and lethality than enemy counterparts, while the .50 cal machine guns provide close-in engagement capability. The Rolling Airframe Missile (RAM) provides an anti-ship missile defense capability far superior to that of enemy FAC/FIAC. LCS's embarked MH–60R provides an armed helicopter capability which can engage FAC/FIAC while LCS remains outside of enemy weapons engagement range. The Surface-to-Surface Missile Module (SSMM) will initially provide a short range counter-swarm capability, which will later be upgraded to an extended range, more advanced missile

capability. Further, LCS's speed in excess of 40 knots, substantially greater than all other surface combatants, allows LCS to quickly maneuver to engage or evade, as necessary, both FAC and FIAC.

Additional information can be provided at the SECRET level.

27. Senator INHOFE. Admiral Greenert, when fully employed, will the LCS drive greater demands on crews, shore maintenance, and logistical support than the legacy systems it is replacing, and if so, are the greater demands sustainable?

Admiral GREENERT. Navy is taking steps to ensure the demands LCS places on crews, shore maintenance, and logistical support are sustainable.

Although LCS operates with a core crew one-fourth to one-fifth the size of other Navy ships, it must execute similar administrative, operational, and sustainment processes. The LCS Squadron (LCSRON) and other organizations serve as extensions of the crew ashore, enabled by distance support methods and techniques. LCSRON ONE has been established in San Diego, CA, to provide this required support to the first ships that will homeport on the west coast. LCSRON TWO will be established in Mayport, FL, to support future LCS operations on the east coast. The LCSRON provides administrative and personnel support far beyond other surface ship Immediate Superior in Command (ISIC) staffs.

Distance support is provided by U.S. based military, government civilian, and contractor personnel who monitor equipment logs, conduct trend analysis, and provide recommendations for shipboard and fly away maintenance. A small operational staff in Singapore serves as a Maritime Staff Element (MSE) and maintains operational oversight of *Freedom* while deployed. This staff is unique to Singapore, and will eventually oversee all four ships that will operate from that forward operating station.

28. Senator INHOFE. Admiral Greenert, given the difference in hull designs and ship systems, will the LCS require ship crews to become increasingly reliant on Navy shore facilities and private contractors to help them cope with a variety of non-standard systems?

Admiral GREENERT. While there are two distinctive LCS hull designs, the systems aboard the ship are not non-standard systems. LCS sailors are trained extensively on their respective variant of ship and are intimately familiar with the systems they will operate and maintain.

While a significant portion of planned maintenance will be conducted by off-ship personnel due to the relatively small size of LCS crews, each ship's core crew conducts maintenance on ship systems similar to what is done on other Navy ships. Core crews typically are assigned planned maintenance with a monthly or less periodicity requirement and also all situational maintenance required to conduct safe operations (e.g. operational tests or configuration of critical equipment prior to use). Condition-based maintenance (CBM) will also reduce the planned maintenance required on ship systems by determining when maintenance is actually required based on data points collected within the system vice being based on a pre-determined periodicity.

29. Senator INHOFE. Admiral Greenert, are you concerned about the ship's endurance at sea in terms of maintenance, fuel usage, and sustainment of crew and mission modules?

Admiral GREENERT. I am not concerned about LCS's endurance at sea. In fact, combatant commanders will enjoy greater operational availability from LCS due to its ability to consistently remain in theatre. A single LCS will remain forward deployed for long periods of time without executing lengthy transits from homeport and its range and endurance support the full scope of operations which are being performed by legacy platforms. The ships will deploy from homeport for 16 months and crews will be swapped during the deployment at 4 month intervals. The ships will return to homeport every 16 months for a depot maintenance period, during which the ship be unavailable for tasking. While deployed, LCS will be able to execute 25 day patrols, followed by 5 day inport maintenance periods, as well as a quarterly maintenance period during which the ship remains available for surge operations.

30. Senator INHOFE. Admiral Greenert, are you comfortable with the Navy eventually relying on the LCS for a third of its surface combatant fleet?

Admiral GREENERT. I am comfortable with relying on the LCS as a third of our surface combatant fleet. The Fleet's capability is a function of platforms, payloads, and networks. It is not a linear extrapolation of individual ships' capabilities. Numbers matter; however it is the capability defined by the systems' synergy that mat-

ters most. LCS makes a significant contribution to this synergy with its ability to employ payloads that can rapidly evolve in capability.

LCS represents an innovative approach that does not entirely lend itself to comparisons with traditional shipbuilding programs. LCS will initially provide essential combat capability in three mission areas—SUW, MCM, and ASW. These payloads will deliver improvements over the capability resident in the platforms LCS is replacing in the Fleet, and they will continue to evolve going forward. Payloads for other mission areas may also be deployed in the future.

NAVY MISHAPS

31. Senator INHOFE. Admiral Greenert, there seems to have been a proliferation of Class A mishaps in the Navy since 2011, each of which has caused more than $2 million in damage to the vessel. In January 2013, Admiral Bill Gortney, Commander of U.S. Fleet Forces Command, reported an $850 million unforecasted maintenance bill, which just compounds the budget woes for the Navy. I am most concerned about the complete loss and decommissioning of a critical asset for the Navy, the USS *Guardian*, (one of our *Avenger*-class MCM ships). Do you see any trends developing in the results of the mishap investigations?

Admiral GREENERT. Navy is assessing whether there are common readiness trends that could be corrected to prevent future incidents. In the past 2 years, the primary causes for ship groundings and collisions have been:

1. Failure to follow procedures,
2. Lack of knowledge or understanding, and
3. Poor communication.

The USS *Guardian* mishap included all of these causal factors and is part of the analysis Navy is conducting.

32. Senator INHOFE. Admiral Greenert, I have heard about faulty charts, but that's what seamanship is supposed to counter. What caused the loss of the USS *Guardian*?

Admiral GREENERT. This mishap was preventable and was the product of poor voyage planning and poor execution by *Guardian* leadership. The investigation uncovered no single point of failure; instead, there were numerous links in the error chain leading up to the grounding. Had any one of these been appropriately addressed, the grounding would have been prevented. *Guardian* leadership and watch teams failed to adhere to prudent, safe, and sound navigation principles which would have alerted them to approaching dangers with sufficient time to take mitigating action.

33. Senator INHOFE. Admiral Greenert, are we starting to see the signs of a strained force in the Navy?

Admiral GREENERT. Navy is currently meeting adjudicated Global Force Management (GFM) commitments to the maximum extent possible, despite budgetary impacts to operations, maintenance, and training.

Maintenance and training are the foundation of Navy's Fleet Response Plan. Navy is deferring and curtailing both maintenance and training to meet Secretary of Defense adjudicated presence requirements under the current budgetary shortfalls.

The impact of reduced fleet training and maintenance will be less surge capacity, but we will retain the ability to support the fiscal year 2014 Global Force Management Allocation Plan (GFMAP). All our forces deploying in fiscal year 2013 and fiscal year 2014, including two carrier strike groups (CSG) and two amphibious ready groups (ARG) (one each in the Middle East and the Asia-Pacific), will be fully mission-capable and certified for Major Combat Operations. For surge, we will retain one additional CSG and ARG in the United States that are fully mission-capable, certified for Major Combat Operations and available to deploy within 1 to 2 weeks. This is about one-third of our normal surge capacity. Overall, due to reduced training and maintenance, about two-third of the fleet will be less than fully mission capable and not certified for Major Combat Operations. Historically, about half of our fleet is in this status, since ships and squadrons are in training or maintenance preparing for their next deployment.

34. Senator INHOFE. Admiral Greenert, is there a problem with the maintenance and operating condition of ship systems?

Admiral GREENERT. No. While Navy has made several unbudgeted and unscheduled ship repairs in recent years stemming from unexpected at-sea accidents, none

of them were caused by problems with ship maintenance or the operating condition of ship systems.

DISABILITY DETERMINATIONS

35. Senator INHOFE. Secretary Mabus, it is unconscionable that servicemembers must wait many months to receive a disability determination from the Department of Veterans Affairs (VA). While DOD and VA have made some progress in decreasing the amount of time it takes to get disability claims completed in the Integrated Disability Evaluation System (IDES), more work must be done. Do you believe the VA is doing all that it can do to decrease the amount of time for disability case reviews and claims adjudication?

Mr. MABUS. The delays in case review and adjudication are unacceptably long. At the same time, VA is coping with an enormous increase in claims being filed. We are very supportive of our VA partners in helping to decrease their disability case review and adjudication backlog. The Department of the Navy is moving ahead to support the VA's request to certify the Service Treatment Record completeness when forwarding for disability claim reviews. This will enhance the VA's ability for claim adjudication. Innovative solutions are always possible and we stand ready to assist the VA as they explore solutions for improvements.

36. Senator INHOFE. Secretary Mabus, does the VA need additional resources to hire more claims adjudicators?

Mr. MABUS. The VA continues to balance their work force. We are confident the VA presented their defensible resource requirements in the President's budget.

PROTECTING PROSPECTIVE RECRUITS

37. Senator INHOFE. Secretary Mabus, a recent tragic case in Maryland appears to have been a murder/suicide incident involving a prospective recruit and recruiter. What guidance has the Navy provided to ensure that prospective recruits and their parents or guardians are fully aware of the limits for relationships with recruiters?

Mr. MABUS. Navy Recruiting Command (NRC) provides applicants information on the first day of their enlistment into the Delayed Entry Program (DEP) at MEPS. Additionally, recruiters and their supervisor also provide the same information to the future sailor and their parents or guardians during the 72-hour indoctrination. This policy is included in the Enlisted and Officer Recruiting Manuals. NRC also has a Fraternization Policy Acknowledgement that details the proper behaviors of future sailors and recruiters, which all future sailors must read and sign.

At the time of DEP enlistment, NRC provides all future sailors a Standards, Transitions, Acknowledgements, Requirements, and Training (START) Guide. Recruiters and immediate supervisors are required to review the contents with each future sailor during the 72-hour indoctrination. The START Guide contains information regarding Sexual Harassment and Fraternization. Additionally, the START Guide lists "Recruiter Prohibited Practices," which includes a prohibition on any relationship other than a formal, professional relationship. Every Navy recruiter business card contains the following personal pledge from Commander, NRC: "We at Navy Recruiting Command are committed to professional, honest, and respectful treatment of every prospect and applicant." Also included is the NRC headquarters number, which is answered by Admiral Gay's personal staff.

Finally, NRC is completing an intensive, updated Sexual Assault Prevention and Response Delayed Entry Program (SAPR–D) video presentation, which will be shown to every future sailor. It provides training on the Navy's SAPR Program, fraternization and sexual harassment policies. The video clearly articulates and emphasizes the prospective sailor's rights and responses if they feel they have been violated or mistreated.

38. Senator INHOFE. Secretary Mabus, what information does the Navy require to be provided to prospective recruits to ensure that they have immediate access to assistance and intervention, if necessary, if they believe a recruiter is intending to take improper advantage of them?

Mr. MABUS. Each Navy Recruiting Station has posters with Navy Recruiting District points of contact if applicants or future sailors have any issues during the recruiting process for which they desire assistance from someone other than their recruiter. Posters include the DOD Safe Helpline phone number and NRC Inspector General hotline number. Every applicant receives a business card from their recruiter that contains the recruiter's information on the front of the card and the fol-

lowing personal pledge from Commander, Navy Recruiting Command (CNRC) on the back: "We at Navy Recruiting Command are committed to professional, honest, and respectful treatment of every prospect and applicant." Also included is CNRC phone number, which is answered by Admiral Gay's personal staff. We provide additional information at the time of Delayed Enlistment Program enrollment while at Military Entrance Processing Station, and again during the 72-hour indoctrination. Command Hotline and NRC Headquarters phone numbers are provided.

SEXUAL ASSAULTS

39. Senator INHOFE. Secretary Mabus, DOD has told us they have achieved full-deployment of the congressionally-mandated Defense Sexual Assault Incident Database (DSAID). Is the Navy providing data to populate the database?

Mr. MABUS. Both the Navy and the Marine Corps use DSAID as a centralized, case-level, database for the collection and maintenance of information regarding sexual assaults. All Navy and Marine Corps Sexual Assault Response Coordinators (SARC) receive extensive DSAID training and use DSAID as a case management system, entering information within 48 hours of a report of sexual assault (96 hours in deployed locations presenting internet connectivity issues). DSAID includes available information about the nature of assaults, demographic information, services offered and disposition of reports. The Naval Criminal Investigative Service (NCIS) uploads final case disposition weekly into DSAID.

40. Senator INHOFE. Secretary Mabus, what information, specifically, is this database providing Navy leadership concerning sexual assault incidents?

Mr. MABUS. The DSAID is a centralized, case-level, database for the collection and maintenance of information regarding sexual assaults, which the Department of the Navy has been using since October 2012. DSAID includes information about the nature of assaults, the victim, services offered to the victim, the offender, and the disposition of reports associated with the assault. Over time, as DSAID becomes populated with more case data, it will increasingly provide the ability to identify and manage trends, analyze risk factors or problematic circumstances, and assist with actions and plans to mitigate risks.

41. Senator INHOFE. Secretary Mabus, Admiral Greenert, and General Amos, when appearing before this committee, DOD witnesses described the recently revised DOD-wide policy on the Sexual Assault Program to standardize prevention, health care, victim safety, training and response efforts, and to clearly convey the role of servicemembers and employees in sexual assault prevention and recovery. I am concerned that medical care providers were not fully aware of their obligations concerning restricted reports, including the obligation to withhold disclosure to the chain of command. What actions have been taken to ensure standardization with respect to protecting the sanctity of restricted reports?

Mr. MABUS and Admiral GREENERT. Bureau of Medicine and Surgery (BUMED) Instruction 6310.11A (Sexual Assault Prevention and Response Medical-Forensic Program) has been recently revised and signed on May 2, 2013. This policy establishes the training requirements for all health care providers who will complete medical-forensic examinations.

A subset of the multi-disciplinary policy revision working group has been convened to oversee and support implementation of policy guidance. The training is 14 hours in length and in a standardized format that supports health care providers in completing a Sexual Assault Forensic Examination (SAFE), reviews the SAFE kit and contents, chain of custody, preparing to be a factual witness and Navy specific policy guidance and reporting options. Restricted reporting is thoroughly covered in this training as well as the current medical response training required of all Navy Medical Department personnel. Documentation of completion is required and metrics have been established to support tracking of training implementation.

General AMOS. There are several directives that outline the obligations regarding restricted reporting requirements for medical care providers:

- Marine Corps Order 1752.5B states: "In cases where a victim elects restricted reporting, the healthcare personnel may not disclose confidential communication or SAFE Kit information to law enforcement or command authorities."
- The Navy BUMED Instruction 6310.11 also defines the elements of restricted reporting. It specifically states that, under the circumstances of a restricted report, any details provided to health care personnel will not be

reported to law enforcement to initiate the official investigative process unless the victim consents.

• BUMED Instruction 6310.11 also mandates that general health care personnel receive initial and annual refresher training on sexual assault response policies, including confidentiality policy rules and limitations. It also specifies that all health care personnel understand the difference between restricted and unrestricted reporting.

• BUMED Instruction 6310.11 contains a procedures checklist for SAFEs to be used by health care personnel. The checklist is used to verify that in the event a victim chooses the restricted reporting option that neither the military criminal investigation organization nor the victim's chain of command has been notified.

• States vary in their medical personnel reporting requirements. California, for example mandates that medical personnel report incidents of sexual assault to local authorities. As a result of this requirement, victims are informed of those limitations by their Victim Advocate.

All SAPR personnel throughout the Marine Corps must complete 40 hours of standardized advocacy training to be credentialed and must complete 16 hours of continued education on an annual basis to maintain their credentials. Marine Corps health care personnel must likewise complete initial and annual refresher training specific to sexual assault victim response. All training for SAPR and healthcare personnel provides restricted reporting protocol, highlighting the applicable directives to ensure that such cases are handled appropriately.

42. Senator INHOFE. Secretary Mabus, Admiral Greenert, and General Amos, what additional challenges do you see in attaining the required level of standardization?

Mr. MABUS and Admiral GREENERT. Each Military Service has a unique culture and operating environment. Beyond that, sexual assault prevention, sexual assault victim support, and sexual assault criminal investigations and prosecutions are overlapping but separate areas of activity.

First, we need to better distinguish between specific activities that should be performed in just about the same way everywhere, and those where tailored approaches may be more effective. Sexual assault victim support is a good example of the former—victims should expect the same services everywhere. Sexual assault prevention is a good example of the latter—the Services need flexibility to implement strategies that work for them.

Second, we need to evolve beyond standardizing exactly how to do things, and instead explore performance-based standards for key aspects of our processes that are most important to those affected. That will be hard work, and it will require genuine collaboration. For example, we want to know what aspects of our victim support processes are most important to victims themselves, so we can focus on making them more personal and effective.

General AMOS. There are always additional challenges with ensuring that SAPR training is ongoing and up-to-date so that all personnel are briefed on the latest and current policies and procedures. The Marine Corps is continually assessing and updating its training and outreaching to its commanders and SAPR leaders with the goal of making sure our SAPR efforts are standardized.

The restricted reporting option is a standardized procedure known by all SAPR and health care personnel throughout the Marine Corps. It is a key concept of our 40 hours of standardized SARC and Victim Advocates training. Restricted reporting is also integral to our Fleet SAPR training. SARCs, Victim Advocates, and Uniformed Victim Advocates inform all victims of the restricted reporting option, clearly indicating that medical and counseling services are available to them without requiring disclosure to their chain of command or law enforcement.

43. Senator INHOFE. Secretary Mabus, Admiral Greenert, and General Amos, what additional tools does the Navy/Marine Corps need in order to continue to reduce—with the goal of eliminating—sexual assault?

Mr. MABUS and Admiral GREENERT. We need more expert resources for the investigations of alleged sexual assault crimes. NCIS has come a long way in the past several years. They have implemented impressive special training, and they have hired criminal investigators with civilian expertise, but the workload impact of new requirements to investigate all alleged sexual assaults, regardless of severity, is daunting.

We also need to establish new tailored programs for sailors and marines who have been victims of sexual assault. We are in the early stages of developing such programs. Sexual assault victims have an especially high risk of re-victimization, and

we must break that cycle by providing peer support and personal tools to help them succeed and fulfill their personal and professional goals without unduly labeling them or undermining their performance of primary duties.

We are in the process of expanding across the entire Navy Department best practices from local pilot projects involving focused, synchronous, SAPR efforts. We must maintain visible and consistent senior leadership engagement working across organizational boundaries to change our culture and reshape the attitudes and behaviors of our sailors and marines. It will require dogged commitment and perseverance over a prolonged effort. Key to our success will be our ability to partner across the Department of the Navy uniformed and civilian leadership to identify common goals and standards while implementing effective solutions that work in various settings and operating environments.

General AMOS. Eliminating sexual assault begins and ends with engaged leadership. The main duties of a commander regarding sexual assault are: preventing the crime by fostering a culture of dignity and respect, remaining responsive to victims in need, and holding offenders accountable. Aligned with the Joint Chiefs of Staff's five lines of effort to combat sexual assault—prevention, victim advocacy, investigation, accountability, and assessment—the Marine Corps' 2012 SAPR Campaign Plan emphasizes leadership engagement. Commanders must remain engaged, as they serve as our greatest tool to reduce sexual assault. To alter or remove the commander's role goes against our mission to influence Marine Corps culture from the top down and to establish an environment of respect and trust.

To further support efforts to influence cultural change, I have directed a new command climate survey to be administered within 30 days of a new commander taking command and again a year after taking command. Designed to measure the health of a particular command, the survey will cover a spectrum of issues, including sexual assault, and will be integrated with our ongoing efforts to stop all behavior-related offenses, including sexual harassment, hazing, and alcohol misuse. Giving commanders this tool and holding them accountable for the overall health and well-being of their command will help us mitigate the high-risk behaviors that tear at the fabric of the Corps.

44. Senator INHOFE. Admiral Greenert and General Amos, some have suggested that it would be appropriate to incorporate standardized assessments of commanders' performance in prevention, investigation, accountability, advocacy, and assessment of sexual assault response and prevention lines of effort. What is your assessment of the feasibility of implementing commanders' performance in Service-specific performance appraisals?

Admiral GREENERT. We evaluate our commanders (and all officers) in their regular fitness reports (performance evaluations used for determination of advancement) in three areas: Command Climate/Equal Opportunity, Leadership and in written summary, where documentation of poor command climates would be listed. We hold our commanders responsible and accountable when they do not meet acceptable standards. We believe the current system adequately addresses the issue; however, we routinely review the Navy fitness report system to ensure it provides a comprehensive officer assessment consistent with the prevailing needs of the Navy.

General AMOS. The Marine Corps Fitness Report system provides the official evaluation and record of an officer's performance and contains a section entirely dedicated to leadership. This section evaluates the commander's ability to set the example, communicate effectively, provide direction, and motivate, which includes his or her ability to develop, lead, and ensure the well-being of subordinates. Ensuring the well-being of subordinates necessitates that officers demonstrate a genuine concern for their safety—a characteristic rooted in the defining Marine Corps values of honor, courage, and commitment. The commander's efforts must enhance the concentration and focus of the subordinate on unit mission accomplishment, which includes setting an environment free of any criminal behaviors, such as sexual assault.

In line with the Secretary of Defense memorandum dated 6 May 2013, the Marine Corps is exploring methods to assess the performance of our commanders in establishing command climates that foster dignity and respect. To this end, I directed the development of a new command climate survey, administered within 30 days of a new commander taking command and annually thereafter. Designed to measure the health of a particular command, the survey covers a spectrum of issues and will be integrated with the ongoing efforts to stop all behavior-related offenses, including sexual harassment, assault, hazing and alcohol misuse. Survey results must be provided for review to the next level up in the chain of command.

45. Senator INHOFE. Secretary Mabus, the Annual Report on Sexual Assault at the Service Academies revealed that many people who enter the armed services have experienced and reported sexual assault or unwanted sexual contact that occurred before they entered the Service Academies or the armed services. What could the Navy be doing to improve support to men and women in the accession process, to identify whether individuals have experienced sexual assault?

Mr. MABUS. Navy has a thorough application process, which includes detailed medical screening of applicants at MEPS. Although not asked explicitly, applicants are questioned by MEPS Chief Medical Officers using a Supplemental Health Screening Questionnaire to determine if they have experienced any significant abusive events in their life. To improve support for men and women during the accession process, NRC has developed training focused specifically to indoctrinate them on military SAPR policies, to help prevent sexual harassment and assault, and to provide them with guidance and procedures in the event of an incident. In addition to this mandatory training, there is a wide variety of products and resources (e.g., videos, posters, and brochures) recruiters use for local training programs and to increase awareness with the future sailors in the Delayed Entry Program.

The U.S. Naval Academy (USNA) also has a thorough application process, which includes medical screening of applicants. USNA ensures that each entering Midshipman is made aware of the Academy's SAPR Office services, including medical, counseling and advocacy, and legal assistance. All incoming plebes receive a SAPR indoctrination brief within 14 days of arrival. This session includes an in-depth overview of the USNA SAPR Program; a discussion on sexual assault, consent, types of reports, and services available; and emphasizes that these services are available regardless of when they experienced the sexual assault. Academy SAPR staff follow up with plebes, conduct refresher training, answer questions, and again stress the availability of services.

As a result of findings in the most recent Service Academy Gender Relations survey, the USNA has implemented additional process changes for the entering Class of 2017 that will arrive this June. Specifically, during the Indoctrination-Day check-in, each Midshipman 4th Class (MIDN 4/C) will be asked in a confidential setting if they have experienced sexual assault prior to entering the Academy. Regardless of response, each MIDN 4/C will receive a data sheet identifying available services and points of contact, should they desire to use them. This information will provide the SAPR Office and chain-of-command with real-time data on MIDN 4/C who admit experiencing pre-service incidents, as well as provide the Class of 2017 information they can use to access services discreetly.

Navy is sensitive to the fact that asking explicit questions regarding sexual assault could lead to re-victimization of an applicant, which is something that should be carefully avoided. DOD is currently conducting a review of the applicant accessions process as one aspect of the 2013 DOD SAPR Strategic Plan released by the Secretary of Defense on May 6, 2013.

COMMAND CLIMATE ASSESSMENTS

46. Senator INHOFE. Secretary Mabus, Admiral Greenert, and General Amos, what percent of your commands conduct command climate assessments?

Mr. MABUS and Admiral GREENERT. Navy: All Commanders are required to conduct a Command Climate Assessment within 90 days of taking command and yearly thereafter. In fiscal year 2012, 90 percent of Navy commands participated in the Defense Equal Opportunity Management Institute Organizational Climate Survey, before the reporting system failed on September 19, 2012. Following the system failure, surveys and reporting continued throughout the year providing complete and accurate assessments to higher headquarters. This online assessment system was restored in January 2013. The DEOCS is just one portion of a Command Climate Assessment (CCA). Echelon II commands are charged with tracking their subordinate command's completion of the CCA. We entrust Commanders to hold their Commanding Officers accountable for 100 percent completion of the CCA.

Marine Corps: 100 percent. All commands are required to conduct climate assessments in accordance with current DOD, Navy, and Marine Corps directives. A new command climate survey will be administered at the battalion/squadron and regimental/group level in the first 30 days of a new commander's tenure and annually thereafter. It is known that at least two other surveys, Defense Equal Opportunity Management Institute, Defense Equal Organizational Climate Survey, and the Ground Climate Assessment Survey, are required in the first 90 days of a new commander's tenure.

General AMOS. 100 percent. All commands are required to conduct climate assessments in accordance with current DOD, Navy, and Marine Corps directives. A new command climate survey will be administered at every battalion/squadron and regimental/group level in the first 30 days of a new commander's tenure and annually thereafter. It is known that at least two other surveys, the Defense Equal Opportunity Management Institute's Defense Equal Organizational Climate Survey and the Ground Climate Assessment Survey, are required in the first 90 days of a new commander's tenure.

47. Senator INHOFE. Secretary Mabus, Admiral Greenert, and General Amos, what are the Navy/Marine Corps doing to improve the regularity of command climate assessments?

Mr. MABUS and Admiral GREENERT. Navy: Every commanding officer is required to conduct a command climate assessment within 90 days of taking command and annually thereafter. The Navy will continue to track the completion of the Defense Equal Opportunity Management Institute Organizational Climate Survey, by Echelon II command, on a quarterly basis.

Marine Corps: Current changes in the command climate survey requirements will result in commanders surveying their commands within 30 days via the Defense Equal Opportunity Climate Survey, and annually thereafter. Results of the completed surveys will be provided to the next higher level command.

General AMOS. I have instituted a new command climate survey that will be administered at every battalion/squadron and regimental/group level in the first 30 days of a new commander's tenure and annually thereafter. Additionally, two other surveys, the Defense Equal Opportunity Management Institute, Defense Equal Organizational Climate Survey and the Ground Climate Assessment Survey, are required in the first 90 days of a new commander's tenure.

48. Senator INHOFE. Secretary Mabus, Admiral Greenert, and General Amos, what are you doing to evaluate the results of the command climate assessments to ensure necessary follow-up action?

Mr. MABUS and Admiral GREENERT. Navy: Each ISIC ensures subordinate commanders assess their command climate within 90 days of assuming command with annual follow-up assessments during their command tenure. Every commanding officer is required to provide an executive summary of survey results and any intended actions within 60 days of completing a command climate assessment. The ISIC also ensures necessary follow-up action on the results of command climate assessments. Additionally, we are constantly evaluating what we can do to increase the effectiveness of our leaders in command. A working group has been assigned to evaluate and make recommendations on expanding and reinforcing supervisory command relationships. By identifying potential or ongoing issues early, timely correction is likely to set conditions for a successful command environment.

Marine Corps: The Commandant of the Marine Corps has directed new command climate survey or assessment requirements to be administered within 30 days of a new commander taking command and annually thereafter, in order to continue fostering a positive climate within each Marine Corps unit. The survey covers a spectrum of personnel issues and will be closely integrated with ongoing efforts focused on reducing all behavior-related offenses. The results of the surveys will be measured in order to obtain accurate knowledge on the health of each command. To assure accountability, the results of the surveys will be briefed to the next higher headquarters. The Commandant's intent is to provide commanding officers with the necessary tools to identify high-risk behaviors and positively act on behalf of the health of their commands.

General AMOS. I directed our new command climate surveys to be administered within 30 days of a new commander taking command and annually thereafter, in order to continue fostering a positive climate within each Marine Corps unit. The survey covers a spectrum of personnel issues and will be closely integrated with ongoing efforts focused on reducing all behavior-related offenses. The results of the surveys will be measured in order to obtain accurate knowledge on the health of each command. To assure accountability, the results of the surveys will be briefed to the next higher headquarters. My intent is to provide commanding officers with the necessary tools to identify high-risk behaviors and positively act on behalf of the health of their commands.

FEDERAL VOTING ASSISTANCE PROGRAM

49. Senator INHOFE. Secretary Mabus, what is your assessment of the performance of the Navy's Federal Voting Assistance Program (FVAP)?

Mr. MABUS. The Navy's Voting Assistance Program (VAP) has performed above-and-beyond expectations; the program has met and surpassed requirements and complies with the full intent of the law. The program rapidly established all of the Installation Voter Assistance Offices required by law in the Military and Overseas Voter Empowerment (MOVE) Act, maintains a worldwide network of over 1,200 Voting Assistance Officers, and provides innovative support and outreach to voters.

I concur with the assessment of both the Navy Inspector General and the DOD Inspector General in their 2012 assessment of VAPs that the Navy VAP is both compliant and effective. This assessment is also supported by the FVAP's annual report to Congress that was written after a DMDC survey of a wide range of stakeholders—including servicemembers, their dependents, and Voting Assistance Officers.

50. Senator INHOFE. Secretary Mabus, what Navy-specific initiatives have you implemented to improve compliance with FVAP and to maximize the opportunity for servicemembers to exercise their right to vote?

Mr. MABUS. The Navy VAP engaged in a number of initiatives to ensure that it was fully compliant with the FVAP and provide better-than-ever service to absentee voters. Efforts included:

- The full implementation of the MOVE Act by establishing an Installation Voting Assistance (IVA) Office at every Navy Installation. IVA Offices submit quarterly reports detailing their assistance to voters. They also conducted a wide range of awareness and outreach activities leading up to the 2012 election on key emphasis dates coordinated by FVAP.
- The engagement of senior leadership through three NAVADMINs, Flag and SES Rhumb Lines, and MCPON newsletters.
- Strengthening of command level VAPs through publishing of the 2012 Navy Voting Action Plan and Voting Assistance Toolkit that allowed Voting Assistance Officers every resource needed.
- Innovative marketing and awareness initiatives to include the distribution of over 25,000 brochures and pocket reference cards, 5,000 posters, base newspaper articles, voter registration drives, public service announcements played at base movie theaters, and Facebook marketing.
- Voter and Voting Officer training including a redesigned training curriculum for recruits at boot camp, the roll-out of interactive Navy Knowledge Online courses for Voting Officers, and numerous workshops and assist visits to Installation Voter Assistance Offices.

The Navy took a holistic approach to ensure that voters were aware of elections and their rights and afforded every opportunity to register and vote absentee.

OPERATIONAL TEMPO

51. Senator INHOFE. Secretary Mabus, what is your assessment of the Navy's operational tempo (OPTEMPO) reporting and how well are we meeting our operational tempo requirements to reduce stress on our servicemembers and their families?

Mr. MABUS. Navy has a good, robust mechanism in place to ensure accurate reporting of its units' OPTEMPO and is in the process of revising the instruction by which it governs the reporting of OPTEMPO to increase reporting efficiency. In addition, every effort is made to limit OPTEMPO violations to only emergent requirements.

Through the second quarter of fiscal year 2013, OPTEMPO violations are down 31 percent from fiscal year 2012. This decrease shows a marked improvement over the previous year, even as sequestration limits Navy's capacity to meet all combatant commander demands.

LANGUAGE AND CULTURE TRAINING

52. Senator INHOFE. Secretary Mabus, military members with language and culture training are essential to a U.S. global force. The National Defense Authorization Act for Fiscal Year 2013 authorized the Secretary of Defense to transform the National Language Service Corps (NLSC) from a pilot program to a permanent program, and also to enhance the ability of our Federal agencies to hire people with

strategic foreign language skills and as National Security Education Program awardees. What are the Navy's goals with respect to the capabilities represented by the NLSCs?

Mr. MABUS. Marine Corps - The Marine Corps recognizes the valuable service provided by the NLSC. In fact, Marine Corps units have employed NLSC services on several occasions for operational and exercise support and foreign language instruction. As a matter of practice, however, the Marine Corps will seek assistance from the NLSC only after all internal Marine Corps options to satisfy language requirements could not be met through organic Service capabilities. For this reason, the Marine Corps has not set any specific parameters or goals for the employment of NLSC services. Rather, the Marine Corps requests NLSC assistance on an ad hoc basis similar to other language resources, including the National Virtual Translation Center. The Marine Corps has implemented several programs to increase foreign language capacity and capability within its uniformed and civilian workforce, to include the Regional, Culture and Language Familiarization program for Career Marines; expanding the Foreign Area Officer program; and the creation of a Foreign Area Specialist program for senior enlisted Marines.

Navy - Navy recognizes the broad range of language and culture capabilities provided by the NLSC, and finds particular value in their ability to satisfy short notice requirements. Navy has utilized NLSC resources for both standard fleet operations and humanitarian missions. NLSC personnel have served as interpreters/translators for multinational maritime exercises when service personnel either were not available or non-existent for the task.

In the future, Navy plans to formalize its process for filling ad hoc requests for language, regional expertise, and culture (LREC) support. To that end, and similar to Navy's employment of the National Virtual Translation Center, the NLSC will be included as an option when organic assets are unavailable or nonexistent. Therefore, the intent is not to establish explicit, quantifiable goals for usage. Navy will continue to train its own assets based on identified, validated, and documented requirements. For ad hoc LREC support requests, Navy will try to use sailors first and will consider other government options afterwards. Navy is pursuing several initiatives to enhance LREC capability within its force, but it is neither reasonable nor fiscally sound to invest in LREC training and sustainment to meet all contingency needs. Navy plans to coordinate as necessary with the Defense Language and National Security Education Office on any policies, procedures, or business practices to improve or better utilize the NLSC.

MARKETING AND ADVERTISING

53. Senator INHOFE. Secretary Mabus, one effect of sequestration was that DOD quickly moved to end the Services' advertising, marketing, and outreach programs that have been used to aid in recruiting. What is your assessment of the value of funding these programs, and the projected impact to recruiting, if these programs are not funded?

Mr. MABUS. Navy currently has an annual accession mission of over 45,000 officer and enlisted sailors with potential recruits dispersed throughout the country. Recruiting quality individuals is the first step in ensuring that we have intelligent, capable, high-quality people in the future force. Paid advertising, marketing, and outreach are critical components in our efforts to attain the proper recruiting mix. Working together to inform the American public of opportunities available in the Navy, they collectively communicate efficient and effective messages that favorably impact recruiting mission and contribute to end strength attainment in support of national security objectives. Further reduction in marketing, advertising, and outreach efforts and resourcing would clearly present challenges to future accession goal attainment.

Specific impacts to recruiting are measured through leads and contracts with direct linkage to advertising efforts. In fiscal year 2008, 44.7 percent of Navy accessions (20,218 contracts) originated from advertising efforts. The national unemployment rate at that time was 5.2 percent. As the unemployment rate declines, recruiters will need more assistance from advertising-generated leads to meet accession goals. With current levels of unemployment, 22.64 percent of contracts (9,810) come from advertising. These are direct effects and do not account for the indirect effects that advertising has on influencing and reinforcing the joining behavior of our market.

Outreach programs, including Navy Weeks and Blue Angel appearances, allow the American public to directly interact with Navy representatives and afford them opportunities to observe examples of the technology and equipment sailors use in the

daily performance of their duties around the world. These interactions prompt them to consider military service.

The value in funding paid advertising and participating in outreach events is derived from end strength requirements. Joint Advertising and Marketing Research Studies (JAMRS) indicate that 53 percent of armed forces accessions come from youth who, when asked if they would consider joining the military, had previously indicated "definitely not" or "probably not". Additionally, approximately 74 percent of high quality applicants indicated they initiated first contact with a recruiter. Advertising, marketing, and outreach events serve to drive these initial interactions by creating awareness and a positive image of the Navy and its career opportunities.

Marine Corps: In fiscal year 2012, 99.9 percent of Marine Corps recruits were high school graduates and 74.8 percent scored in the upper half of the written military entrance exam. The quality of our applicants is higher than ever before. A critical requirement to continued success is our recruit advertising program. Our advertising program is used both strategically and tactically to deliver branded communications to support Marines on recruiting duty, generate leads, and create positive awareness that engages our prospect and influencer audiences. In total, recruiting a quality and representative force costs less than 1 percent of the Marine Corps' overall budget. Recruiter success is inextricably linked to operational and advertising support. Advertising creates awareness and drives consideration to serve in the military—it produces leads. Advertising leads enable recruiters to efficiently focus their prospecting activities. Advertising dollars currently generate approximately 25 percent of all new contracts (enlisted) through numerous avenues, such as television commercials, enhanced area canvassing activities, and social media outlets. A further loss of funding to advertising will ultimately lead to increased stress and reduced quality-of-life for Marine Corps Recruiters, most of whom currently work in excess of 60 hours per week. If advertising spending is cut back too much when recruiting is strong, potential long-term gain in awareness and propensity may be lost. The dramatic advertising cutbacks between 1986 and 1993 coincided with a considerable erosion of public awareness regarding military service.

INTEGRATED ELECTRONIC HEALTH RECORD

54. Senator INHOFE. Secretary Mabus, DOD and VA have been working on an integrated electronic health record (EHR) for a number of years with very little progress being made towards a truly seamless transition of health information between the two Departments. In January 2013, VA decided to use VistA, its legacy system, as its core health record, despite the findings of a recent study commissioned by the VA that identified many VistA deficiencies. We've been told that DOD has been evaluating existing solutions to determine the appropriate core health record to use. Has DOD coordinated its proposed EHR program with the Navy?

Mr. MABUS. Yes. DOD has coordinated with the Navy while analyzing and determining requirements for a proposed EHR program. Our work with DOD continues and we have participated in the review of the Request for Information submissions which were publicly released on February 8, 2013.

I fully support the Secretary of Defense's strategy to acquire best value and sustainable health information technology while ensuring interoperability with the VA.

55. Senator INHOFE. Secretary Mabus, how much will it cost for the Navy to field a new EHR?

Mr. MABUS. The Services do not provide funding to this effort as all funding is centrally managed through the DOD/VA Interagency Program Office (IPO), the organization responsible for oversight and coordination of DOD/VA information-sharing initiatives. In conjunction with DOD, we remain focused on tri-service planning for the joint deployment of an integrated EHR which achieves maximum economies of scale, standardization of the business process of healthcare among the Services, and interoperability with the VA.

56. Senator INHOFE. Secretary Mabus, what impact do you anticipate for the Navy's medical readiness?

Mr. MABUS. A new integrated EHR should enhance our ability to assess medical readiness for our sailors and marines. While information can currently be viewed via the Bidirectional Health Information Exchange, a single integrated EHR will afford expanded access to the source of that health information; permitting quicker assessment and care coordination among healthcare providers. This capability will

improve the continuity of care and further support our priority of promoting and protecting the health of our sailors and marines—anywhere, anytime.

57. Senator INHOFE. Secretary Mabus, do you believe the EHR must be deployable?

Mr. MABUS. It is critical that the integrated EHR be deployable to support the Navy-Marine Corps operational mission. Our force is forward deployed and spends significant portions of their careers deployed and underway. A key feature of the integrated EHR is the ability to continue to document medical care in times of low or no network connectivity, and then synchronize data once a connection is restored so it is available for future use. To that end, the integrated EHR will provide one system permitting both the inputting of data and the visibility of that data throughout the continuum of care—from the initial point of injury, through care at a military treatment facility, and onto the VA treatment facility.

Documenting healthcare in the deployed environment will enhance the accuracy of the medical history for our sailors and marines, which is important to ensuring they receive the right healthcare at the right time. Well-documented healthcare is also critical for use in determining future disability assessments and benefits determination.

58. Senator INHOFE. Secretary Mabus, what input has the Navy had on the EHR program?

Mr. MABUS. Navy Medicine is working closely with DOD, the other Services, and the Veterans Health Administration. Our subject matter experts work on the Capability Integrated Project Teams, Clinical Informatics Teams, and Enterprise Architecture Teams, as well as assist with the requirements generation process. In addition, the Navy Surgeon General is a non-voting member of the DOD Integrated Program Office Advisory Board which is responsible for integrated EHR governance.

We recognize the challenges associated with this ambitious project and fully support the Secretary of Defense's strategy to acquire best value and sustainable health information technology while ensuring interoperability with the VA.

BENEFITS FOR SAME-SEX PARTNERS

59. Senator INHOFE. Secretary Mabus, recently, former Secretary of Defense Panetta announced that DOD will expand benefits to unmarried same-sex domestic partners who declare a committed relationship, but will not extend those same benefits to unmarried heterosexual domestic partners. Do you agree with former Secretary Panetta, that when it comes to benefits paid for by hard-working American taxpayers, that DOD should favor same-sex domestic partners over heterosexual partners?

Mr. MABUS. The Navy is committed to supporting the requirements and priorities as determined by the Secretary of Defense. Heterosexual couples, if they so choose, have the opportunity in every State to get married, and their marriage is recognized by Federal law. The Navy is committed to working with the Office of the Secretary of Defense to best ensure that all who volunteer to serve our Nation in uniform are treated with dignity, respect, and fairness regardless of their sexual orientation, and to taking care of all of our servicemembers and their families, to the extent allowable under law.

60. Senator INHOFE. Secretary Mabus, was the Navy consulted to determine the cost impact of extending these benefits to same-sex partners?

Mr. MABUS. Yes, the Navy was included among the representatives in the DOD working group established by the Secretary of Defense which, among other things, was to determine the cost impact of extending certain benefits to same-sex domestic partners of servicemembers and their children. Following the Supreme Court decision that found unconstitutional the section of the Defense of Marriage Act that, for Federal purposes, defines "marriage" as a legal union between one man and one woman, DOD is reviewing the process to make benefits available to all military spouses regardless of sexual orientation. The Department of the Navy is committed to ensuring all servicemembers and their families are treated with equality and respect under current law and regulation.

TOTAL FORCE MIX

61. Senator INHOFE. Admiral Greenert and General Amos, General Dempsey said in his testimony last week that DOD needs flexibility to keep the force in balance

and that everything must be on the table, including the mix among Active, Reserve, and National Guard units. In view of the heavy wartime demand on the forces, including the Reserve and the National Guard, what do you envision as a viable option to change that force mix for the Navy/Marine Corps?

Admiral GREENERT. Navy's fiscal year 2014 budget request, based on a comprehensive review of applicable strategies and guidance, provides Navy with the optimal Active and Reserve component mix to meet current operational demands and respond to future contingencies. This mix is predicated on the assumption that Overseas Contingency Operations (OCO) demand for Individual Augmentation by Navy personnel will continue to decline, and that the Reserve component will retain the capacity to source requirements and provide strategic depth in several capability areas. This approach enables the Active component to man our ships, submarines, squadrons, and other operational units and meet the demands for naval presence as outlined in the Global Force Management Allocation Plan.

General AMOS. The Marine Corps needs to remain at its current Active component to Reserve component proportionality, which is an Active component of 182,000 and a Reserve component of 39,600. We have analyzed this force mix over the course of two dedicated working groups, Force Structure Review Group 2010 and Force Optimization Review Group 2012. From those reviews we determined that this force mix is required to meet service level Title 10 responsibilities as a forward deployed force in readiness and the operational requirements levied on the Marine Corps by the combatant commands.

MILITARY COMPENSATION

62. Senator INHOFE. Secretary Mabus, our Nation's historical experience of pursuing cost savings by cutting military compensation has demonstrated that periods of designed reduction in overall compensation levels resulted in retention problems. Those retention problems, especially in the context of generally improving civilian employment opportunities, meant that Congress was required to come back and authorize catch-up increases to help us keep the highly trained talents and skills that we need. What is your assessment of the impact of the President's proposed slowdown in military compensation on retention and recruiting in your Service?

Mr. MABUS. Military compensation is highly competitive today, and the President's proposed slowdown in base pay growth is not likely to cause recruiting or retention problems in the near term, provided recruiting bonuses and retention pays are preserved. The most recent Quadrennial Review of Military Compensation reported enlisted members were paid at the 90th percentile and officers were paid at the 83rd percentile relative to private sector counterparts with comparable education and experience. Just 13 years ago, both officer and enlisted personnel in some pay grades were below the 70th percentile benchmark, and DOD made deliberate investments in military pay to meet that threshold. With the modest increases in the pay table as proposed in the President's budget, servicemembers will still realize sizable pay increases through promotions and longevity. Even without any increases in the pay table, a typical new enlisted servicemember would realize approximately an 80 percent increase in base pay over 5 years. In the current fiscal environment, there is room to slow down base pay growth, thereby helping to mitigate further cuts to force structure, readiness, and modernization.

FAMILY SUPPORT PROGRAMS

63. Senator INHOFE. Secretary Mabus, General Dempsey testified last week that unsustainable costs and smaller budgets require DOD to examine every warrior and family support program to make sure we are getting the best return on our investment. How do you assess the investments our Nation has already made in family support programs, and suicide prevention in particular, in moving the needle with demonstrable positive return on investment?

Mr. MABUS. The Navy and Marine Corps continually evaluate the effectiveness of their programs to ensure the needs of our sailors, marines, and their families are being met. Assessment and research efforts help identify program deficiencies, program best practices, and satisfaction. This insight enables the Navy to adjust internal programming and accurately direct external support to best serve sailors, marines, and their families.

The Navy actively participates in the Defense Suicide Prevention Office's (DSPO) program evaluation initiative. DSPO is conducting an analysis of the Services and the Office of the Secretary of Defense (OSD) Suicide Prevention programs in order

to align and integrate programs, resources, policy, and strategy. The analytical method being utilized has the following three components:

(1) Strategic Coverage: Navy is supporting efforts to align and analyze suicide prevention programs to assess whether there are gaps in addressing the overall OSD suicide prevention strategic objectives.
(2) Resource Allocation & Analysis: OSD and the Services are conducting a review of suicide prevention programs to determine full costing of requirements/level of effort, funding amounts, and potential shortfalls. This review includes examining program duplication and analysis of alternatives in an effort to reduce costs without significant negative impact.
(3) Program/Portfolio Effectiveness: The DSPO recently completed an effort to establish a common framework and understanding of measures of effectiveness (MOEs), and ground rules, for suicide prevention programs. The Services and OSD are examining MOEs and performance measures. This analysis will be used to realign existing program resources and ensure that highly-ranked suicide prevention programs are implemented across all of the Military Services.

TUITION ASSISTANCE PROGRAM

64. Senator INHOFE. Secretary Mabus, I am pleased to learn that DOD has now reinstated the Tuition Assistance Program, previously cancelled by the Army, Marine Corps, and Air Force in response to the administration's failure to plan for sequestration. How does the Tuition Assistance Program enable your Active-Duty Forces to meet the professional development requirements described by General Dempsey to establish the Profession of Arms as the foundation for the joint force?

Mr. MABUS. The requirements described by General Dempsey relate to incorporating lessons learned from our 21st century wars into the development of our future leaders. While such requirements are foundational to our service academies and military graduate institutions, they are not necessarily a systematic element of Tuition Assistance (TA), an entirely voluntary off-duty program.

Despite these differences, the Department of the Navy considers many aspects of voluntary education to be fully as supportive of General Dempsey's professional development aims as our formal institutions. For example, the critical thinking, problem solving in complex environments, and communications skills obtained through voluntary education can be as effective as those learned at a Service Academy. The Department of the Navy believes that TA can contribute to morale, retention, and innovation.

SUICIDE PREVENTION

65. Senator INHOFE. Secretary Mabus, Admiral Greenert, and General Amos, our force is exceptionally well-trained on suicide awareness and prevention, and yet we still experience the tragedy of suicide at an unacceptably high rate. What is your assessment on whether the current level of training and leadership engagement is sufficient or whether it has inadvertently created a climate in which some vulnerable individuals may have contemplated suicide because we talk about it so much?

Mr. MABUS and Admiral GREENERT. The American Society of Suicidology emphasizes that discussing suicide does not cause someone to become suicidal. In fact, experts are in near universal agreement that open discussion is an important factor in suicide prevention. Additionally, the U.S. Surgeon General's 2012 National Strategy for Suicide Prevention recommends emphasis on resiliency in training, messaging, and communications, as well as clinical practice guidelines. Within the Navy, operational stress control training teaches skills that build resilience, navigate stress and identify resources that reduce risk of crises. By helping our servicemembers develop life skills and promote comprehensive wellness—physical health, nutrition, fitness, proper rest, sound financial decisions, strong relationships, and spirituality—suicide risk factors are reduced without explicitly discussing the subject. Navy's training is designed to foster meaningful discussion of stress and proactive ways to mitigate it and instill awareness of stress injury warning signs for those having trouble navigating through challenges.

Our strategic and tactical communications products provide best practices on how to discuss stress injuries to help servicemembers avoid risk of suicide. Adapted from the national suicide prevention resource center's recommendations, these Navy branded products are not only useful to guide training, but encourage leaders to engage in meaningful dialogue with their servicemembers, reinforcing the message that, "It's okay to speak up when you're down." Finally, unit leadership engagement is critical to enable servicemembers to move beyond decades of negative psycho-

logical health perceptions and barriers, and to seek the help needed to remain resilient and operationally ready. The Navy is confident that both the training strategy and leadership commitment to engage all aspects of suicide prevention will provide servicemembers and their families with the necessary tools to choose life.

General AMOS. The Marine Corps continually evaluates the effectiveness of its suicide prevention training and makes periodic updates to incorporate the latest evidence-based practices. Our evaluation includes partnering with Federal agencies, academia, and private industry in cooperation with Defense Centers of Excellence for Psychological Health and Traumatic Brain Injury to study the effectiveness of our suicide prevention training.

To ensure that we do not inadvertently create a climate that promulgates suicide, the Marine Corps adheres to the latest recommendations for suicide reporting and prevention, which includes offering hope and avoids talks about the act. We do not discuss suicide methods and avoid portraying dramatic images. Discussing suicide carefully can correct myths and encourage those who are vulnerable or at risk to seek help.

COMPENSATION AND ENTITLEMENTS

66. Senator INHOFE. Admiral Greenert, in your written testimony, you stated that "if the lower discretionary budget caps of the Budget Control Act (BCA) are retained, we will evaluate options to reduce personnel and personnel costs, including compensation and entitlements." What compensation and entitlements will the Navy reduce if you are not given relief from the BCA caps?

Admiral GREENERT. Options to reduce personnel costs are still being evaluated through multiple venues including the OSD-led Strategic Choices and Management Review, the Military Compensation and Retirement Modernization Commission, and the fiscal year 2015 budget process.

The most significant aspects of military compensation and entitlements such as basic pay, housing allowances, subsistence allowances, and medical and retirement benefits are non-discretionary at the Service level. Elements of personnel costs that are discretionary at the Service level include some special and incentive pays, permanent change of station moves, the rate at which we promote or advance personnel, and the total number of personnel in the Navy.

SAFE EXAMS

67. Senator INHOFE. Admiral Greenert, in your written testimony, you stated that "all our Military Treatment Facilities (MTF) and operational settings will be able to perform SAFEs by the end of this fiscal year." It is disturbing to learn that there may be some MTFs in the Navy's inventory that still cannot perform SAFE. Can you explain why some MTFs cannot currently perform SAFE?

Admiral GREENERT. Previously, both DOD and Navy BUMED policy indicated that SAFEs could be provided at MTFs or at local civilian facilities via local Memoranda of Understanding (MOUs). While the DOD instruction continues to offer the alternative of MOUs with local civilian facilities, BUMED Instruction 6310.11A (SAPR Medical-Forensic Program) has been revised and directs the establishment of MTF capability to provide SAFEs. BUMED is monitoring implementation and this requirement will be met by September 30, 2013. All Navy MTFs outside of the CONUS currently offer examinations on-site.

FUNDS FOR OVERSEAS CONTINGENCY OPERATIONS

68. Senator INHOFE. Secretary Mabus, Admiral Greenert, and General Amos, will the OCO request for 2014 include funds to address the fiscal year 2013 problems in both the OCO and the base budget for readiness shortfalls?

Mr. MABUS and Admiral GREENERT. The fiscal year 2014 OCO President's budget amendment does not address any fiscal year 2013 OCO or base budget readiness shortfalls for the Navy. The Navy fiscal year 2014 President's budget amendment includes incremental costs to sustain operations, manpower, equipment, and infrastructure repair, as well as equipment replacement due to wartime operations. The request supports the responsible drawdown of forces in Afghanistan, including costs to retrograde equipment, repair, and replacement of equipment to reset the Navy, and combat support costs. The fiscal year 2014 OCO President's budget request is $11.2 billion, a reduction of $3.0 billion from the fiscal year 2013 OCO President's budget request.

General AMOS. The Marine Corps' fiscal year 2014 OCO request does not include funds to address readiness shortfalls from fiscal year 2013. The passing of H.R. 933 enabled the Marine Corps to meet near-term readiness commitments for deployed and next-to-deploy forces and continue to rebalance to the Pacific including the Marine Rotational Force Darwin and our Unit Deployment Program. While we are capable of meeting near-term readiness commitments in fiscal year 2013, we have taken risk in our long-term infrastructure sustainment and the unit readiness of our home station units as a result of sequestration. We cannot continue to sustain these levels of reductions in fiscal year 2014 without impacting our non-deployed operational forces stationed at home. As such, the Marine Corps requests congressional support for the fiscal year 2014 President's budget request.

MILITARY READINESS

69. Senator INHOFE. Admiral Greenert and General Amos, I am interested in knowing about readiness reporting requirements through the quarterly readiness reports. Are the reports useful to you in planning? If not, why not?

Admiral GREENERT. The Quarterly Readiness Report to Congress (QRRC) helps inform our fundamental analysis of current readiness and readiness trends and is useful to Navy's planning process. The QRRC information is also evaluated in concert with the real time readiness reporting by individual units and group commanders, the narrative reporting by our Fleet and Naval Component Commanders, and in support of assessments of the Joint force readiness. The resulting comprehensive readiness analysis is used to inform our decision-making processes across the full range of Navy man, train, and equip responsibilities.

General AMOS. The information contained in the DOD QRRC is principally constructed to report military readiness to Congress per section 482, title 10, U.S.C. Some of the information in the QRRC, particularly that pertaining to the Chairman's Joint Force Readiness Review and Joint Combat Capability Assessment, reflect the Marine Corps' inputs for Joint planning, readiness reporting, and risk assessments. Those inputs are useful both for Service planning and Joint Force planning.

70. Senator INHOFE. Admiral Greenert and General Amos, what systems do you use internally to track readiness trends?

Admiral GREENERT. Navy uses a variety of databases and a business intelligence tool to mine readiness trends. The Navy Readiness Reporting Enterprise (NRRE) database is the primary system through which Navy manages a series of subsystems that collect readiness information. The most significant of these subsystems is the Defense Readiness Reporting System-Navy. To increase the breadth of information available for readiness analysis, data is also collected from other systems outside the NRRE. One example is the Maintenance Figure of Merit database, which provides access to the material condition readiness of ships.

To ensure Navy headquarters is aware of and able to address Fleet readiness concerns, U.S. Fleet Forces Command publishes a quarterly Integrated Fleet Readiness Report (IFRR). The IFRR integrates Fleet platform operational availability and readiness production metrics from a wide range of sources to identify emerging problems, track leading indicators, and allocate resources most effectively.

General AMOS. The system used by the Marine Corps to track readiness trends is the program of record Defense Readiness Reporting System-Marine Corps (DRRS–MC). Commanders' assessments are inherently part of the DRRS–MC reporting system and provide operational perspective in terms of unit design, mission capability, and readiness.

71. Senator INHOFE. Admiral Greenert and General Amos, do you have suggestions for alternative reporting mechanisms?

Admiral GREENERT. Navy would not recommend establishing alternative reporting mechanisms, although we will support adjustments to current reporting that the Office of the Secretary of Defense and Congress determine should be made.

General AMOS. The Defense Readiness Reporting System (DRRS) enterprise is the readiness reporting system for DOD. The system used by the Marine Corps to track readiness trends is the program of record DRRS–MC. With this readiness reporting system, Commanders' assessments are an inherent part of the reporting process and they provide an operational perspective in terms of a unit's designed mission capability and its readiness to execute those missions. I am satisfied with DRRS–MC's ability to provide an accurate readiness picture and do not have any alternate recommendations.

72. Senator INHOFE. General Amos, will DOD submit a supplemental funding request for fiscal year 2013 if the Marine Corps cannot solve its O&M shortfalls?

General AMOS. The Marine Corps does not intend to submit a supplemental funding request for fiscal year 2013. The passing of H.R. 933 enabled the Marine Corps to meet near-term readiness commitments for deployed and next-to-deploy forces and continue to rebalance to the Pacific including the Marine Rotational Force Darwin and our Unit Deployment Program. While the Marine Corps is capable of meeting near-term readiness commitments in fiscal year 2013, we have taken risk in our long-term infrastructure sustainment and the unit readiness of our home station units as a result of sequestration. We cannot continue to sustain these levels of reductions in fiscal year 2014 without impact to our nondeployed operational units. As such, we request congressional support for the fiscal year 2014 President's budget request.

73. Senator INHOFE. General Amos, if the Marine Corps is fully funded to its request in fiscal year 2014, how long will it take you to restore readiness of the nondeployed forces?

General AMOS. The fiscal year 2014 budget helps put the Marine Corps on a trajectory to fully reconstitute its full spectrum combat capability by fiscal year 2017. If this funding is sequestered, reconstitution of the force will be impacted, delaying indefinitely the complete restoration of our nondeployed operational forces.

The fiscal year 2014 budget continues the transition to a post-Operation Enduring Freedom (OEF) Marine Corps that complies with strategic guidance and fully capable to operate across the range of military operations. This budget invests more in full-spectrum training, which will lead to greater proficiency in amphibious operations and combined arms operations. Moreover, it enables the Marine Corps to maintain its high standards of training, education, leadership, and discipline, while contributing vital capabilities to the joint force in meeting the strategic aims of our Nation. Sequestration would have a direct and negative impact on the achievement of these transitions. Additionally, current readiness remains heavily dependent on OCO funding. While the fiscal year 2014 budget submission explicitly protects the Corps' ability to support current and near-term readiness, the impact of sequestration would exacerbate today's imbalance between current and long-term readiness.

JOINT IMPROVISED EXPLOSIVE DEVICE DEFEAT ORGANIZATION

74. Senator INHOFE. Secretary Mabus, Admiral Greenert, and General Amos, the Joint Improvised Explosive Device (IED) Defeat Organization (JIEDDO) was established 7 years ago. Consistent with DOD's inability to audit its finances, GAO has identified a lack of comprehensive visibility over all of DOD's counter-IED efforts external to JIEDDO. We have authorized billions of dollars to JIEDDO to address the counter-IED problem, but it is time to assess the organization. How do you see JIEDDO's mission and organization in the future?

Mr. MABUS and Admiral GREENERT. IEDs remain the largest cause of casualties among U.S. and coalition forces within the CENTCOM AOR. Easy access to commercially available initiating systems and precursor chemicals will continue to make them a weapon of choice among potential adversaries, especially non-state actors. Knowledge of IED materials, tactics, and techniques is easily shared globally among our adversaries, and we must maintain diligence and persistence in our efforts to counter this threat in all of its forms.

JIEDDO was established in February 2006, with the Mission to "Focus (lead, advocate, coordinate) all DOD actions in support of combatant commanders' and their respective Joint Task Forces' efforts to defeat IEDs as weapons of strategic influence." This mission was enabled by generous support of Congress in appropriating substantial funds to this mission and providing the authorities and flexibility to apply those funds to counter a very agile threat. JIEDDO has largely succeeded in focusing the Department on this threat and many of JIEDDO's initiatives have already transitioned to the Military Services for further development and sustainment. Additionally, for some capability areas, such as Joint Service Explosive Ordinance Disposal, we have had joint coordination and cooperative development structures in place for several decades. The Military Services already execute most of the initiatives sponsored by JIEDDO and as we transition from OEF we are reviewing the proper role of the Services to prepare our forces in this important capability area.

The Department has learned many lessons from the wars of the past decade to include the need for focused leadership and agile responses to emerging threats. As we strive to build and sustain capability to mitigate the threat of IEDs, while also

improving efficiency in light of fiscal constraints, alternative solutions managing this threat, to include counter-IED leadership, advocacy, and coordination role currently provided by JIEDDO, will be considered by the Office of the Secretary of Defense and the Joint Staff.

General AMOS. The fiscal year 2014 budget helps put the Marine Corps on a trajectory to fully reconstitute its full spectrum combat capability by fiscal year 2017. If this funding is sequestered, reconstitution of the force will be impacted, delaying indefinitely the complete restoration of our non-deployed operational forces.

The fiscal year 2014 budget continues the transition to a post-OEF Marine Corps that complies with strategic guidance and fully capable to operate across the range of military operations. This budget invests more in full-spectrum training, which will lead to greater proficiency in amphibious operations and combined arms operations. Moreover, it enables the Marine Corps to maintain its high standards of training, education, leadership, and discipline, while contributing vital capabilities to the joint force in meeting the strategic aims of our Nation. Sequestration would have a direct and negative impact on the achievement of these transitions. Additionally, current readiness remains heavily dependent on OCO funding. While the fiscal year 2014 budget submission explicitly protects the Corps' ability to support current and near-term readiness, the impact of sequestration would exacerbate today's imbalance between current and long-term readiness.

75. Senator INHOFE. Secretary Mabus, Admiral Greenert, and General Amos, is it time to integrate JIEDDO into other existing organizations and processes?

Mr. MABUS and Admiral GREENERT. Yes, it is an appropriate time to consider integrating the roles and responsibilities performed by JIEDDO into existing organizations and processes empowered with the requisite authority. Since its inception, JIEDDO has focused on three lines of effort: defeating the device through rapid and agile acquisition efforts; training the joint force; and attacking the IED networks through the integration of operations research and intelligence analysis. Two of these lines of effort clearly fall within the responsibilities of the Military Services to man, train, and equip forces for combatant commander employment, while attacking the network is a shared responsibility among all DOD components and our interagency and coalition partners.

JIEDDO's substantial investments in research, development, acquisition of equipment, and operations analysis and integration have been successful. There is no doubt that the substantial and flexible Joint IED Defeat Fund that Congress provided to help us mitigate this threat has saved many lives as well as catalyzed awareness of, and focus on, this threat throughout the Department. We are now better equipped to understand the IED threat and the strategies to mitigate it than we were at the beginning of these wars. As the resources that enabled JIEDDO's reach are no longer fiscally tenable, however, the Military Services must effectively execute our Title 10 responsibilities within available funding.

We have experience in successfully executing joint programs through common management structures such as the Navy's role as Executive Agent and Single Manager for Counter Radio-Controlled IED (RCIED) Electronic Warfare (CREW) under DOD Directive 5101.14 (CREW Executive Agent and Single Manager will transfer to the Army by 2014), and the Navy's role as the Single Manager for DOD Explosive Ordnance Disposal (EOD) Technology and Training under DOD Directive 5160.62. Such experience will inform how the Department chooses to manage this joint capability area while balancing resources to maintain the freedom of maneuver necessary to support our National Security Strategy.

Obviously, no Service has budgeted to assume all of the responsibilities currently executed with OCO funding by JIEDDO. Continuation of these efforts will require supplemental funding, or will require offsets from other budgeted priorities. Risks associated with any disestablishment of JIEDDO will be most tangible in the operations integration efforts to include the sharing of IED forensics, biometrics, targeting, and exploited intelligence on adversary tactics, techniques, and procedures (TTP) and IED devices' flow of precursor materials and countering the acquisition, manufacture, and use of commercial, military, or homemade explosives. Additionally, JIEDDO's coordinating role with the interagency and coalition partners would have to be assumed by another DOD component with the requisite authority to execute this task. The transition of these functions and its timing must be carefully planned, coordinated, and funded to preserve our knowledge and to sustain our momentum against the IED threat.

General AMOS. The Marine Corps recommends that JIEDDO remain as the joint organization responsible for synergizing and integrating counter-IED capabilities for DOD.

There are significant risks in eliminating JIEDDO and requiring other existing DOD organizations or individual Services to assume counter-IED responsibilities. Without a single responsible organization, DOD would experience a reduced ability to coordinate multi-Service responses to joint urgent and emergent requirements as well as reduced visibility on whether joint requirements are fulfilled. Additionally, requiring individual Services to pursue separate counter-IED efforts allows the potential for fragmentation, duplication, and overlap. Ultimately, without a single coordinating organization, DOD's capability to anticipate and develop responses to new threats would be significantly reduced.

76. Senator INHOFE. Secretary Mabus, Admiral Greenert, and General Amos, how do we gain more visibility into what DOD is doing in all aspects of counter-IED?

Mr. MABUS and Admiral GREENERT. Counter-IED is a very broad area that spans multiple communities and components. It is possible to share information and collaborate on initiatives through appropriate joint structures. For example, Joint Explosive Ordnance Disposal technology and training and ground-based CREW technology have been delegated to the Navy and through management structures established by DOD directives 5101.14 and 5160.62. The Navy communicates and coordinates with JIEDDO and other DOD components to ensure visibility across all stakeholders. The CREW Executive Agent and Single Manager will transfer from the Navy to the Army by 2014.

In the case of counter-IED, JIEDDO's responsibilities and organization are defined in DOD Directive 2000.19E. JIEDDO's mission states "JIEDDO shall focus (lead, advocate, coordinate) all DOD actions in support of the combatant commanders' and their respective Joint Task Forces' efforts to defeat IEDs as weapons of strategic influence."

JIEDDO, by direction of the Secretary of Defense, remains the Joint authority for DOD counter-IED efforts and is the appropriate source for insight and information for DOD counter-IED efforts.

General AMOS. The most effective way to provide better visibility on all aspects of counter-IED is to ensure a single DOD organization responsible for synchronizing and integrating counter-IED capabilities, requirements, and responses continue to robustly support combatant commanders and the Services. A streamlined, efficient JIEDDO, responsible for the standardization, rapid resourcing, and integration of joint counter-IED efforts would be appropriately poised to respond to all inquiries with answers informed by regular interaction with the Services.

77. Senator INHOFE. Secretary Mabus, Admiral Greenert, and General Amos, what actions are you taking to support a strong and viable organic and commercial industrial base?

Mr. MABUS and Admiral GREENERT. We continue to support many counter-IED science and technology initiatives through the Office of Naval Research, Naval Research Laboratories, federally Funded Research and Development Centers, University Affiliated Research Centers, and Navy systems commands and their many geographically dispersed warfare centers. We are also teamed with many industry partners involved in the development, manufacture, fielding, and sustainment of counter-IED technology. Today, most of our acquisition programs employ open architecture designs, facilitate regular communication with industry on challenges and opportunities, and negotiate for appropriate government data rights. These practices allow greater alignment with the industrial base, afford opportunities for small business involvement, and reduce system costs through increased competition.

General AMOS. The Marine Corps fully supports Secretary Mabus and the five acquisition principles he outlined in 2010 for the Department of the Navy: Clearly identify requirements; Raise the bar on performance; Rebuild the acquisition workforce; Make every dollar count; and Support the industrial base. The Marine Corps supports a strong and viable organic and industrial base via open competition, early communication, and targeted efforts.

The Marine Corps acquisition commands procure material solutions based on validated requirements from Marine Corps and DOD leadership. To support a strong industrial base, the Marine Corps regularly communicates future requirements with industry via Advanced Planning Briefs to Industry, Requests for Information, Sources Sought Announcements, and Requests for Quotes and Proposals through the various government points of entry. These include FEDBIZOPPS, SeaPort-e, GSA Schedule, Small Business Innovation Research, and Small Business Technology Transfer solicitations. These communications provide industry with permissible information to support their internal planning and focused research so they can position themselves to efficiently and effectively support future government acquisitions.

As acquisition programs mature, the Marine Corps continues to actively engage and communicate its programmatic intentions, technical priorities, and future plans in a number of forums. The Marine Corps participates in a wide range of events, such as the annual Modern Day Marine Exposition that included the Small Business Pavilion which highlights the capabilities and technology solutions of the small business contractor community. Another event that offers engagement with industry is the biennial Advanced Planning Briefing to Industry. The Marine Corps engages in these Industry Days, where many individual Marine Corps ground programs offices meet with industry throughout the year, giving them an opportunity to meet with our acquisition professionals on potential solutions. In addition, the Marine Corps recognizes the potential capabilities, innovations, and technology solutions that small businesses can offer. The Marine Corps has an Office of Small Business Programs (OSBP) that is involved in small business and industry outreach events on a weekly basis. The OSBP participates in local and national small business outreach events, performing business matchmaking at many of those events, to match the capabilities of small businesses with Marine Corps requirements. Such events provide great venues for industry to stay abreast of opportunities with the Marine Corps acquisition community and for the Marine Corps to learn from industry about potential solutions.

RADIOS

78. Senator INHOFE. Admiral Greenert, how many proprietary, sole source radios has the Marine Corps and Navy procured over the last 4 years? Please provide a breakdown by year, the number of radios, and the funding associated with these radios.

Admiral GREENERT. The following is a breakdown of single-source digital modular radio (DMR) and portable radio program (PRP) by year:

	2009 (1 June- Dec 31)	2010 (1 Jan-Dec 31)	2011 (1 Jan-Dec 31)	2012 (1 Jan-Dec 31)	2013 (1 Jan - May 31)*	Total
DMR QTY	0	72	0	53	0	125
DMR $	0	$50,614,992	0	$33,744,729	0	$84,359,721
PRP QTY	261	2182	3276	3237	None Sole Source	8,956
PRP $	$ 8,080,792	$ 27,483,663	$ 49,364,334	$ 37,310,148	None Sole Source	$122,238,937
Grand Total Radios Qty						9,081
Grand Total Radios $						206,598,658

*FY13 DMR procurement award anticipated for end of June/beginning of July 2013.

The Marine Corps has not purchased any radios via sole source contracting action in the timeframe requested.

QUESTIONS SUBMITTED BY SENATOR SAXBY CHAMBLISS

OHIO-CLASS SUBMARINE REPLACEMENT PROGRAM COMMITMENT

79. Senator CHAMBLISS. Secretary Mabus and Admiral Greenert, during a February 28, 2013, hearing concerning the nomination of Mr. Alan Estevez to be the Principal Deputy Under Secretary of Defense for Acquisition, Technology, and Logistics, I asked Mr. Estevez if DOD is dedicated to recapitalizing the Ballistic Missile Submarine (SSBN) force so it continues to be the Nation's most survivable nuclear deterrence capability, which he replied with concurrence. Mr. Estevez assured that DOD would fund a SSBN force of 12 to meet U.S. Strategic Command's (STRATCOM) strategic deterrence requirements. With fiscal uncertainty and the administration not taking sequestration into account for budgeting, I am wary that this program will not be delivered on time, resulting in a lapse of coverage in our nuclear triad. The President's budget has caused a 2-year shift to construction and delivery of the replacements. Mr. Estevez committed that the Navy would be monitoring closely. Are you committed to ensuring that the Navy commits its resources to seeing the timely fruition of the new *Ohio*-class submarine replacement?

Mr. MABUS and Admiral GREENERT. Strategic deterrence remains a national imperative. The SSBN force is the most reliable and survivable leg of the U.S. nuclear triad. The *Ohio* Replacement SSBN is one of the Navy's top three acquisition priorities. Under the current fiscal year 2014 budget submission, research and development for the *Ohio* Replacement SSBN is fully funded and on schedule. However,

continuing sequestration or a Continuing Resolution presents the greatest risk to program execution and affordability.

To cover both the SSBN(X) program as well as other shipbuilding programs, yearly shipbuilding expenditures during the mid-term (2024–2033) planning period will need to average about $19.3 billion per year. This is nearly $3 billion more per year than in the near-term planning period (2014–2023), and nearly $6 billion more per year than past steady-state funding levels.

The shipbuilding plan assumes the average recurring affordability target for the 2nd through 12th SSBN(X)s will be $5.9 billion per submarine in fiscal year 2013 dollars. The SSBN(X) Milestone A Acquisition Decision Memorandum established an even lower affordability target of $4.9 billion per ship in fiscal year 2010 dollars. The Navy is working to reduce the cost of the submarines and conducts affordability reviews to monitor program efforts in achieving affordability targets.

80. Senator CHAMBLISS. Admiral Greenert, please explain your plan to integrate the replacement of SSBN(X) into the fleet while removing the old *Ohio*-class submarine while ensuring there are at least two SSBNs at sea for nuclear deterrence.

Admiral GREENERT. The *Ohio*-class SSBNs will begin to decommission at a rate of one per year in 2027 after a proposed and planned life extension from 30 to 42 years. Consistent with the DSG, in our fiscal year 2013 budget submission we proposed delaying the *Ohio* replacement program by 2 years. This delay will result in an SSBN force of 10 ships in the 2030s adequate to meet the requirement, but will require a high state of readiness to meet the Nation's strategic deterrence needs. The key to ensuring we maintain the required number of SSBNs at sea to meet strategic requirements is for construction of the lead *Ohio* replacement SSBN to commence on time in fiscal year 2021 and complete per plan. This ensures that *Ohio* replacement SSBNs will enter fleet service starting in fiscal year 2031 at the rate of one per year to replace the retiring *Ohio*-class.

81. Senator CHAMBLISS. Secretary Mabus, will your current fiscal year 2014 budget request for the SSBN(X) replacement program be sufficient to keep the program on schedule?

Mr. MABUS. Yes, the fiscal year 2014 President's budget request is sufficient to keep the *Ohio* replacement program on schedule. The *Ohio* replacement SSBN is one of the Navy's top three acquisition priorities. However, continuing sequestration or a Continuing Resolution presents the greatest risk to program execution and affordability.

F–35 JOINT STRIKE FIGHTER

82. Senator CHAMBLISS. Secretary Mabus, the Joint Strike Fighter (JSF) is an imperative part of continuing our air superiority in these dangerous and uncertain times. As former Secretary of Defense Panetta commented on the F–35, "this 5th generation fighter . . . is absolutely vital to maintaining our air superiority. And it will enable the kind of vital operations we need in anti-access environments." He went onto to say that DOD is committed to the development of the F–35. The Navy's aircraft procurement reflects multiple purchases of the F–35 in the upcoming years. Are you committed to ensuring that the F–35 remains an integral part of the warfighting capabilities of the Navy?

Mr. MABUS. The Navy remains committed to the F–35C and will leverage its 5th generation capabilities to ensure mission effectiveness in anti-access/area-denied environments. The F–35C will provide a significant additive value when brought to bear as a fully integrated asset in the future Navy carrier air wing.

83. Senator CHAMBLISS. Secretary Mabus, will the current fiscal year 2014 and other projected fiscal years of JSF procurement be sufficient to incorporate the fifth generation fighter to replace the aging F–18s that are currently in the Navy fleet?

Mr. MABUS. The fiscal year 2014 F–35C procurement profile is sufficient to replace the aging F/A–18s that are currently in the Navy fleet. The current transition plan calls for a one-for-one replacement of an F/A–18C/D squadron by an F–35 squadron. Under the current program of record, the first F–35C squadron is scheduled to replace the first F/A–18C/D squadron starting in 2016. At projected procurement rates, the entire F/A–18C/D fleet will be replaced by 2026.

QUESTIONS SUBMITTED BY SENATOR ROGER F. WICKER

AMPHIBIOUS SHIPS

84. Senator WICKER. General Amos, in your written testimony you express concern that the number of amphibious ships currently available represents the minimal number you feel is acceptable. You note that current numbers allow the Marine Corps to meet combatant commander's requirements, but with significant risk. Would the addition of a 12th *San Antonio*-class Landing Platform Dock to the fleet be of use to the Marine Corps?

General AMOS. Yes. The *San Antonio*-class LPD is extremely versatile and serves as the replacement for four classes of older ships: LKA, LST, LSD–36, and LPD–4. Nine of the 11 authorized and approved ships of this class have been delivered to the Navy. The utility of this class was best demonstrated by USS *Mesa Verde* (LPD–19) as she recently returned after 19 months of deployed operation over a 25 month period.

Based on the expeditionary requirements of a 2.0 MEB assault echelon force, as long as 30 operationally available ships are maintained, the Navy can meet assault echelon requirements with some risk. The current planned mix of amphibious ships is 11 LHA/LHDs, 11 LPDs, and 11 LSDs. It is important to note that each additional LPD–17 that is procured today could reduce the total number of ships required to replace the aging LSD–41/49 class. LX(R) is the planned LSD replacement program and is currently undergoing an Analysis of Alternatives.

Today, the Amphibious Force Structure stands at 30 ships, which includes 9 LHD/LHAs, 9 LPDs, and 12 LSDs.

85. Senator WICKER. Admiral Greenert and General Amos, I am concerned with the recent trends towards the acquisition of non-military shipping as a substitute for combat-ready amphibious warships. Commercial-grade ships have the potential to save costs when used as intra-theater lift in a benign environment. However, the robust anti-access/area-denial capabilities being developed by regional threats, such as Iran and North Korea, indicate that commercial-grade ships would not survive in the event of conflict. To this end, I believe that the Navy must continue to procure combat-survivable amphibious shipping. While cost savings should be sought in the adoption of commercial-grade standards where doing so will not negatively affect the safety of the ship and crew, the emphasis must remain on ensuring our amphibious ships are built to fight and survive. Do you agree regarding the need to continue to build amphibious ships that are meant to operate and survive in a multi-threat combat environment?

Admiral GREENERT. The Navy is committed to building amphibious ships that mitigate the capability gaps that are created when ships in the inventory reach their expected service lives. The starting point for a new warship design is based on capability gaps and the associated requirements. Proven hull forms are evaluated along with other ship alternatives in an Analysis of Alternatives in accordance with DOD Instruction 5000.02, Operation of the Defense Acquisition System. In executing a thorough Analysis of Alternatives, commercial, military, and tailored specification design concepts are studied. Each option is analyzed on the basis of capability, suitability, survivability, and cost.

General AMOS. It is critically important for our Nation to maintain a robust amphibious warship capability that enables the Nation to gain access regardless of the threat environment. Amphibious warships operate forward to support allies, respond to crises, deter potential adversaries, and provide the Nation's best means of projecting sustainable power ashore. They also provide the best means for providing humanitarian assistance and disaster relief. Expeditionary forces comprised of sailors, marines, and amphibious warships provide the ability to rapidly and decisively respond to global crises without a permanent footprint ashore that would place unnecessary political or logistic burdens upon our allies or potential partners. There are two main drivers of the amphibious warship requirement: maintaining persistent forward presence, which enables both engagement and crisis response, and delivering the assault echelons of up to two Marine Expeditionary Brigades (MEB) for joint forcible entry operations.

Marines will continue to enhance our ability to operate from any available platform, but we believe combat missions require combat capable warships with its supporting echlon/sustainment platforms.

86. Senator WICKER. Admiral Greenert, would you agree that the starting point for new warship design should be on a proven, combat-capable hull form that can be modified according to need and cost-constraints?

Admiral GREENERT. The starting point for a new warship design is based on capability gaps and the associated requirements. Proven hull forms are evaluated along with other ship alternatives in an Analysis of Alternatives in accordance with DOD Instruction 5000.02, Operation of the Defense Acquisition System. In executing a thorough Analysis of Alternatives, commercial, military, and tailored specification design concepts are studied. Each option is analyzed on the basis of capability, suitability, survivability, and cost.

STABILIZING THE SHIPBUILDING INDUSTRIAL BASE

87. Senator WICKER. Secretary Mabus, in your written testimony, you discuss at length the need to maintain a robust and healthy shipbuilding industrial base. In my discussions with industry leaders, they expressed to me their concerns with the unsteady nature of the contract work they perform for the Navy and the difficulties that stem from the shipbuilding acquisition program. Because of the feast or famine nature of the Navy's shipbuilding process, companies are challenged to find steady work for their highly-skilled employees to ensure they do not lose them to other industries. Once these employees leave an industry or region, they are unlikely to return. Such losses have the potential to cripple or bankrupt a major shipbuilding company. Additionally, the lack of consistency that characterizes the acquisition and contracting system currently in place has a ripple effect on 2nd- and 3rd-tier producers. While the major companies can generally survive short periods in which they are not building a ship, smaller companies that produce components or provide materials are often forced out of business. This uncertainty increases costs to the Navy and the taxpayers in the near-term, and contributes to the gradual erosion of the industrial base in the long-term. Do you agree that it is in the best interest of the Navy and the shipbuilding industry to establish a more consistent, predictable method of contracting and paying for ship construction?

Mr. MABUS. The Navy agrees that stability and affordability are key to obtaining the objectives of the shipbuilding plan and improving the health of the industrial base. Over the past several years, the Navy has placed a priority on increasing shipbuilding rates and providing stability for the shipbuilding industrial base. On September 11, 2001, the U.S. Navy had 316 ships. By 2008, after one of the largest military buildups in our Nations' history, that number was 278. In 2008, the Navy put only three ships under contract, far too few to maintain the size of the fleet or our industrial base, and many of our shipbuilding programs were over budget, behind schedule, or both. One of my main priorities as Secretary has been to reverse those trends. Today, the Fleet has stabilized and problems in most of our shipbuilding programs have been corrected or arrested. We have 53 ships under contract today, 47 of which were contracted since I took office, and our current shipbuilding plan puts us on track for 300 ships in the fleet by 2019. Stability translates into retention of skilled labor, improved material purchasing and workforce and financial planning, strong learning curve performance, and the ability for industry to invest in facility improvements; all resulting in more efficient ship construction and a more affordable shipbuilding program. The past *Virginia*-class and DDG–51-class Multi-Year Procurements (MYPs), the DDG–1000 Swap/DDG–51 Restart Agreement, the LCS dual block buy, the MLP procurement, the continuation of CVN–78-class procurements on constant 5-year centers, and the heel-to-toe CVN RCOH induction-to-delivery cycle have provided critical stable workload for our shipyards and their respective vendor bases. The approved upcoming *Virginia*-class MYP and just awarded DDG–51-class MYP will help to further stabilize the submarine and surface combatant industrial base through this decade. Likewise, the funding requested to procure a fourth MLP, and to configure MLP–3 and MLP–4 as AFSBs will also provide for much-needed workload within the auxiliary shipbuilding sector.

The strategy going forward continues to center upon improving affordability. To this end, in addition to the emphasis on stability discussed above, the Navy has established affordability requirements and invested in Design for Affordability for future ship programs; mandating use of open systems design; leveraging competition at every opportunity in shipbuilding and weapons systems production; employing fixed-price contracts to control cost for ships and weapon systems in production; imposing strict criteria limiting disruptive change to contracts; investing in industry-wide manufacturing process improvements through the National Shipbuilding Research Program; and incentivizing capital investment in facilities where warranted.

The fiscal year 2014 President's budget request for fiscal years 201 to 2018 requests 41 ships. Of these 41 ships, 25 ships are part of stable DDG–51 or SSN–774 MYPs or the LCS block buy contracts, and 11 ships are part of ongoing shipbuilding construction programs.

The Navy believes continued use of multi-year and block buy procurements provide the best means of ensuring stability and predictability within the industry with respect to workload and financial planning. The greatest risk to the industrial base is associated with budget uncertainty, particularly the disruption and inefficiency caused by sequestration, delayed authorization and appropriations, and the looming budgetary challenges. The Navy will continue to aggressively pursue the mutual objectives of improving the affordability of our shipbuilding program and increasing the strength of our shipbuilding industrial base, and is committed to working closely with Congress on these efforts.

88. Senator WICKER. Secretary Mabus, would you agree to funding contracts on a multi-year basis, rather than a year-per-year basis?

Mr. MABUS. New ship construction is typically procured using Shipbuilding and Conversion, Navy (SCN) appropriation funding which provides multiple year budget authority that is available for obligation for 5 years. With few exceptions, the Navy typically requests to fully fund an entire ship in the year of authorization/appropriation. In cases where there is a requirement for advance procurement (AP) funds, which typically is associated with the need to order long lead time material or to achieve economic order quantity discounts, the Navy will request AP funds in the year(s) preceding a ship's full funding request. With respect to aircraft carriers, large deck amphibious ships, and submarines, in addition to AP funds, the Navy will request to incrementally or split fund the balance of the ship, in order to avoid large spikes in the budget request for the years that these capital ships are authorized and appropriated.

In instances where the ship class design is mature and production is proven and stable, the Navy believes continued use of multiyear and block buy procurements provide the best means of ensuring stability and predictability within the industry with respect to workload and financial planning. The fiscal year 2014 President's budget request for fiscal years 2014 to 2018 requests 41 ships. Of these 41 ships, 25 ships are part of stable DDG–51 or SSN 774 multi-year procurements or the LCS block buy contracts. The greatest risk to the industrial base is associated with budget uncertainty, particularly the disruption and inefficiency caused by sequestration, delayed authorization and appropriations, and the looming budgetary challenges. The Navy will continue to aggressively pursue the mutual objectives of improving the affordability of our shipbuilding program and increasing the strength of our shipbuilding industrial base, and is committed to working closely with Congress on these efforts.

TRANSITION FOR VETERANS TO CIVILIAN LIFE

89. Senator WICKER. Secretary Mabus, Admiral Greenert, and General Amos, in your written testimonies, each of you discuss the importance of readying our sailors and marines for their eventual transitions to civilian life. I am very concerned about the current unemployment rate for veterans. I applaud the steps you are taking to improve the TAP, especially the development of a more tailored and targeted curriculum for individuals. Even with these improvements, I remain concerned that we are sending our youngest sailors and marines, those in the 18- to 24-year-old demographic, into the world unprepared to face a struggling economy and a job market into which their skills do not readily translate. Of special concern to me are those sailors and marines whose military occupations and skills do not translate well to well-paying civilian occupations. Do you share my concerns with regards to the high rate of unemployment among our youngest veterans?

Mr. MABUS and Admiral GREENERT. The Department of the Navy shares your concerns regarding the unemployment rate of young veterans, and we continually monitor the factors that may contribute to their unemployment. What is unknown is the duration of their unemployed status. In many cases, this may be attributed to a short-term transition phase as veterans enter the job market for the civilian workforce. Since this is an unavoidable circumstance, our goal is that transition programs positively improve the career readiness of separating servicemembers, and limit the amount of time they are unemployed.

While the unemployment rate of veterans, particularly young veterans, remains unacceptably high, the notion that new veterans have a more difficult time finding employment than similar civilians who have recently left their jobs is not supported by employment data. The Department of the Navy has just begun to analyze unemployment compensation data to understand the duration of veteran unemployment and any patterns across military occupations. In many cases, young veterans are sought after as highly skilled and disciplined employees. Therefore, the TAP pro-

gram has implemented the Military Occupational Code (MOC) Crosswalk which facilitates sailors and marines translating their military skills, training, and experience into credentialing appropriate for civilian jobs. Upon completing this module, servicemembers will have a file documenting their military career experience and skills; translation of their military occupation experience to civilian sector skills; and identification of gaps in their training and/or experience that need to be filled to meet their personal career goals. Further, this documentation will be a mandatory Career Readiness Standard that must be reviewed and verified prior to separation.

General AMOS. The Marine Corps shares your concerns about veteran unemployment. It is vital that we meet the needs of our marines who transition from service. In March 2012, we implemented the new Transition Readiness Seminar (TRS) to maximize the transition-readiness of all servicemembers. In accordance with the Veterans Opportunity to Work (VOW) to Hire Heroes Act, TRS revolutionized our approach to meet the individual goals of each marine as he or she transitions to the next phase in their life. The seminar is a week-long program which includes a mandatory standardized core curriculum and also provides four well-defined military-civilian pathways: (1) College/Education/University, (2) Career/Technical Training, (3) Employment, or (4) Entrepreneurial. Each pathway has associated resources and additional tools to better prepare our veteran marines. An essential feature of the TRS is that it allows marines to choose and receive transition information and education in line with each marine's future goals and objectives.

90. Senator WICKER. Secretary Mabus, Admiral Greenert, and General Amos, how is the Navy tracking the post-military employment of this demographic?

Mr. MABUS and Admiral GREENERT. Once the DD214 is issued, the Department of the Navy no longer has the ability or statutory authority to track post-military employment of separated servicemembers. The Department has, however, begun an effort to analyze unemployment compensation payments to our recent veterans. When completed, this may give us insight into both the duration of veteran unemployment and any differences across demographic groups or military occupations.

General AMOS. The Marine Corps does not have metrics to track post-military employment, however we remain concerned with the overall veteran employment picture. As marines separate, we provide them with contact information for the VA and the Department of Labor (DOL) service locations closest to their post-military homes. These executive branch agencies have the mission of providing veteran and employment services.

91. Senator WICKER. Secretary Mabus, Admiral Greenert, and General Amos, what additional opportunities do you see for improving the employment rates for these individuals?

Mr. MABUS and Admiral GREENERT. Although there are many factors that impact the employment status of a veteran, the Navy and Marine Corps are fully committed to improving the career preparedness and employability of sailors and marines. To that end, the Navy and Marine Corps are planning to implement the "Military Life Cycle" transition model. This proactive approach makes meeting future career goals a priority at the start and throughout a servicemember's military career. This process aligns military career development with the servicemember's personal post separation goals resulting in better preparation for civilian career opportunities.

General AMOS. Returning quality citizens from military service remains a key responsibility that I take very seriously. Our TRS maximizes the transition-readiness of all of our marines who are preparing to leave Active Duty. As such, we encourage our marines to explore the four well-defined military-civilian pathways: (1) College/Education/University, (2) Career/Technical Training, (3) Employment, or (4) Entrepreneurial. Each pathway has associated resources and additional tools to better prepare our veteran marines.

In addition, the DOL and the VA both have a myriad of programs to assist veterans with employment. Together, we encourage employers to hire our marines leaving Active Duty service.

QUESTIONS SUBMITTED BY SENATOR KELLY A. AYOTTE

OHIO-CLASS SUBMARINE PROGRAM

92. Senator AYOTTE. Admiral Greenert, in your written testimony, you state that: "the Navy will need the means to resource . . . the next generation nuclear ballistic

missile submarine." Why do you believe the Navy needs to build the next generation ballistic missile submarine?

Admiral GREENERT. Our SSBNs are stealthy, reliable, flexible, and persistent, and provide the Nation with an assured second strike capability. The 2010 Nuclear Posture Review confirmed the enduring requirements to maintain a secure and survivable sea-based deterrent. Further, under the New Strategic Arms Reduction Treaty (New START), SSBNs will be responsible for approximately 70 percent of our Nation's deployed nuclear warheads.

With the *Ohio*-class ballistic missile submarines approaching the end of their unprecedented 42-year service life, it is now necessary for the Navy to recapitalize this vitally important leg of the triad. The next generation ballistic missile submarine will leverage the *Ohio*-class and *Virginia*-class designs, components, and construction best practices. The new SSBN is being designed to employ the highly successful TRIDENT II D–5 life extension missile and associated strategic weapon systems negating the need to simultaneously develop a new missile system. By reducing mid-life maintenance, including the development of a life-of-ship reactor core, a class of 12 submarines will be available to perform the same mission as today's 14 *Ohio*-class submarines. In addition, this new ballistic missile submarine will incorporate the enhancements in stealth necessary to ensure that it is able to deliver the required survivability against threats expected to emerge well into the 21st century.

93. Senator AYOTTE. Admiral Greenert, why do we need the sea leg of our nuclear triad?

Admiral GREENERT. U.S. strategic deterrence promotes global stability. Deterrence relies on the credible and survivable threat to impose unacceptable consequences to an adversary should he consider an attack against our Homeland. A survivable deterrent retains the ability to conduct an assured retaliatory response even after being attacked. For more than 50 years, the Navy's ballistic missile submarine force has provided the most survivable leg of the Nation's strategic nuclear deterrent triad. Our SSBNs are reliable, flexible, and persistent, and provide the Nation with an assured second strike capability. The 2010 Nuclear Posture Review confirmed the enduring requirements to maintain a secure and survivable sea-based deterrent. Further, under the New START, SSBNs will be responsible for approximately 70 percent of our Nation's deployed nuclear warheads.

94. Senator AYOTTE. Admiral Greenert, why is 12 *Ohio*-class replacement submarines the right number?

Admiral GREENERT. Long term, the Navy needs a minimum of 12 SSBNs to provide a survivable force and meet Commander, STRATCOM, requirements. A force structure of 12 SSBNs provides 10 operational SSBNs during the mid-life refueling overhauls required for each SSBN. Ten operational SSBNs are needed to deploy SSBNs in two oceans, provide continuous presence, and meet targeting and policy constraints. Force structure requirements are not tied to the number of warheads carried by each submarine.

95. Senator AYOTTE. Admiral Greenert, do you oppose any further delay to the *Ohio*-class replacement program? If not, why not?

Admiral GREENERT. I am opposed to any further delay to the *Ohio* replacement program because, based on current plans and programs, it would reduce the total SSBN force structure below the absolute minimum required to provide 10 operational SSBNs during the transition period from the *Ohio*-class to the *Ohio* replacement. This would prevent us from meeting Commander, STRATCOM, at-sea requirements.

Consistent with the DSC, in our fiscal year 2013 budget submission we delayed the *Ohio* replacement program by 2 years. This delay will result in an SSBN force of 10 ships in the 2030s and will require a high state of readiness to meet the Nation's strategic deterrence needs.

SIZE OF FLEET AND SEQUESTRATION

96. Senator AYOTTE. Admiral Greenert, in the past you have testified that the Navy's fleet size would drop as low as 230 ships—well below the established fleet size requirement of 306 ships—if sequestration and the associated budget reductions go forward for the entire period—fiscal year 2013 to fiscal 2021. What would be the operational and national security implications of having so few ships and submarines?

Admiral GREENERT. Should the BCA of 2011 discretionary caps remain in place through fiscal year 2021, we will take a deliberate and comprehensive approach to the reduction, based on a reevaluation of the DSG. In doing so, I will endeavor to: (1) ensure our people are properly resourced; (2) protect sufficient current readiness and warfighting capability; (3) sustain some ability to operate forward by continuing to forward base forces in Japan, Spain, Singapore, and Bahrain, and by using rotational crews; and (4) maintain appropriate research and development.

Inevitably, these changes will severely damage our industrial base. Some shipyards will not be able to sustain steady construction or maintenance operations and may close or be inactivated. Aviation depots will reduce their operations or become idle. Aircraft and weapons manufacturers will slow or stop their work entirely. In particular, the small firms that are often the sole source for particular ship and aircraft components will quickly be forced to shut down. Once these companies and their engineers and craftspeople move on to other work, they are hard to reconstitute, sometimes impossible, at a later date when our national security demands it.

The GFMAP represents our covenant with the geographic combatant commanders on how we will match resources to their demand signal. The GFMAP is a primary basis for our Force Structure Assessment and its fleet size requirement of 306 ships.

97. Senator AYOTTE. Admiral Greenert, if we allow sequestration to continue and the Navy is forced to cut our fleet that much, what message would that send to our potential adversaries, as well as to our allies?

Admiral GREENERT. Should the BCA of 2011 discretionary caps remain in place through fiscal year 2021, we will take a deliberate and comprehensive approach to the reduction, based on a reevaluation of the DSG. In doing so, I will endeavor to: (1) ensure our people are properly resourced; (2) protect sufficient current readiness and warfighting capability; (3) sustain some ability to operate forward by continuing to forward base forces in Japan, Spain, Singapore, and Bahrain, and by using rotational crews; and (4) maintain appropriate research and development.

F–35 JOINT STRIKE FIGHTER PROGRAM

98. Senator AYOTTE. Secretary Mabus, why is the F–35 the Marine Corps' number one aviation program?

Mr. MABUS. The Marine Corps will leverage the F–35B's capabilities to ensure our tactical aircraft is able to provide fifth-generation benefits to our ground warriors. The concept is one aircraft, capable of multiple missions, providing the MAGTF with flexible expeditionary basing and superior technology to dominate the fight. The F–35B is the tactical aircraft we need to support our MAGTF from now until the middle of this century. Our requirement for expeditionary tactical aircraft has been demonstrated repeatedly since the inception of Marine Corps aviation for over 100 years. From the expeditionary airfields and agile jeep carriers, to close air support, to forward basing on cratered runways and taxiways throughout Iraq, and strikes from the sea in Libya to today's fight in Afghanistan, our ability to tactically base fixed wing aircraft has been instrumental to our success on the battlefield. Given the threats we will face in the future, the F–35B is clearly the aircraft of choice to meet our expeditionary operating requirements at sea and ashore. It is the interoperability catalyst that optimizes our tactical aircraft effectiveness and will generate unprecedented strategic and operational agility within our MAGTFs to counter a broad spectrum of threats and win in operational scenarios that cannot be addressed by current legacy aircraft.

99. Senator AYOTTE. General Amos, why does the Marine Corps need the F–35B?

General AMOS. Given the threats we will face in the future, the F–35 is the only aircraft capable of meeting our expeditionary operating requirements at sea and ashore. It will generate unprecedented strategic and operational agility within our MAGTF to counter a broad spectrum of threats and capable of dominating in operational scenarios that cannot be addressed by current legacy aircraft. The F–35B is the tactical aircraft required to support our MAGTF for the next 50 years. Our requirement for expeditionary tactical aircraft has been demonstrated repeatedly since the inception of Marine Corps aviation. From the expeditionary airfields and agile jeep carriers of World War II, to close air support in proximity to troops in Korea and Vietnam, to forward basing on cratered runways and taxiways throughout Iraq, strikes from the sea in Libya through to today's fight in Afghanistan, our ability to tactically base fixed wing aircraft in close proximity of our ground forces has been instrumental to our success on the battlefield.

JOINT LAND ATTACK CRUISE MISSILE DEFENSE ELEVATED NETTED SENSOR SYSTEM

100. Senator AYOTTE. Admiral Greenert, working with the Navy's integrated fire control system, how would the Joint Land Attack Cruise Missile Defense Elevated Netted Sensor (JLENS) System help increase the Navy's ability to engage targets despite jamming and long ranges?

Admiral GREENERT. The JLENS system could be networked with Navy surface-based anti-air weapons systems (e.g. AEGIS destroyers or cruisers) to provide an additional, elevated radar that increases surveillance range over the horizon and enables earlier detection and engagement of missiles. This capability was demonstrated at a live-fire event with the Naval Integrated Fire Control-Counter Air System in September 2012 at White Sands Missile Range.

VIRGINIA-CLASS SUBMARINE

101. Senator AYOTTE. Admiral Greenert, how is the *Virginia*-class submarine program performing?

Admiral GREENERT. The *Virginia*-class continues to be a highly successful acquisition program with ships consistently delivering early and within budget. Nine ships have delivered, the last being USS *Mississippi* (SSN–782), delivered 1 year ahead of schedule with a Navy Board of Inspection and Survey (INSURV) rating of green in all 22 areas. The program increased production to two ships per year in fiscal year 2011, starting with the construction of USS *Washington* (SSN–787) in September 2011, with a follow-on multi-year procurement contract for 10 ships in fiscal year 2014 to fiscal year 2018.

Delivered ships are exceeding expectations for operational performance, with five ships already completing successful full length, worldwide deployments: USS *Virginia* (SSN–774), USS *Texas* (SSN–775), USS *Hawaii* (SSN–776), USS *North Carolina* (SSN–777) and USS *New Hampshire* (SSN–778). *Virginia*-class ships are preferentially assigned our most challenging missions and have performed superbly. Specific mission highlights are available at the appropriate classification level.

102. Senator AYOTTE. Admiral Greenert, what is the Navy's requirement for attack submarines?

Admiral GREENERT. Per our 2012 Force Structure Assessment, the Navy's requirement for SSNs is 48.

103. Senator AYOTTE. Admiral Greenert, how will a shortfall in attack submarines impact our undersea strike volume?

Admiral GREENERT. Undersea strike volume will decrease by approximately 63 percent, from today's force, in the 2030 timeframe due to two factors: SSN force structure reductions and SSGN retirement.

The Navy is examining an option to increase strike volume via a payload module inserted into 20 future *Virginia*-class. The *Virginia* Payload Module (VPM) could more than triple the vertical launch capacity in current *Virginia*-class ships, replacing the undersea strike capacity gap created by the retirement of the SSGNs. VPM payload tubes can also be used for other payloads such as Special Operations Forces or unmanned vehicles. The current advanced engineering design work on VPM will enable the Department of the Navy to incorporate VPM in the fiscal year 2019 Block V *Virginia*-class buy.

104. Senator AYOTTE. Admiral Greenert, based on the anticipated shortfall in the number of attack submarines, as well as undersea strike volume, how important is it that Congress provides the resources for the Navy to build two *Virginia*-class submarines each year going forward and that we move forward with the *Virginia*-class payload module?

Admiral GREENERT. Attack submarines provide a unique combination of stealth, persistence, and firepower that complement and enable other joint forces. Continuing to build two *Virginia*-class SSNs per year will minimize the length of time that our SSN force structure is below the validated requirement of 48, and maximize our ability to respond to critical peacetime and wartime tasking.

Undersea strike is an asymmetric capability that assures joint access with capabilities providing additional attack capacity in our submarine force. The VPM could more than triple the vertical launch capacity in current *Virginia*-class ships, replacing the undersea strike capacity gap created by the retirement of the SSGNs. VPM payload tubes can also be used for other payloads such as Special Operations Forces or unmanned vehicles. The current advanced engineering design work on VPM will

enable the Department of the Navy to incorporate VPM in the fiscal year 2019 Block V *Virginia* class buy.

While VPM represents a significant improvement in strike capacity, it comes at a cost. Given the increased costs VPM would introduce in the *Virginia*-class concurrent with our efforts to field the SSBN(X) replacement, it may render VPM unaffordable as we assess the future fiscal impact of sequestration.

NAVY HIRING FREEZE

105. Senator AYOTTE. Secretary Mabus and Admiral Greenert, what impact is the across-the-board civilian hiring freeze having on the Navy, and how will this impact worsen over time?

Mr. MABUS and Admiral GREENERT. The hiring freeze has had a significant negative impact on the Navy and the morale of its employees. Since initiating the hiring freeze, the Navy's ability to hire veterans and wounded warriors has been drastically cut. Veterans account for approximately 57 percent of the Navy's civilian workforce. Since the freeze, the numbers of wounded warriors and disabled veterans brought onboard have dropped. Additionally, the Navy's efforts to build a diverse workforce have been brought to a near standstill.

Prior to the hiring freeze, the Navy led the other Services and exceeded both DOD and OPM targets for hiring reform metrics. These metrics measure time to fill vacancies from beginning to end. Those metrics now are held in abeyance until the Navy can once again aggressively recruit and hire new talent. Hiring reform efforts are part of the Navy's strategy to attract and retain a highly qualified workforce as well as being an employer of choice.

Sustained execution of a hiring freeze will severely hamper the Navy's ability to recruit a skilled and talented workforce capable of executing the Navy's mission. Navy civilians play a critical role in keeping the Navy and Marine Corps team operating forward—the Navy workforce is among the most technical worldwide. More than half of the civilian workforce are engineers, logisticians, mathematicians, scientists, information technology, and acquisition specialists—many with critical certifications and advanced degrees.

The hiring freeze creates critical gaps in the Navy's current readiness as well as into the future. Recently Thomson-Reuters recognized the Navy (along with our sister Service, the Army) as one of the Top 100 Global Innovators—standing alongside such companies as Apple, Google, Yahoo, and Xerox. We will not be able to maintain this level of innovation if the hiring freeze continues.

SEQUESTRATION AND REBALANCE TO THE ASIA-PACIFIC REGION

106. Senator AYOTTE. Secretary Mabus, Admiral Greenert, and General Amos, if sequestration continues into fiscal year 2014, how will it impact the Navy and Marine Corps rebalance to the Asia-Pacific region?

Mr. MABUS and Admiral GREENERT. The fiscal year 2014 President's budget submission is currently being assessed for impacts due to fiscal year 2014 sequestration. Navy is working with the Office of the Secretary of Defense in the SCMR to inform the major decisions that must be made in the decade ahead to preserve and adapt our defense strategy, our force, and our institutions under a range of future budgetary scenarios. In the event sequestration is allowed to occur in 2014, this will compel Navy to again dramatically reduce operations, maintenance, and procurement in fiscal year 2014, preventing us from meeting the fiscal year 2014 GFMAP. The uncertainty makes it difficult to look long-term at how we should build, train, develop, and posture the future force as we rebalance our effort toward the Asia-Pacific.

General AMOS. We are concerned that sequestration will impose significant impacts to our operational readiness as the effects are occurring in the midst of our planned redistribution of forces in the Pacific. Furthermore, sequestration will negatively reduce our responsiveness and hinder our ability to maintain project power and respond to crises in accordance with combatant commander requirements and timelines. Our rebalance to the Pacific faced a significant challenge with the planned downsizing of the Marine Corps to 182,100. We mitigated this by pacing the reconstitution of the III MEF Unit Deployment Program (UDP) commensurate with our force requirements in the CENTCOM AOR and by accepting the impacts of the downsizing in other commands in favor of sustaining, and in some cases increasing, our III MEF force levels under the distributed laydown. Sequestration will reduce the operational readiness of those Pacific-based forces to conduct their assigned missions. Sequestration will also incur a proportional delay in executing the

facilities and force posture restructuring necessary to achieve the distributed laydown plan, inducing further risk for Marine Corps forces in the Pacific. Extending the already protracted timeline for the distributed laydown increases risk for III MEF due to disruption of operational capabilities during the transition and relocation process.

In addition, sequestration will likely affect Marine Corps participation in Theater Security Cooperation (TSC) events across the Pacific, to include Phase II of the Marine Rotational Force-Darwin (MRF–D), and the III MEF UDP. Phase II incorporates the growth in Australia from a company to battalion sized SPMAGTF. Initial fiscal year 2013/2014 costs related to site preparation for the larger unit, and the costs associated with moving the equipment, agricultural inspections, unit movement, as well as regional TSC strategic-lift expenses are at risk. III MEF UDP is the Marine Corps method to project Marine Corps forces forward in the PACOM AOR and may be affected by sequestration, if funding is unavailable for deployment.

The significant impact to Marine Corps equity in the Pacific due to sequestration is the effect on strategic mobility. Intra-theater lift is a requirement due to the distances in the PACOM AOR. Marine Corps ability to participate in TSC events could be impacted if Navy ships are less available due to maintenance and other forms of intra-theater lift are too expensive. While the Joint High-Speed Vessel (JHSV) is not currently available, sustained sequestration may impact Marine Corps capacity to fund JHSV use when the asset becomes available.

QUESTIONS SUBMITTED BY SENATOR ROY BLUNT

DEFENSE INDUSTRIAL BASE FOR TACTICAL AVIATION

107. Senator BLUNT. Admiral Greenert, last week you testified at a House Armed Services Committee (HASC) hearing expressing your concerns about the strength and capacity of the defense industrial base in its support of the Navy. However, you did not address the defense industrial base for tactical aviation. It has been demonstrated that having competition lowers cost and risk involved in production and operations. In the past, this committee has expressed concern with the Navy's tactical aviation shortfall, with its associated life cycle costs and the risk brought to the carrier aviation forces. During the past several years the Navy has reduced its shortfall figure, in part through managing its carrier fleet tactical inventory, service life extension programs (SLEP) of its legacy aircraft, and procuring new F/A–18E/F Super Hornets. The fiscal year 2014 budget shows that the Navy has not addressed this committee's concerns about cost and risk. The budget shows the F/A–18 line will end domestic production after a final procurement of EA–18G Growler aircraft this year. However, the F–35C variant—the last of the three versions of the JSF aircraft—won't reach operational status until at least 2017 or beyond. One of the ways to mitigate against the risk in that program and the challenges associated with SLEP is to keep the F/A–18 line open for domestic production. As a way to mitigate risk in your tactical aviation inventory, can you discuss the importance of having the F/A–18 line available to support the tactical aviation needs of the Navy?

Admiral GREENERT. The current plan for F/A–18 procurement is for a total of 563 aircraft, with the final procurement in 2013 for delivery in 2015. However, the production line will remain open with the procurement of 21 E/A–18G in fiscal year 2014 with a delivery in 2016. The production line will shut down after this procurement, unless we receive international orders as a result of pending Foreign Military Sales (FMS) offers. We have one partner nation that recently agreed to buy 12 EA–18Gs for delivery in the 2017 timeframe, and are awaiting decisions on two dozen additional aircraft from other nations. These FMS procurements could extend the F/A–18 production line.

We continue to evaluate options to meet our strike fighter requirements, to include possible procurement of additional Super Hornets. The F–35C is a necessary part of our future air wing to enable it to remain relevant against improving anti-access threats. The F–35C will bring C4ISR capabilities and stealth that will complement the capabilities of our F/A–18E/F Super Hornet and EA–18G Growler.

PRODUCTION GAP

108. Senator BLUNT. Admiral Greenert, during these challenging budget times and out heightened national security, are you concerned about a production gap when the Navy can't procure operational tactical aircraft for the carriers?

Admiral GREENERT. Currently, we have both the Boeing line of F/A–18E/Fs and Lockheed Martin F–35C line producing tactical aircraft for our carriers.

Based on the potential for a production gap, Navy is closely monitoring the production lines and continues to evaluate options to meet our strike fighter requirements, to include possible procurement of additional Super Hornets. The current plan for F/A–18E/F procurement is for a total of 563 aircraft, with the final procurement in 2013. However, the production line will remain open with the procurement of 21 EA–18G in fiscal year 2014 for delivery in 2016. The production line will shut down after this procurement, with parts of the production line for the manufacture of long lead items starting to shut down in fiscal year 2014.

The F–35C is a necessary part of our future air wing to enable it to remain relevant against improving anti-access threats. The F–35C will bring C4ISR capabilities and stealth that will complement the capabilities of our F/A–18E/F Super Hornet and EA–18G Growler.

109. Senator BLUNT. Admiral Greenert, you wrote in proceedings earlier this year that weapons payload and standoff ability will be vital to tactical naval aviation in the shift to the Pacific theater. Given this conclusion, the ability to carry different and diverse weapons payloads should be critical in current and future combat aircraft. Last week, the JSF program official testified before this committee that there remains risk in the program's technical and software development that could affect weapons payload. Specifically with respect to the F–35C Navy variant, when will the aircraft reach its Block III F full combat operational capability?

Admiral GREENERT. Navy F–35C IOC shall be declared when the first operational squadron is equipped with 10 aircraft, and Navy personnel are trained, manned, and equipped to conduct assigned missions. Based on the current F–35 JPO schedule, the F–35C will reach the IOC milestone between August 2018 (Objective) and February 2019 (Threshold). Should capability delivery experience changes or delays, this estimate will be revised appropriately.

110. Senator BLUNT. Admiral Greenert, at that point, what weapons payload will it be able to carry in order to meet the goals you described?

Admiral GREENERT. Block 3F for the F–35C will include the following internal and external weapons capability:

Internally there are four weapon stations, two Air-to-Air stations and two mixed usage Air-to-Air/Air-to-Ground stations. The Air-to-Air stations will be capable of carriage and employment of AIM–120 Advanced Medium Range Air-to-Air (AMRAAM) missiles. The mixed usage Air-to-Air/Air-to-Ground stations are also capable of carriage and employment of AIM–120 AMRAAM, as well as GBU–32 and GBU–31 Joint Direct Attack Munition (JDAM), the Joint Standoff Weapon System (JSOW), and GBU–12 laser guided bombs (LGB).

Externally there are seven weapon stations capable of carriage and employment of up to four GBU–12 LGB, two AIM–9X Air-to-Air missiles, and one 25mm gun pod.

111. Senator BLUNT. Admiral Greenert, how does that Block III F weapons payload compare with the current weapons payload profile of the F/A–18E/F Block II Super Hornet?

Admiral GREENERT. F/A–18E/F achieved IOC in 2001 and has expanded its weapons portfolio as the program matured. Today a Block II Super Hornet can deliver a variety of air-to-surface weapons including global positioning system guided bombs such as the JDAM and JSOW, LGBs, and missiles such as the High Speed Anti-radiation Missile (HARM) and Standoff Land Attack Missile-Expanded Response (SLAM–ER). Super Hornet Air-to-Air missiles include the infra-red homing AIM–9X, the semi-active AIM–7 Sparrow, and the active AIM–120B/C Advanced Medium-Range Air-to-Air Missile.

F–35C with Block 3F software and weapons will be able to engage ground targets with the JSOW, JDAM, LGBs, and airborne threats with AIM–9X and AIM–120C. The Department of the Navy will continue to expand the arsenal of F–35C as the program evolves much like the Super Hornet added weapons to its portfolio.

Both F–35C and F/A–18E/F will develop additional payload capabilities to pace threat development. These payloads will include networked, survivable, smart, precision munitions that will be delivered by carrier-launched Super Hornets and JSF, leveraging networked integrated fire control and advanced strike-fighter tactics.

SERVICE LIFE EXTENSION PROGRAM

112. Senator BLUNT. General Amos, this committee has been concerned with the strength of the the Navy's tactical aviation fleet. Specifically, we have questioned

the inventory size and how the Navy planned to mitigate a strike fighter shortfall in the near- and long-term. Last year, the Marine Corps emphasized a SLEP for 150 F/A–18A–D aircraft, which would help bridge to the F–35B. This year, briefings indicate a new inspection regime for aging legacy aircraft. However, you testified before the HASC that government depot-level inspections for tactical aviation are taking far longer than anticipated. You stated that your out-of-reporting aircraft is above 40 percent. I understand that inspections are estimated to be taking at least twice as long as anticipated. The Navy released a Request for Information to the industry on capabilities available to support these depot inspections, in part because there is a backlog of aircraft awaiting inspection. Can you discuss the new inspection and SLEP plan for legacy aircraft and has there been an analysis on the costs and schedule of this new process?

General AMOS. In order to meet our operational commitments through 2030, the Navy plans to extend the life on 150 F/A–18A–D aircraft to 10,000 flight hours by way of the SLEP. All other F/A–18A–D aircraft will complete a high flight hour (HFH) inspection at the depot prior to reaching the current service life limit of 8,000 hours. Once complete, the aircraft will be granted an extension authorization to 9,000 hours with recurring operational level inspections at 200-hour intervals. If completed without additional work requirements, such as regularly scheduled Planned Maintenance Interval (PMI) 1 or 2, Center Barrel Replacement (CBR), or other avionics modifications, then we only require a Stand Alone inspection. Thus far, Navy has completed 102 HFH inspections. In addition to the HFH inspection, each of these aircraft required engineering analysis and follow-on repairs or parts replacements in order to return it to an operational status.

The HFH Stand Alone turn-around time is averaging approximately 1 year. The average cost of this inspection is currently $447,186, due to the complexity and thoroughness of the inspection. Many of the aircraft inducted into the depot have required extensive repair and there has not been a case where an aircraft only required an inspection which has added to the challenges of attaining the 180-day turn-around goal. The main contributors are material and engineering dispositions, both of which are being closely monitored and standardized to improve throughput. As the nonrecurring engineering (NRE) process continues to develop Engineering Change Proposals (ECP) and associated kits, they will be incorporated into aircraft inducted. This will alleviate long lead material issues and reduce turnaround times at depot.

There has been analysis on the costs and schedule of HFH inspections. 102 HFH inspections have been completed at the Fleet Readiness Centers since 2008 and every year the Naval Air Systems Command 4.2. Cost Team evaluates the cost and schedule based on updated information. The results are then compared to the existing FYDP and adjusted requirements are forwarded up through the budgeting process.

113. Senator BLUNT. General Amos, what percentage of your fleet is out-of-reporting?

General AMOS. The percentage of Marine Corps F/A–18A–D aircraft that are in out-of-reporting status is 45 percent. As of the latest Naval Air Systems Command Flight Hour and Inventory Report (May 2013), 115 of 258 Marine Corps F/A–18A–D aircraft are out-of-reporting for various depot level maintenance events. This constitutes approximately 45 percent (44.57 percent) of the Marine Corps F/A–18 fleet. There is an increasing trend in out-of-reporting over the past year: May 2012 (88 of 245, ~36 percent), September 2012 (102 of 249, ~41 percent).

114. Senator BLUNT. General Amos, what is the average time an aircraft is out-of-reporting to undergo this inspection process?

General AMOS. The HFH Stand Alone inspection (not combined with any other recurring inspection) is averaging approximately 1 year to complete.

115. Senator BLUNT. General Amos, what is the cost of this new inspection and SLEP plan across the FYDP?

General AMOS. The average cost of the HFH Stand Alone inspection is currently $447,186 with turnaround times averaging 328 to 403 days depending on the depot site.

Fiscal year 2013 HFH inspections and SLEP plan are fully funded. The FYDP costs are shown below.

HFH OMN Budget (in $M)

Current Budget FY (PB-14)	13	**14**	**15**	**16**	**17**	**18**
HFH Inspection Budget (OMN)	$26.5	**$19.8**	**$17.0**	**$9.5**	**$14.8**	**$9.9**

SLEP APN-5 Budget ($636.56M FYDP)*

Current Budget FY (PB-14) $M	13	**14**	**15**	**16**	**17**	**18**
SLEP Budget (APN5 within OSIP 11-99)	$54.63	**$59.52**	**$111.64**	**$206.88**	**$106.72**	**$151.80**

*In PB-14, OSIP 11-99 (funding for SLEP/SLMP) was reduced by $697.28M across the FYDP (Issue # 20025 -$99.26M & Issue # 62294 -$598.00M). This equates to a 52% reduction in funding for combined HFH and SLEP in PB-14.

[Whereupon, at 10:57 a.m., the committee adjourned.]

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2014 AND THE FUTURE YEARS DEFENSE PROGRAM

TUESDAY, MAY 7, 2013

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

DEPARTMENT OF THE AIR FORCE

The committee met, pursuant to notice, at 9:40 a.m. in room SH–216, Hart Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Nelson, McCaskill, Udall, Shaheen, Gillibrand, Blumenthal, Donnelly, Kaine, King, Inhofe, McCain, Sessions, Chambliss, Wicker, Ayotte, Fischer, and Lee.

Committee staff members present: Peter K. Levine, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Jonathan D. Clark, counsel; Gabriella E. Fahrer, counsel; Creighton Greene, professional staff member; Gerald J. Leeling, general counsel; and John H. Quirk V, professional staff member.

Minority staff members present: John A. Bonsell, minority staff director; Steven M. Barney, minority counsel; Allen M. Edwards, professional staff member; Thomas W. Goffus, professional staff member; Anthony J. Lazarski, professional staff member; and Natalie M. Nicolas, minority staff assistant.

Staff assistants present: Jennifer R. Knowles and John Principato.

Committee members' assistants present: Jason Rauch, assistant to Senator McCaskill; Casey Howard, assistant to Senator Udall; Patrick Day, assistant to Senator Shaheen; Jess Fassler and Brooke Jamison, assistants to Senator Gillibrand; Ethan Saxon, assistant to Senator Blumenthal; Marta McLellan Ross, assistant to Senator Donnelly; Nick Ikeda, assistant to Senator Hirono; Karen Courington, assistant to Senator Kaine; Steve Smith, assistant to Senator King; Jacob Heisten, assistant to Senator Inhofe; Paul C. Hutton IV, assistant to Senator McCain; T. Finch Fulton and Lenwood Landrum, assistants to Senator Sessions; Todd Harmer, assistant to Senator Chambliss; Joseph Lai, assistant to Senator Wicker; Brad Bowman, assistant to Senator Ayotte; Craig Abele,

assistant to Senator Graham; Charles Prosch, assistant to Senator Blunt; and Peter Blair, assistant to Senator Lee.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Good morning, everybody.

The committee meets this morning to discuss the plans and programs of the U.S. Air Force in our review of the fiscal year 2014 annual budget and the Future Years Defense Program (FYDP).

I want to welcome Secretary Donley and General Welsh to the committee this morning. This will be General Welsh's first posture hearing as Air Force Chief of Staff and it is likely to be Secretary Donley's final posture hearing, not certainly, but probably, as Secretary. We thank you both for your long careers of leadership and your service to the Department of Defense (DOD) and to our Nation. A special thanks as we also appreciate your flexibility on scheduling. This hearing has been scheduled and rescheduled a number of times because of complications from the late budget submission.

We are presented this morning with dramatic evidence of the need for DOD to act swiftly and decisively to address the plague of sexual assaults in the military. A DOD report, scheduled to be issued later today, reportedly estimates that on the average there are more than 70 sexual assaults involving military personnel every day.

Just this past weekend, Air Force Lieutenant Colonel Jeff Krusinski, the branch chief of the Air Force's Sexual Assault Prevention and Response Program, was arrested in Arlington County, VA, and charged with sexual battery. While under our legal system, everyone is innocent until proven guilty, this arrest speaks volumes about the status and effectiveness of DOD's efforts to address the plague of sexual assaults in the military. We will ask our witnesses to explain in their opening statements today what actions the Air Force has taken, plans to take to address this plague.

The issue of possible changes in the Uniform Code of Military Justice (UCMJ) relative to the power of the convening authority will be addressed at our markup of the National Defense Authorization Act (NDAA) next month.

Over the past 12 years, Air Force personnel and equipment have played a key role in support of our national security goals in Iraq, Afghanistan, and elsewhere around the world. Over this time period, we have relied heavily on Air Force strike aircraft to take on important ground targets, Air Force manned aircraft and unmanned aerial vehicles to provide intelligence, surveillance, and reconnaissance (ISR) support, and Air Force tankers to support coalition air operations. I hope that you two will extend on behalf of our committee our gratitude to the men and women of the Air Force and their families for the many sacrifices that they have made on our behalf.

The Air Force faces a number of difficult challenges in fiscal year 2014 and the following years.

First, the Air Force faces the ongoing challenge of ensuring that it will have the right size and mix of assets and capabilities to meet our strategic needs in a manner consistent with a tight budget environment. The Air Force budget this year calls for a pause

in the major restructuring of Air Force structure proposed last year, pending the results of the National Commission on the Structure of the Air Force. We will look forward to receiving the Commission's report next spring.

Second, the Air Force is expected to play a key role in implementing recent defense strategic guidance calling for a shift to refocus emphasis to the Asia-Pacific region. I hope our witnesses today will help us understand how this strategic shift is reflected in the Air Force budget and in the Service's future plans.

Third, the Air Force faces a continuing challenge in managing its acquisition programs, including the Joint Strike Fighter (JSF), which now stands as the most expensive acquisition program in history. This challenge is exacerbated when rising costs and tight funding lead the Air Force to stretch out production lines, which delays modernization programs and further increases unit costs. The Weapon Systems Acquisition Reform Act of 2009 requires that DOD make significant changes to avoid the kind of costly delays and overruns that have hit our acquisition system in the past. While this legislation should help correct past problems, it will succeed only through concerted efforts within the executive branch to implement it.

These problems are greatly exacerbated also by the implementation of sequestration in fiscal year 2013 and the specter of further sequestration in fiscal year 2014 and beyond. Sequestration, which is already required, is having an adverse impact on the Air Force. General Larry Spencer, the Air Force Vice Chief of Staff, testified last month that "lost flight hours will cause unit stand-downs which will result in severe, rapid, and long-term unit combat readiness degradation. We have already ceased operations for one-third of our fighter and bomber force. Within 60 days of a stand-down, the affected units will be unable to meet emergent or operations plans requirements."

Last week, Senator Inhofe and I sent a letter to the Secretary of Defense in which we asked the Secretary to provide us with a package of reductions to the fiscal year 2014 budget that would meet the $52 billion savings requirement established by the Budget Control Act (BCA). Now, that requirement in the BCA will, hopefully, be met by Congress without a sequester. All three budgets on table—the President's budget, the House budget resolution, and the Senate budget resolution—would avoid a sequester, but none of those are likely to be adopted as proposed. As we explained in our letter to the Secretary, we believe that the identification of specific reductions should help prepare DOD for the possibility that we will be unable to avoid another round of sequestration. But at the same time, it should help Congress avoid sequestration because sequestration is so irrational and draconian, and if the public knows how unpalatable that outcome would be, it will hopefully help us avoid the outcome. We cannot afford as a Nation to let sequestration continue for another year.

So we look forward to exploring these and other issues with our witnesses this morning.

I now call upon Senator Inhofe.

STATEMENT OF SENATOR JAMES M. INHOFE

Senator INHOFE. Thank you, Mr. Chairman. I join you in welcoming our witnesses and the tribute you made to Secretary Donley. I believe this probably will be your last appearance as a witness. You are a very good friend to all of us up here and we appreciate your service. I am sure you will continue to contribute to our country and to the men and women in uniform.

Today's hearing comes at not just a pivotal time, but at a tragic time for our Air Force, and declining defense budgets and ongoing effects of sequestration are having a significant impact on the capabilities and readiness of our airmen.

I look to our witnesses to provide the committee with their candid assessment of what this new budget reality means to the Air Force and the risks that they are being forced to accept, as well as what is being done to manage those risks.

General Welsh, you recently stated—and I am quoting, "the need for modernization is pervasive across our Air Force." I could not agree with you more. I just wish that were the only problem that we are facing right now.

America's combat air assets are worn out and spread too thin after 2 decades of modernization programs being deferred and canceled. The Air Force has to replace its aging aircraft inventory, field new tankers and fifth generation fighters, and build a new bomber and increase our long-range strike capability. We have to maintain our space-based capabilities, enhance our ability to operate in the cyber domain, and ensure that our airmen are trained and ready to execute combat operations across the spectrum of conflict.

Sadly, these efforts are being undermined by a broken acquisition process. The way we develop and buy new weapons systems is an arcane and cumbersome process that continues to saddle the taxpayers with billions of dollars in cost overruns while delaying the delivery of much needed technology to our warfighters. Congress, DOD, and the defense industry have to come together to reform and streamline this process.

The greatest near-term threat to the readiness and capabilities of our Air Force is sequestration, as the chairman stated. In order to meet the budget caps associated with sequestration, the Air Force is raiding its readiness and modernization accounts.

We learned last month that flight hours have been cut by 94,000. Seventeen combat squadrons, nearly a third of the Active Duty combat fleet, have been grounded. The Air Force estimates that it will take between 6 and 12 months at a minimum to return these squadrons to mission-ready status. This is unconscionable at a time when we are facing a global security environment that is as dangerous and complex as any time that I can remember.

Finally, it is critical that we take care of the most important component of our Air Force. That is our airmen. We must ensure that they are properly trained for the full spectrum of operations, that they and their families receive the medical care that they are entitled to, and that their rights are protected.

Your written statement details several actions the Air Force has taken to combat sexual assault. I agree that providing a safe, respectful, and productive work environment is the responsibility of

every airmen at every level. But let me be clear: I am not satisfied with the progress to date. More must be done to eliminate this scourge and do everything possible. Sexual assault undermines morale, hurts readiness, and breaks the trust of those who have volunteered to serve our Nation.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Inhofe.

Secretary Donley, we call on you, as Senator Inhofe said, as kind of an old friend of many of ours. I may be the only one on the committee—although I look around, there may be one other one—who was here when you were on the committee staff. You were a great staffer then and you have been a very fine Secretary of the Air Force. We welcome you and we call upon you now for your testimony.

STATEMENT OF HON. MICHAEL B. DONLEY, SECRETARY OF THE AIR FORCE

Mr. DONLEY. Thank you, Mr. Chairman, Senator Inhofe, members of the committee. It is a pleasure to be here representing our Active Duty, Guard, Reserve, and civilian airmen.

I am also honored to be here this morning with my teammate, our 20th Chief of Staff of the Air Force, General Mark Welsh, a great partner and a great Air Force leader.

For fiscal year 2014, the Air Force requests $114.1 billion in our baseline budget. As with all budgets, our fiscal year 2014 request represents a snapshot in time, our best analysis of Air Force needs, based on available information. Especially given the budget turmoil over the past year, this morning's discussion on the fiscal year 2014 budget needs to begin with where we stand this year in fiscal year 2013.

First, I would like to highlight that throughout the current budget turmoil, our Air Force priorities remain aligned with the January 2012 Defense Strategic Guidance. This includes supporting combatant commanders in the current fight in Afghanistan, maintaining a strong and stable presence in the Pacific and Korea, supporting nuclear and regional deterrence, counter-terror, and other operations.

There is demand for airpower, and your airmen are busy around the world. Today more than 35,000 airmen are deployed. More than 57,000 airmen are stationed overseas, and more than 132,000 are providing support to combatant commanders every day.

As the fiscal constraints get tighter, we must tighten our alignment with this new strategy and strengthen our commitment to joint interdependent solutions to the Nation's military challenges.

You have heard many times that the implications of the sequestration reductions are dire. They are. That is why the President has put forward a balanced deficit reduction proposal that would allow Congress to repeal sequestration in fiscal year 2013 and beyond. While DOD is working full out to adapt to new fiscal realities, it was not possible, given the necessary timelines, to turn around a new fiscal year 2014 budget based upon new assumptions derived from the March 1 sequestration and from the final Defense Appropriation Act, also approved in March, nearly 6 months into the fiscal year.

We need to stipulate upfront that the fiscal year 2014 budget does not provide funding to recover from the damage done by even a partial year of fiscal year 2013 sequestration, much less the full impacts that would hit the Air Force if the President's budget proposal to replace sequestration for fiscal year 2013 and beyond is not enacted.

This morning I will summarize the state of our Air Force in three broad areas: force structure, that is, the size and composition of the Air Force; readiness, the training and preparedness of our airmen and their equipment; and third, modernization, the replacement of aging aircraft and infrastructure and our investment in future capabilities.

Last year, in our efforts to meet the requirements of the first half of the BCA, which included reductions of $487 billion over 10 years, the Air Force's fiscal year 2013 budget proposed a number of force structure changes, including aircraft transfers, retirements, and changes in unit missions, that were the subject of much controversy in our Reserve components, with the State Adjutants General, and congressional delegations. Thanks to the work of this committee and others, we were able to fashion a compromise which you approved in the NDAA.

This year, I can report that the fiscal year 2014 budget proposes no major changes in force structure. As compared to the levels enacted in the NDAA for Fiscal Year 2013, the fiscal year 2014 proposal would reduce our Active Duty end strength by 1,860 airmen, reduce Air Force Reserve end strength by 480, and reduce Air National Guard end strength by 300. We retain C–130 and Global Hawk Block 30 force structure as directed through the end of fiscal year 2014. Our nuclear forces remain at current levels, pending future decisions on implementation of the New START agreement, and we are on track to achieve 65 medium-altitude combat air patrols with our remotely piloted aircraft (RPA) fleet. We will focus in fiscal year 2014 on implementing the retirements, transfers, and mission changes outlined in the NDAA for Fiscal Year 2013. We have provided two reports to Congress outlining implementation plans for each affected unit and location.

Looking ahead, it has never been more important for the Air Force to maximize the strength of the total force. Our Active, Reserve, and Guard components are increasingly integrated, training, deploying, and conducting the full range of missions together as a total force. We must continue to ensure that our Active and Reserve component mix correctly balances the strengths of each component and meets our strategic requirements and fiscal demands.

We have made progress over the last year in our intergovernmental relationships, working with DOD and the Council of Governors to formalize the consultative process between DOD and the States to provide more transparency in planning and programming. Within the Air Force, working with our Guard and Reserve leaders, General Welsh and I have established a Total Force Task Force to provide strategic options on the appropriate mix of total force capabilities and to inform our strategic planning for fiscal year 2015 and beyond. This task force will also serve as a resource to the congressionally-directed National Commission on the Structure of the Air Force, which held its first meeting on April 30.

In summary, our proposed force structure is relatively stable for now, but beyond fiscal year 2014, it is dependent on decisions yet to be made and especially on achieving a balanced approach to deficit reduction to avoid further sequestration.

Turning to readiness, while the Air Force has met the demands of a high operational tempo in support of today's fight, this has taken a toll on our weapon systems and our people. Unit readiness declined significantly from 2003 onward, and despite significant investments in the past few years, only half of our combat air forces have met acceptable readiness standards.

With the rebalance to the Asia-Pacific and our continued presence in the Middle East and Africa, we expect the demand for Air Force capabilities will remain constant and perhaps even rise over the next decade. We must improve readiness to prevent a hollow force.

With respect to fiscal year 2013, the Joint Chiefs of Staff and Air Force leaders have already recounted the readiness impacts we anticipated this year as a result of sequestration. Passage of the final fiscal year 2013 Continuing Resolution (CR), which included defense appropriations, was helpful to DOD overall but did not improve the active Air Force's operation and maintenance (O&M) budget. It left shortages in the Overseas Contingency Operations (OCO) accounts and did not mitigate the impacts of sequestration which required approximately $10 billion in reductions to be taken in the last 7 months of fiscal year 2013.

Anticipating this challenge, at the beginning of January, we took steps to cut back normal operations, including a civilian hiring freeze for permanent, temporary, and term vacancies, canceling non-mission critical official travel and conferences, reducing major command and combatant command O&M budgets by about 10 percent, and deferring non-emergency facilities sustainment, restoration, and modernization projects. However, these steps alone are not sufficient to absorb the full impacts of sequestration without affecting readiness.

Collectively, these sequestration reductions and readiness impacts are now being felt across the Air Force. Currently, nine combat-coded fighter units and three combat-coded bomber units are stood down and have ceased flying operations. Seven combat-coded units are flying at basic mission capable levels and will only return to combat mission ready status if funding becomes available. Flying hour reductions will halt training for the rest of the year in many units and will take up to 6 months to restore pilot proficiency.

Other impacts include reductions in weapon systems sustainment that will delay necessary maintenance, increase costs, and take perhaps 2 to 3 years to recover from repair backlogs. The potential furlough of our valued civilian workforce is significantly reducing civilian pay and devastating morale and slowing productivity.

Our main objective in the fiscal year 2014 budget mirrors our objective for 3 years running: to slow and reverse the erosion of Air Force readiness. To that end, the fiscal year 2014 budget request is aimed at setting the Air Force back on the course toward full spectrum readiness. The fiscal year 2014 request prioritizes funding for 1.2 million flying hours, an increase of 40,000 hours over

fiscal year 2013 to ensure pilot proficiency and continue new pilot production. It funds training ranges to enhance flying training effectiveness and to restore deteriorating infrastructure. It also adds $1.5 billion across the FYDP to weapon systems sustainment to keep our aircraft and space systems ready.

Unfortunately, fiscal year 2013 sequestration now jeopardizes the gains we had hoped to achieve next year. Even assuming this budget is approved as proposed, and even if Congress acted sometime this summer to repeal and replace sequestration for fiscal year 2013, we would almost certainly begin fiscal year 2014 carrying forward a significantly degraded readiness posture from this year.

The Air Force is working with the Office of the Secretary of Defense (OSD) on a fiscal year 2013 reprogramming request to cover OCO shortfalls and to address some of the worst effects of sequestration. However, the budgetary transfer authority available to DOD is not sufficient to address all our known shortfalls. Even if such transfer authority were available, we do not have sufficient internal resources to pay for these shortfalls without digging far too deeply into modernization programs, and there may not be sufficient time left in fiscal year 2013 to repair the damage now immediately ahead.

To sum up the readiness situation, we have been consuming Air Force readiness for several years and will continue to focus resources available to meet combatant commander requirements. But with the steep and late fiscal year 2013 budget reductions brought on by sequestration, the readiness hole that we have been trying to climb out of just got deeper. The full readiness and budgetary implications of this situation could not be accounted for in the fiscal year 2014 Air Force budget request and they are still under review. We will continue to work with our DOD leadership and Congress to fashion a practical way forward.

With respect to modernization, as I have previously testified, this challenge facing the Air Force is pervasive and will, if it is unaddressed, seriously undermine our ability to accomplish the missions the Nation asks us to undertake. The average age of our fighter aircraft is now 23 years; rescue helicopters, 22 years; training aircraft, 25; bombers, 36 years; and tankers, nearly 50 years. Satellites for missile warning, navigation, secure communications, and other needs are also aging, and replacements must be built and launched on a schedule consistent with the life expectancy of current constellations.

Our most significant Air Force priorities remain on track in fiscal year 2014: the fifth generation F–35, JSF; the KC–46 tanker; the long-range strike bomber (LRS–B). The continued modernization of existing fleets like the B–2, the F–22, the F–15, the F–16, and the C–17 to keep them operationally effective and to extend their service lives is also key.

We request funding for preferred munitions, as well as critical space satellite assets such as the global positioning system (GPS); and the Advanced Extremely High Frequency (AEHF) satellite; and the Space-Based Infrared System (SBIRS). We intend to maintain science and technology funding in order to stay on the cutting edge of technological innovation and sustain our airpower advantage.

While we often face challenges with major acquisition programs, we have recently achieved some notable success using block buys and efficient procurement strategies to drive down the costs of our three largest space programs—the Evolved Expendable Launch Vehicle, AEHF, and SBIRS—by over $2.5 billion. The fiscal year 2014 request includes the first year of a multiyear procurement for the C–130J, which is expected to save over $500 million over the next 5 years. We will need more successes like these in the future because there is still significant pressure on our modernization programs.

Last year, in programming the Air Force share of $487 billion in defense reductions over 10 years, the cancelation or delay of modernization programs accounted for 65 percent of total Air Force reductions across the FYDP. This year, each program was reduced by more than 7 percent in sequestration. In the immediate years ahead, major programs such as the F–35, the KC–46, and the bomber are scheduled to grow as the overall DOD budget declines, and some longstanding needs such as a new trainer and a replacement for the E–8 Joint Surveillance Target Attack Radar System (JSTARS) are unfunded.

Looking ahead, if there continues to be resistance to force structure changes, to base closures, and constraining growth and compensation, and given our current focus on improving readiness, it is very likely that out-year budget reductions through the BCA will require further disproportionate cuts to our modernization programs. As advanced technologies continue to proliferate around the globe, these cutbacks in modernization would put at risk the Air Force capabilities this Nation will need in the next decade.

The decisions ahead of us are extraordinarily difficult, but Congress has the power to help the Air Force and DOD maneuver through these unparalleled budget challenges. In recent years, Congress has placed limits on the Air Force's efforts to take tough but urgently needed actions to balance our readiness, modernization, and force structure and rejected some of DOD's proposals to help slow the growth in military compensation. As our DOD leaders have testified, these congressional actions, if sustained, will add billions to our costs over the next 5 years. We hope that in the view of the serious economic problems facing our Nation that Congress will allow us to implement these and other important changes.

It is now all the more critical that we get your support on reductions in base infrastructure. The Air Force executed Base Realignment and Closure (BRAC) 2005 on time and under budget, and those adjustments are today generating savings estimated at $1 billion per year. We are looking at European basing requirements with our DOD partners, and we are ready to begin next steps in the continental United States (CONUS). We estimate that more than 20 percent of our basing infrastructure is excess to need. BRAC authority is a tool that we urgently need to allow DOD to divest excess infrastructure and refocus resources to meet other critical needs, including readiness, modernization, and taking care of our people.

In the area of military compensation, we are committed, as you are, to taking care of our airmen, but the impact of increasing personnel costs continues to be a serious concern and can no longer

be ignored. Therefore, we support DOD's efforts to slow the growth of personnel costs. We support the modest 1 percent pay raise and the TRICARE fee and pharmacy co-pay changes included in the President's fiscal year 2014 budget.

While these are some of the broad outlines of our fiscal year 2004 budget request, there is clearly more work to do as we assess the rolling implications of sequestration in fiscal year 2013 and beyond. We will need your help to make necessary adjustments in our force structure, to keep us ready and to avoid a hollow force, and to equip this Air Force with the modern capabilities it needs for the future.

But perhaps one of the most helpful things Congress can do is to return to regular order and to approve the annual defense authorization and appropriations measures in a timely way. Throughout our history, this Nation has effectively dealt with strategic challenges and fiscal constraints, but our recent track record of repeated delay and uncertainty, CRs that disrupt programs and budget planning, and mid-year cuts that impair readiness and threaten civilian furloughs must not become the new normal. We sincerely appreciate the ongoing commitment of this committee and its professional staff to return to regular order.

Today's world is a dangerous place and it is counterproductive to generate problems of our own making when so many other serious threats beyond our control demand attention. Together we must do better for our men and women in uniform and their families, our civilian workforce, and our national security.

Mr. Chairman, the American people have the world's best airmen and the world's finest Air Force. Your Air Force leadership team remains committed to getting the most capability possible from whatever level of resources you provide. We remain grateful for the support this committee unfailingly provides to the Air Force and to the men and women of our Armed Forces. The Air Force stands ready to assist in any way we can, and we look forward to discussing our proposed budget.

Thank you.

Chairman LEVIN. Thank you so much, Secretary Donley, for a very clear and a very forceful statement.

General Welsh.

STATEMENT OF GEN. MARK A. WELSH III, USAF, CHIEF OF STAFF OF THE AIR FORCE

General WELSH. Thank you, Mr. Chairman, Ranking Member Inhofe, and members of the committee. It is always really a privilege to appear before you.

It is a special privilege for me today because I get to sit next to Secretary Donley on what is likely his last visit to this committee. For the last 5 years, he has led our Air Force with dignity and treating every airman with respect, and we have been absolutely privileged to follow him. I would just like to take this opportunity, Mr. Chairman, with your forbearance to thank him publicly. Boss, thank you for being a remarkable leader for our Air Force.

Ladies and gentlemen, despite the budgetary turbulence in what I hope will be an atypical year, I believe that we will see a continuing demand for American airpower in the future. Because of

that, while our fiscal year 2014 budget request does not fully account for the necessary recovery actions from sequestration, what it does do is prioritize our effort to reverse our declining readiness trend, recognizing that low states of readiness negate many of the strategic advantages of that airpower.

Flying hours are allocated to maintain and in some cases to incrementally improve readiness across the total force. In the past, we relied on OCO funding to partially fund those flying hour programs, and that cannot continue. So we will continue to reduce our reliance on OCO funding for our flying hour program through 2015, at which point we should meet as much as 90 percent of our peacetime flying requirement within our base budget, a level we have not reached in quite some time.

We have also restored emphasis on our training ranges and are funding about 75 percent in the 2014 budget request, up from a low of about 25 percent only a couple of years ago.

As a side note, we also hope to realize cost savings from the findings of our Total Force Task Force. This group was formed to examine the operational impacts and cost factors associated with various approaches to Total Force integration. By identifying and implementing the optimum mix of our Active, Reserve, and Guard components, we should be able to maximize operational effectiveness, better provide stability over time to our Reserve component missions and organizations, and better support the States as well as provide for the national defense. You can expect to see the results of this work presented in our fiscal year 2015 budget submission.

Our fiscal year 2014 budget request also strives to protect the modernization that will make our Air Force viable in the future. The KC–46, the F–35, and the LRS–B remain our top three investment priorities. We need the F–35. It remains the best platform available to address the proliferation of highly capable, integrated air defenses and new air-to-air threats. The LRS–B will give our Nation a flexible, credible capability to strike globally with precision on limited notice should the national interest require. The KC–46 is our highest modernization priority and will ultimately replace a third of our current tanker fleet. That tanker fleet is what puts the "global" in global vigilance, global reach, and global power. It provides strategic options for the Nation and we must modernize it.

Four of the Air Force's 10 largest modernization programs are space-based platforms. We plan to extend our streak of 58 consecutive successful launches and expand and modernize our constellations like the GPS, the defense meteorological satellite program, and others upon which our Nation and many of our allies and partners depend.

We will also continue to invest in our most important resources, our airmen. We will provide the training, education, and professional development opportunities they need to be the best in the world at what they do. That is all they ask of us.

On a decidedly negative note, both Secretary Donley and I were appalled at the deeply troubling sexual battery allegations against the chief of our Sexual Assault Prevention and Response Branch on the air staff just this weekend. As we have both said over and over

and over again, sexual assault prevention and response efforts are critically important to us. It is unacceptable that this occurs anywhere at any time in our Air Force and we will not quit working this problem.

So you know, this case is being adjudicated by the Arlington County prosecutor. We have requested jurisdiction, which is standard practice in cases like these. The individual will be arraigned this Thursday on a single count of sexual battery, and the sexual assault prosecutor in Arlington County will make the decision on jurisdiction and we will go from there. That is as much as I know about this case.

We remain committed to supporting victims of this crime and, consistent with the requirements of due process, to holding those who commit this crime accountable for their actions. We will continue to foster work environments that are safe and respectful. We will develop leaders of character who demonstrate operational effectiveness, innovation, and the selfless caring approach required to lead America's sons and daughters. We will continue to do everything in our power to care for airmen and their families, while balancing the resources required to do that, with the understanding that our primary job is to fight and win the Nation's wars.

My job is to help Secretary Donley field the most capable, credible Air Force possible. I believe our fiscal year 2014 budget request moves us in that direction. It postures the Air Force to improve readiness, to limit force structure costs, and to protect vital modernization. Secretary Donley and I stand ready to answer your questions about it.

Thank you, Mr. Chairman.

[The prepared joint statement of Mr. Donley and General Welsh follows:]

PREPARED JOINT STATEMENT BY HON. MICHAEL B. DONLEY AND GEN. MARK A. WELSH III, USAF

INTRODUCTION

Today's airmen play a pivotal role in the constant pursuit of better ways to defend the Nation. Since the airplane was employed over the battlefields of World War I, airmen have stood for and pioneered new and innovative ways to shape the fight and reinvent the battle itself. While pre-Kitty Hawk warriors relied on breaking through fortified lines on the ground, airmen have always sought to go over, not through, those fortifications to achieve victory. This spirit of innovation, seeing problems from an alternative, multi-dimensional perspective, is in our Service history, in our culture, and in every airmen—Active, Guard, Reserve, and civilian—regardless of his or her specialty or role. We call this perspective "airmindedness." Airmen characteristically view security challenges differently—globally, without boundaries.

As a direct result of our status as the world's preeminent aerospace nation, airpower—the ability to project military power or influence through the control and exploitation of air, space, and cyberspace to achieve strategic, operational, or tactical objectives—allows America to control the ultimate high ground that is essential to winning our Nation's wars. The air arms of the Army, Navy, and Marine Corps are supremely capable at what they do—facilitating their parent Service's respective mastery of operations on the ground, at sea, and in a littoral environment. However, America has only one Air Force specifically designed and precisely employed to exploit the singular global advantages of military operations in air, space, and cyberspace. Airmen provide global vigilance, global reach, and global power for America through the enduring Air Force core missions of air and space superiority, intelligence, surveillance, and reconnaissance (ISR), rapid global mobility, global strike, and command and control. By integrating capabilities across these core missions, we bring a unique set of options to deter war, deliver rapid, life-saving responses to

threatened areas anywhere on the planet, and strike hard and precisely wherever and whenever the national interest demands.

Recruiting and developing high-quality, innovative airmen who leverage technology to rethink military operations to achieve strategic objectives will remain a fundamental tenet of the U.S. Air Force. Only through the efforts of airmen who have led the way in integrating military capabilities across air, space, and cyberspace—even as their numbers have become significantly smaller—has our Nation maintained its airpower advantage. In an uncertain world, the Nation will depend even more on ready airmen to deliver global reach, global vigilance, and global power.

STRATEGIC ENVIRONMENT

In January 2012, the Secretary of Defense issued new defense strategic guidance (DSG)—Sustaining U.S. Global Leadership: Priorities for 21st Century Defense—which serves as a foundational document in establishing national security interests, the threats to these interests, and the fiscal realities that guide our military posture. The DSG directed a rebalance of forces, with a renewed focus on the Asia-Pacific region, as well as continued emphasis on the Middle East. Using the DSG as a point of departure, the Secretary of Defense recently directed a strategic choices and management review in light of budget realities—such as sequestration—and strategic uncertainty. This review will continue to help the Air Force to identify the major strategic choices that we must make to properly and realistically plan for the future.

Although the future is uncertain, we know that the capability to sustain national priorities hinges upon a strong and capable Air Force. Over the last 12 years, the wars in Iraq and Afghanistan required Air Force capabilities to help force rogue regimes from power and then to provide critical support to land forces engaged in counterinsurgency and counterterrorism operations, and the Air Force currently plans to maintain these capabilities. In addition, the expected military challenges of the Asia-Pacific region, the Middle East, and Africa suggest an increasing reliance on airpower, not only by America and her allies, but also by her adversaries. The defining characteristics of American airpower—range, speed, flexibility, precision, persistence, and lethality—have played a crucial role in cultivating stability in these regions, a trend that will only increase in the future. The sheer geographic size and extended lines of communication of the Asia-Pacific region, along with the developing military expansion of potential regional adversaries, demand an air force that is postured to ensure stability and preserve U.S. interests. The Air Force is committed, along with our joint partners and allies and through cooperative military relationships, to ensuring global and regional stability and mutual freedom of access to the global commons to secure our common interests around the world.

The Air Force's technological advantage is threatened by the worldwide proliferation of advanced technologies, including integrated air defenses, long-range ballistic and cruise missiles with precision-capable warheads, and advanced air combat capabilities. Advances in adversarial capabilities in space control and cyber warfare may also limit U.S. freedom of action. Some of these technologies are attained with relatively minimal cost, greatly reducing the barriers to entry that have historically limited the reach and power of non-state actors, organized militias, and radical extremists. We live in an age of surprise, where individual acts can be powerful and the effects can be global. Today's strategic environment presents a broad range of threats and an unpredictable set of challenges, ranging from non-state actors to nuclear armed nations. We must continue to invest in our science and technology base to ensure that the future balance of power remains in our favor. This requires flexibility, versatility, and a shift to inherently agile, deployable, and networked systems from those designed for fixed purposes or limited missions.

One initiative that we continue to pursue as we consider the strategic environment is the Air-Sea Battle concept. Air-Sea Battle is an operational concept focused on the ways and means that are necessary to overcome current and anticipated anti-access and area denial threats. By focusing on increased integration and interoperability between all Services, the concept ensures that joint forces maintain the ability to project power and protect national interests despite the proliferation of anti-access/area denial threats worldwide. The concept is not a strategy, nor does it target a specific adversary, but instead focuses on acquiring pre-integrated, joint capabilities. Beyond conflict, the Air-Sea Battle concept can enhance response to humanitarian missions where weather or geography may deny access.

Even as we rebalance our forces, we are aware that the time, place, and nature of the next contingency can never be predicted with certainty. When contingencies arise, we must maintain the ability to respond immediately and effectively if called

to action. To align with the DSG, the Air Force has traded size for quality. We aim to be a smaller, but superb, force that maintains the agility, flexibility, and readiness to engage a full range of contingencies and threats.

FISCAL ENVIRONMENT

We recognize that because our Nation is striving to reduce spending and our military is transitioning operations from the U.S. Central Command area of responsibility and rebalancing to the Asia-Pacific region, the Air Force must adapt to a relatively static or reduced budget. However, reliance by the joint team and the Nation on our unique ability to provide global vigilance, global reach, and global power constrains Air Force options in reducing or terminating capabilities or missions. Therefore, we are working hard and making real progress in eliminating unnecessary expenses and ensuring more disciplined use of resources. Nonetheless, the fiscal environment requires us to make trades between force structure, readiness, and modernization among the core missions to ensure the highest quality and ready Air Force possible.

Fiscal Year 2013 Sequestration Effects

As a result of the triggering of the 2011 Budget Control Act's sequestration provision, the Air Force is implementing significant reductions to our fiscal year 2013 operations. If the post-sequester Budget Control Act funding caps remain in effect, the Air Force will be unable to achieve our agenda of reinvigorating readiness and aligning to the DSG. In both the short- and long-term, sequestration will have devastating impacts to readiness, will significantly affect our modernization programs, and may cause further force structure reductions.

Sequestration will force the Air Force to reduce expenditures by around $10 billion in fiscal year 2013. These actions include a planned furlough of more than 170,000 civil service employees, an 18 percent reduction in flying training and aircraft maintenance, and deferment of critical facility requirements (including runway and taxiway repairs).

Many of these actions severely degrade Air Force readiness. Lost flight hours will cause unit stand downs which will result in severe, rapid, and long-term unit combat readiness degradation. We have already ceased operations for one-third of our fighter and bomber force. Within 60 days of a stand down, the affected units will be unable to meet emergent or operations plans requirements. Lost currency training requires 6 months to a year to return to current suboptimal levels, with desired flying proficiency for crewmembers requiring even longer. Sequestration impacts are already occurring, and the fiscal year 2014 President's budget (PB) does not assume the costs of recovering the readiness impacts from even a partial year of sequestration.

Depot delays will also result in the grounding of some affected aircraft. The deferments mean idled production shops, a degradation of workforce proficiency and productivity, and corresponding future volatility and operational costs. It can take 2 to 3 years to recover full restoration of depot workforce productivity and proficiency. In our space portfolio, sequestration will force the elimination of some system redundancies, as well as other preventative maintenance actions designed to minimize risk. All of these sequestration impacts negatively affect Air Force full-spectrum readiness at a time when we have been striving to reverse a declining trend in this critical area.

As a result of the Consolidated and Further Continuing Appropriations Act, 2013, the Air Force has been able to make limited funding transfers and reprogramming actions that will help alleviate the most problematic and immediate fiscal year 2013 funding shortfalls. However, the decisions that we have been forced to make in short-term spending may increase total costs over the long run. For example, sequestration cuts to Air Force modernization will impact every one of our investment programs. These program disruptions will, over time, cost more taxpayer dollars to rectify contract restructures and program inefficiencies, raise unit costs, and delay delivery of validated capabilities to warfighters in the field. The drastic reduction to modernization programs reduces our Air Force's competitive advantage and decreases the probability of mission success in the Asia-Pacific region.

Sequestration Effects in Fiscal Year 2014 and Beyond

The President's budget includes balanced deficit reduction proposals that would allow Congress to replace and repeal sequestration in fiscal year 2013 and the associated cap reductions in fiscal year 2014–2021. If sequestration is not replaced, however, the Air Force will have to rebuild degraded unit readiness, accept further delays to modernization, absorb the backlog in depot maintenance inductions, and invest additional funding to restore infrastructure. While the Air Force has made

every effort to minimize impacts to readiness and people, the bow-wave of reductions, deferments, and cancellations associated with sequestration will challenge the strategic choices made in the fiscal year 2014 budget submission.

The exact impacts of sequestration on Air Force resources in fiscal year 2014 and beyond depend on congressional action. We do know, however, that the national fiscal situation will require some reductions that may increase risk to our readiness, force structure, and our ability to modernize an aging aircraft inventory. In addition, the outcome of the strategic choices and management review may drive further changes.

As we navigate the uncertain way ahead, in order to mitigate risk in critical areas like readiness, force structure, and modernization, and to avoid a hollow force, we will continue to work with Congress to develop force shaping options, urgently seek another base realignment and closure (BRAC) round, and ask for relief from legislative restrictions on the reduction of excess force structure and from mandatory expenditures on programs that we have proposed to retire or terminate. To slow the growth in military compensation while also fully supporting the All-Volunteer Force, we also request congressional support on limiting the basic military pay raise to 1 percent and allowing sensible TRICARE fee and pharmacy co-pay changes.

In spite of these fiscal challenges, the Air Force will continue to strive to balance reductions across the force to maintain the capabilities of the remaining forces and keep the Air Force strong.

AIR FORCE CORE MISSIONS

The Air Force will only remain a superb fighting force in fiscal year 2014 and beyond by investing in the capabilities that enable us to bring our five core missions to the joint team. President Truman assigned several roles and missions to the Air Force at its establishment in 1947. Today, the Air Force brings essentially the same interdependent, integrated, and enduring contributions to the joint fight:

- Air and space superiority;
- Intelligence, surveillance, and reconnaissance;
- Rapid global mobility;
- Global strike; and
- Command and control.

Through these core missions, our airmen provide global vigilance, global reach, and global power for America. While the means through which we provide these core missions will change and evolve—for example, the addition of space and cyberspace—the core missions themselves will endure. None of these core missions function independently. Their interdependency and synchronization provide an unparalleled array of options, giving America the ability to respond quickly in the face of unexpected challenges.

The five core missions shape where we invest the resources we are given. However, the significant reductions that the Air Force has faced in the last few years have required us to make difficult choices. We have become a markedly smaller Service—the smallest in Air Force history.

Despite this decline in size, our airmen have stepped up to the challenge and delivered incredible airpower for the Nation, 24 hours a day, 7 days a week, 365 days a year. They always respond when needed—from combat rescue airmen who exfiltrate the wounded from battlefields, to joint terminal attack controllers who direct the actions of combat aircraft engaged in close air support, to mobility airmen who quickly airlift personnel, vehicles, and equipment in both combat and relief operations, to the missile combat crews who sit nuclear alert to deter our enemies. These brave and innovative men and women must be properly trained and equipped to defend the Nation. Experience has taught us that during periods of fiscal austerity, tough decisions are necessary to avoid a hollow force—one that looks good on paper, but has more units, equipment, and installations than it can support, lacks the resources to adequately man, train, and maintain them, and are not provided with enough capable equipment and weapons to perform their missions.

In each core mission described below, we highlight what each core mission means, why it is important, our airmen's recent accomplishments in that area, and what we are focusing on for the future with respect to force structure and modernization.

Air and Space Superiority . . . Freedom From Attack, Freedom to Attack

Air Superiority

Air superiority is foundational to the application of joint military power, and it ensures that the advantages of the other Air Force core missions, as well as the contributions of our sister Services, are broadly available to combatant commanders. It includes the ability to control the air so that our military forces do not have to

worry about being attacked from the air, and it ensures that joint forces have the freedom to attack in the air, on the ground, and at sea. Air superiority has been and remains an essential precondition for conducting successful military operations. Air superiority has provided our Nation with a decades-long asymmetric advantage. Joint force and coalition commanders have come to expect mission-essential air superiority provided by America's airmen. The Air Force has given them ample reason—not since April 15, 1953, has an enemy combat aircraft killed a servicemember in the American ground forces.

In the six major U.S. combat operations of the last two decades, the Air Force's ability to provide air superiority has played an indispensable role in determining the outcome of each conflict. Recently, in Operations Odyssey Dawn and Unified Protector, our airmen patrolled the skies of Libya providing 50 percent of allied airborne reconnaissance and 40 percent of allied strike missions, equating to over 1,800 total strikes in support of the United Nations-sanctioned no-fly zone. In addition, the Air Force provides nearly 100 percent of the Nation's homeland air defense.

Although air superiority underwrites the freedom of action required for all joint military operations, there is no guarantee of it in the future. Substantial near peer investment and proliferation of advanced technologies threatens this freedom of action. Our legacy, or fourth-generation, fighter fleet has secured more than 20 years of an air superiority advantage, but may lose its ability operate as effectively in contested environments. Large-scale use of legacy aircraft in these environments could be inhibited by the increased survivability of highly lethal, advanced integrated air defenses that will likely persist for the duration of future conflicts. Our air superiority future depends on modern technology and fifth-generation fighter capability. Weapon systems like the F–22, with contributions from the F–35, are what will carry America's Air Force forward to continue to provide that capability. Fifth-generation aircraft possess the survivability to operate despite these threats, and the Nation will need them in quantity.

In fiscal year 2014, the Air Force will focus on maintaining air superiority by investing $1.3 billion to modernize the F–22 and F–15 fleets. The last F–22A was delivered in May 2012. The current F–22 upgrade programs include hardware and software enhancements to improve electronic protection, weapons capabilities, and service life. The F–15 is undergoing full scale fatigue testing to determine remaining service lifespan. In fiscal year 2014, the Air Force is requesting $308 million for F–15 fleet radar and electronic warfare upgrades that will permit it to operate in conjunction with fifth-generation aircraft in the future threat environment.

Space Superiority

Along with air superiority, space superiority is integral to our forces' ability to remain free from attack and have the freedom to attack in the air, on land, and at sea. Joint, interagency, and coalition forces depend on Air Force space operations to perform their missions every day. For example, the Global Positioning System (GPS) enables precision guided munitions employment by all Services, in all weather conditions, minimizing collateral damage and providing the nanosecond-level timing needed by today's interconnected and highly-networked communications systems. Beyond defense uses, annual GPS benefits to the economy are in the tens of billions of dollars. Air Force military satellite communications (MILSATCOM) systems, including Advanced Extremely High Frequency (AEHF) and Wideband Global SATCOM (WGS) satellites, provide wideband and protected communications to deployed forces around the globe. This enables the command and control needed by our joint force commanders and allows deployed warfighters to receive intelligence, logistical, and other support from those serving at their home stations.

In calendar year 2012, the Air Force launched nine National Security Space (NSS) satellites to bolster our GPS, MILSATCOM, and situational awareness, and this year, we have successfully launched an additional satellite to enhance our missile warning capability. These launches include putting the fourth WGS, the second AEHF satellite, and the Space-Based Infrared System (SBIRS) GEO–2 satellite into orbit. The Air Force also delivered to orbit a new communications satellite for the Navy, a third GPS II–F satellite, and four National Reconnaissance Office satellites, as well as handled the third successful launch of an orbital test vehicle (OTV), including the first reuse of OTV–1. These launches make 58 consecutive successful Evolved Expendable Launch Vehicle (EELV) launches to date and 90 consecutive successful NSS missions.

To continue to advance our space superiority mission, the Air Force will continue to launch satellites to enhance the GPS, AEHF, WGS, Defense Meteorological Satellite Program (DMSP), and SBIRS constellations. In calendar year 2013, in addition to the SBIRS GEO–2 launched in March, the Air Force has five more launches planned—two GPS, one AEHF, and two WGS. In calendar year 2014, the Air Force

plans five launches—three GPS, one DMSP, and one additional EELV launch. Each of these launches will continue the necessary modernization of space-based positioning, navigation, and timing, protected communications, weather monitoring, and missile warning.

Despite our success in space, we cannot take our space technological capabilities and advantages for granted. The barriers to space access have dropped; nine nations have cleared the engineering and technical challenges required to reach space independently, and at least 40 other nations have a space presence. As a result, the current space environment is more congested, contested, and competitive than ever, and we will see this trend continue for the foreseeable future. To ensure that America remains a nation with unfettered access to space and superior space capabilities, the Air Force is pursuing ways to maintain a resilient[1] and affordable system architecture. Building and launching satellites is expensive, and we are exploring ways to reduce costs, increase competition, and improve resiliency without introducing unacceptable risk.

Our space programs demand significant modernization investment, and the pace of modernization for those programs often is based on the life expectancy of on-orbit capabilities. The Air Force's 10 largest programs include four space systems upon which the joint team and the American public depend. We must sustain these critical space capabilities with a focus on warfighting and mission assurance priorities, while accepting risk to meet fiscal goals.

To get our satellites safely into orbit, the Air Force has implemented a new EELV acquisition strategy to efficiently purchase up to 36 EELV common core boosters at a savings of more than $1 billion. This strategy also introduces a competitive environment for up to 14 additional common core boosters for which new launch provider entrants can compete, starting as early as fiscal year 2015, giving new entrants a clear path to compete for future NSS missions. For fiscal year 2014, we are investing $2 billion in EELV.

Our Efficient Space Procurement (ESP) strategy[2] is driving down satellite costs, resulting in savings across the Future Years Defense Program (FYDP) of more than $1 billion for AEHF satellites, and modernizing MILSATCOM systems to provide greater capacity, force reach back, and access in benign, contested, and nuclear environments. To improve our ability to provide global, persistent, and infrared surveillance capabilities, the Air Force is requesting $1.2 billion in fiscal year 2014 for sustained funding of the Space-Based Infrared System (SBIRS). We have already achieved over $500 million in savings due to our "block buy" approach and have the potential for additional future savings in the SBIRS program due to the ESP strategy.

In addition to replenishing and modernizing aging satellite constellations in critical space mission areas, the Air Force must improve space surveillance and the resilience of space-based capabilities. Therefore, in fiscal year 2014, we are requesting $1.2 billion to modernize the GPS space, control, and user segments, including the addition of new signals and enhanced anti-jam capabilities. To ensure precision navigation and timing capabilities in the future, we are also developing technologies, including chip scale atomic clocks, cold atoms, and vision-based navigation to reduce dependency on GPS. Space situational awareness (SSA) is truly foundational for ensuring our ability to operate safely and effectively in space. To improve our ability to discover, search, and monitor near earth objects, we are requesting $403.7 million to fund the Space Fence, a new system that will provide increased capacity to observe objects in space and, therefore, improve our ability to safely operate our critical space systems.

International Space Partnerships

The Air Force remains fully committed to the long-term goal of fostering international relationships and supporting ongoing security efforts with partner nations around the globe. Teaming with allies and partners not only helps cost-sharing, but it also increases their capability and their capacity to support contingency oper-

[1] Resilience is the ability of an architecture to support the functions necessary for mission success in spite of hostile action or adverse conditions. An architecture is "more resilient" if it can provide these functions with higher probability, shorter periods of reduced capability, and across a wider range of scenarios, conditions, and threats. Resilience may leverage cross-domain or alternative government, commercial, or international capabilities.

[2] ESP is an acquisition strategy that builds on the Office of the Secretary of Defense, Cost Assessment and Program Evaluation-developed concept known as Evolutionary Acquisition for Space Efficiency (EASE). EASE sought to lower the cost of acquiring space systems by using block buys and reinvesting the savings into the Space Modernization Initiative. The Office of the Assistant Secretary of the Air Force for Acquisition took the EASE concept as a building block and added "should cost/will cost" methodology and fixed price incentive fee contracting.

ations. Space is an area in which we have made significant progress in building partnerships. For example, in May 2012, the Air Force concluded a United States-Canada SSA partnership memorandum of understanding (MOU) regarding the Canadian Sapphire satellite system, and we successfully concluded a United States-Australia MOU in November 2012 to begin an 8-year, bilateral effort to provide dedicated space surveillance coverage in the southern hemisphere. International partners are also supporting our SATCOM efforts. In January 2012, the Air Force signed the WGS MOU with Canada, Denmark, Luxembourg, the Netherlands, and New Zealand to enable expansion of the WGS program to a ninth satellite, thus increasing interoperability and partner access to the system. We are also acquiring and fielding the AEHF constellation in cooperation with our international partners from the United Kingdom, the Netherlands, and Canada. In addition, the Air Force has also established nine bi- or multi-lateral international agreements to advance the benefits of the GPS system.

In coming years, our Nation's ability to gain and maintain superiority in air and space will become progressively more contested as sophisticated technologies continue to proliferate. Beyond modernizing our systems, the key to maintaining air and space superiority is ready and trained airmen who are properly equipped for their mission. When called upon, these airmen must command a well-honed combat edge so that they are ready to prevail even against the most advanced opponents.

Intelligence, Surveillance, and Reconnaissance . . . Eyes and Ears on Adversaries

Since the beginning of armed conflict, superior knowledge of adversary intentions, capabilities, and actions has been a critical enabler to victory. The evolution of globally integrated ISR has fundamentally changed how our military fights wars. The tremendous demand for Air Force ISR during recent conflicts and crises highlights their combat advantage. ISR capabilities are among the first requested and deployed, and they are increasingly essential to all facets of Air Force and joint operations. Airmen deliver integrated, cross-domain ISR capabilities that allow the Air Force to provide our Nation's decision-makers, commanders, and warfighters with a continual information advantage over our adversaries.

The Air Force ISR force is networked to provide both foundational intelligence and immediate warfighter support. Sensors operating in air, space, and cyberspace, global communication architectures, and a network of regionally aligned centers enable our forces to conduct exploitation and analytical efforts in support of combatant commander requirements. The Air Force Distributed Common Ground System (DCGS) is a critical capability within this global network, providing decision advantage across the spectrum of conflict, in all theaters, and in support of all operations.

Last year, our ISR airmen conducted intelligence preparation of the operational environment, shaped combat plans for 33 named operations, enabled the removal of 700 enemy combatants from the fight, and provided critical adversary awareness and targeting intelligence to U.S. and coalition forces in over 250 "troops-in-contact" engagements. ISR airmen enhanced battlespace awareness through 540,000 hours of sustained overwatch of tactical maneuver forces and lines of communication and identified over 100 weapons caches and explosive devices that would have otherwise targeted American and partner forces.

ISR Force Structure and Modernization

In fiscal year 2014, our ISR budget request maintains investments in the DCGS, the MQ–1 Predator, the RC–135 Rivet Joint, the RQ–4 Global Hawk Block 40, and U–2 programs, and makes internal adjustments in MQ–9 Reaper program funding so that the program was able to meet a key acquisition milestone.

The Air Force remains on track to field 65 MQ–1B Predator and MQ–9A Reaper combat air patrols by May 2014. To maintain our ability to conduct counterterrorism operations, we are standing-up five new medium-altitude remotely piloted aircraft (RPA) combat air patrols in calendar year 2013 and continuing our transition to an all-MQ–9 fleet. We have built a highly effective permissive ISR capability—a growth of 4,300 percent since 2000—but the survivability in contested environments of some RPA is questionable. Therefore, in a post-Afghanistan security environment and as we rebalance to the Asia-Pacific, we are reviewing the need to adjust the RPA mix toward more survivable systems.

The enduring and universal requirement for ISR capabilities, coupled with a complex and dangerous future security environment, drive the need to modernize our ISR forces. This modernization will include improved automated tools for the Air Force DCGS, a system that allows the processing, exploitation, and dissemination of an enormous amount of information every day, as well as integrated networks that are secure and reliable. The regionally aligned distributed ground sites will be the centerpiece of our cross-domain, global ISR enterprise and will allow airmen to

exploit real-time data from sensors and platforms, even in contested environments. To modernize to an easily upgradable and interoperable architecture, we must overcome policy and technical impediments to allow for seamless intelligence sharing and integration with intelligence community agencies, other Services, and coalition partners. The fiscal year 2014 PB requests $62 million for military construction investments for a new DCGS building to support more than 200 operators, maintainers, support personnel, and mission systems at Beale AFB, CA.

Significant reductions in Air Force-provided ISR capabilities would be inconsistent with the current needs of our joint forces. Although ISR forces will continue to engage in counterinsurgency and counterterrorism operations, they must also evolve to address the challenges of the more contested environment of the Asia-Pacific region, including increased emphasis on air and naval forces, as well as greater cooperation and partnership with allies and regional partners. For example, we are currently exploring potential ISR efficiencies that can be gained by collaborating with the Navy, and we continue to grow and mature our intelligence partnerships with strategic allies across the Pacific. One ISR airmen will also continue their partnerships within the intelligence community to leverage national capabilities for the air component commander and better position combat support agencies to support air, space, and cyber operations.

To enhance our ability to conduct ISR across the range of military operations, we must shift our efforts to solutions that enable robust and reliable communication architectures, all-domain data processing and exploitation, advanced analytical tools, and cross-domain targeting. We are dedicated to improving the automation and machine-to-machine capabilities of intelligence analysis systems in order to deliver greater operational advantage to combatant commanders. Therefore, in the fiscal year 2014 PB, we are requesting an increase of 88 personnel at the Air Force Targeting Center to support deliberate planning requirements, and we are investing $20 million for network centric collaboration targeting capabilities, which includes developing targeting automation tools, machine-to-machine interfaces, and auto-populate capabilities across ISR intelligence and command and control systems. We also plan to add Air National Guard targeting units at two locations to solidify our commitment to reinvigorating the Air Force targeting enterprise.

The strength of our Air Force ISR enterprise continues to be our professional, well trained, and dedicated airmen, officer, enlisted, and civilian, who take all this technology and data and transform it into a decision advantage for our Air Force, our joint teammates, and our Nation. Air Force ISR allows our forces to own the night in Afghanistan, connect with partners across Europe and Africa, and provide warning on the Korean peninsula. The integration of air, space, and cyber ISR is a powerful capability—one in which we must continue to invest our talent and resources.

Rapid Global Mobility . . . Delivery on Demand

The Air Force's rapid global mobility core mission projects American influence quickly and precisely to anywhere on the face of the earth. Air mobility forces provide swift deployment and sustainment capability by delivering essential equipment and personnel for missions ranging from major combat to humanitarian relief operations around the world and at home. On any given day, the Air Force's mobility aircraft deliver critical personnel and cargo and provide airdrop of time-sensitive supplies, food, and ammunition on a global scale. America's mobility fleet averages one take-off or landing every 2 minutes, every day of the year.

Airlift

The Air Force provides unprecedented airlift responses through our strategic and tactical airlift fleets. Here at home, a 12-base effort was initiated within 72 hours of Superstorm Sandy's landfall in October 2012. Active and Reserve airlift crews from Wright-Patterson Air Force Base (AFB), McChord AFB, and Travis AFB converged on March Air Reserve Base and worked together to move 356 utility workers from across California and 134 utility vehicles with their associated equipment—totaling 2.4 million pounds of cargo—in less than 96 hours to places like Stewart Air National Guard Base and John F. Kennedy International Airport in New York. This Total Force effort helped quickly bring utility trucks and workers to where they were needed on the east coast to help restore power to affected Americans 4 days sooner than if the vehicles and equipment would have been driven across the country.

In calendar year 2012, airmen flew 38,000 airlift missions, and over the course of 1,300 airdrops, the Air Force dropped 40 million pounds of life-saving sustainment to coalition forces on the ground in Afghanistan—86 percent more than the entire Korean War. The capability to airdrop personnel, equipment, and human-

itarian relief, especially in contested environments, remains critical to our Nation's defense.

For the inter-theater airlift fleet, C–17 procurement will complete this year, but essential modernization programs to standardize the configuration of the entire 223 aircraft fleet continue. Our fiscal year 2014 budget request includes $1.1 billion to continue the conversion of 52 C–5B aircraft to C–5M Super Galaxy aircraft, with expected completion in fiscal year 2017.

In fiscal year 2014, the Air Force will also continue its efforts to modernize its intra-theater airlift and special operations C–130-type aircraft. In 2014, the Air Force seeks congressional support to embark upon a C–130J multi-year procurement contract that will extend through fiscal year 2018. Over the course of this contract, we will procure 72 C–130J-type aircraft to further recapitalize our airlift, special operations, and personnel recovery platforms. The contract is expected to provide approximately $574.3 million worth of savings to the Air Force over the life of the procurement program and deliver aircraft earlier than annual contracts would.

Supported by the C–130 multi-year contract, the Air Force has programmed $963.5 billion dollars to continue procurement of AC/MC–130Js to recapitalize Air Force Special Operation Command's MC–130E/P and AC–130H aircraft. The AC–130H recapitalization effort concludes in fiscal year 2014, as does the CV–22 procurement, with the purchase of the last three airframes.

Air Refueling

Mobility forces also provide in-flight refueling—the linchpin to power projection at intercontinental distances. Over the past 50 years, the Air Force has provided unparalleled air refueling capability to support the interests of our Nation and her allies. The Air Force flew 16,000 tanker missions last year, and since September 11, 2001, America's tanker fleet has offloaded over 2.36 billion gallons to joint and coalition air forces. The new KC–46 tanker will help maintain this capability—the backbone of America's military reach—while also extending the range and persistence of joint and coalition aircraft.

As the Air Force considers where to invest in this core mission area, we are seeking the most effective and efficient way to move people and equipment. We also anticipate a future that will call for us to provide rapid global mobility to remote, austere locations in contested environments. This will first require a very capable tanker fleet. Replacing one-third of the 50-year-old KC–135 aerial refueling tanker fleet with the KC–46A is our top Air Force acquisition priority. The KC–46A program will ensure that our Nation retains a tanker fleet able to provide crucial air refueling capacity worldwide for decades to come. In fiscal year 2014, we programmed $1.6 billion dollars for the manufacture of four developmental aircraft. The initial flights of the KC–46A test aircraft are scheduled to begin in fiscal year 2014. The program is currently executing as planned, and we are on track to receive 18 operational aircraft by late fiscal year 2017. Until the KC–46A reaches full operational capability, we are resourcing critical modernization of the KC–10 and KC–135 tanker fleets.

Combat Rescue/Aeromedical Evacuation

Combat rescue and aeromedical evacuation forces are other key parts of the rapid global mobility force. The Air Force is the only Service with a dedicated force organized, trained, and equipped to execute personnel recovery. These highly-trained airmen support Air Force, joint, and coalition forces in a wide variety of mission areas. With a unique combination of armed, highly advanced HH–60G Pave Hawk helicopters and specially trained airmen, we provide a unique capability to recover wounded soldiers and civilians in environments considered too hostile for standard medical evacuation units. In addition to overseas contingency deployments, these airmen also serve as first responders during disaster relief and humanitarian assistance operations, making pararescue one of the most highly stressed career fields in the U.S. military. Since 2001, our combat rescue forces have saved over 7,000 lives, and in 2012 alone, they flew 4,500 missions that saved 1,128 coalition, joint and partner nation lives in some of the harshest environments in the world.

Aeromedical evacuation also continues to play a vital role in providing responsive, world-class medical support to wounded soldiers and injured civilians around the globe. In calendar year 2012, the Air Force airlifted 12,000 patients; since 2003, we have transported a staggering 195,000 patients. To enhance our response to battlefield evacuation support, we developed and deployed tactical critical care evacuation teams to provide triage care on rotary wing aircraft closer to the point of injury. Our health response teams include rapidly deployable, modular, and scalable field hospitals. They provide immediate care within minutes of arrival, surgery and intensive care units within 6 hours, and full capability within 12 hours of deployment.

These advances have elevated battlefield survival rates to unprecedented levels, with a nearly 30 percent improvement since Operation Desert Storm (Iraq) in the early 1990s.

With the recapitalization of the HC–130N/P with the HC–130J through the C–130 multi-year program, the Air Force continues its effort to modernize its personnel recovery programs. The Combat Rescue Helicopter Program will replace the aging HH–60G fleet, and the Operational Loss Replacement Program will replace HH–60G aircraft lost during operations over the past decade, returning the HH–60G inventory to 112 aircraft. This year, we budgeted $393.6 million to finalize the modification process and begin testing the first two aircraft. The ability of Air Force helicopters to fight their way in and out of medical evacuation and recovery operations is unique to the joint team and has proven its value over the past 10 years. Currently, the combat rescue fleet is sized appropriately to meet our global strategy.

Mobility Force Structure

Air Force mobility forces, including long-range strategic airlifters, tankers, and tactical airlifters are sized to move and sustain joint forces over long distances. Congress manages the long-range fleet to a specific floor, currently 301 aircraft. However, after submission to Congress of a report required by the National Defense Authorization Act for Fiscal Year 2013, we anticipate that this floor will be lowered to 275. The tanker fleet is largely right-sized to support the joint force. However, the tactical airlift fleet is sized somewhat larger than the defense strategy requires.

Rapid global mobility will continue to be a critical core mission for the Air Force. Whether it is sustaining the warfighter in any environment or delivering hope with humanitarian assistance, airmen will ensure that the whole of government and international partners are strengthened with this unique capability to get assets to the fight quickly, remain in the fight, and return home safely.

Global Strike . . . Any Target, Any Time

As a significant portion of America's deterrent capability, Air Force global strike provides the Nation the ability to project military power more rapidly, more flexibly, and with a lighter footprint than other military options. The Air Force's nuclear deterrent and conventional precision strike forces can credibly deny adversary objectives or impose unacceptable costs by effectively holding any target on the planet at risk and, if necessary, disabling or destroying targets promptly, even from bases in the continental United States. Global strike may entail close support to troops at risk, interdicting enemy fielded forces, or striking an adversary's vital centers from great distances. Credible long-range strike capabilities are indispensable for deterrence and provide fundamental military capabilities to underpin U.S. military power. Air Force global strike capability relies on a wide-range of systems including bombers, missiles, tankers, special operations platforms, fighters, and other Air Force systems.

Nuclear Deterrent Forces

The unique attributes of the Air Force's nuclear deterrent forces—the stabilizing characteristics of the intercontinental ballistic missiles (ICBM) and the flexibility of the bomber—underwrite the Nation's ability to achieve stability amidst the likely crises and challenges of the coming decades. Air Force B–2 and B–52 bombers and ICBM crews—who continually stand watch all day, every day—provide two legs of the Nation's nuclear triad, while our nuclear command, control, and communications systems provide the National Command Authority the necessary tools to employ all strategic forces. Together, our bombers, tankers, ICBMs, and dual-capable fighters provide this "no fail" capability as the backbone of America's deterrence.

Against a backdrop of increasingly contested air, space, and cyber environments, the Air Force must maintain its ability to hold any target at risk and provide the Nation a credible strategic deterrent force. This capability, unmatched by any other nation's air force, will only grow in importance as America rebalances its force structure and faces potential adversaries that are modernizing their militaries to deny access to our forces. Therefore, the Air Force will modernize global strike capabilities to ensure that American forces are free to act when, where, and how they are needed.

Consistent with the DSG, in fiscal year 2014, the Air Force is investing in the development of the long range strike family of systems. The Long Range Strike-Bomber (LRS–B)—another of the Air Force's three top acquisition programs—is a key piece of that effort, and we are requesting $379.4 million for LRS–B in fiscal year 2014. The Air Force is committed to leveraging mature technologies and streamlined acquisition processes to deliver an affordable new bomber with conventional and nuclear strike capabilities. Therefore, the Air Force will certify the LRS–B for nuclear weapons employment within 2 years after initial operating capability

to simplify the development and fielding of the aircraft, as well as have the benefit of conducting its nuclear certification on a mature system.

While the LRS–B is in development, sustaining and modernizing B–52 and B–2 bombers is critical to ensure that these aging aircraft remain viable. Upgrades to the B–2's Defensive Management System, communications improvements on the B–52 via the Combat Network Communications Technology (CONECT) program, and aircraft sustainment efforts, such as the anti-skid system replacement on the B–52, are just a few examples of steps being taken to ensure the effectiveness of our bomber fleet for years to come. Independent of specific platforms, we budgeted $122.8 million to continue the adaptive engine technology development effort to mature advanced propulsion technology to decrease fuel consumption and increase range and loiter time.

Nuclear weapons improvements include the B61–12 tail kit assembly program, which is undergoing its preliminary design review. We are also modernizing ICBM fuzes for Mk21 and Mk12A re-entry vehicles, leveraging common technologies and components with the ongoing Navy fuze program.

As long as nuclear weapons exist, the Air Force is committed to meeting the President's direction to maintain safe, secure, and effective nuclear deterrence capabilities. The quantity of nuclear-capable bombers and ICBMs comprising the bulk of the Nation's deterrent force may be reduced as we continue to implement the New START treaty. However, the treaty allows both sides to determine their own force structures, which gives us flexibility to deploy and maintain our strategic nuclear forces in a way that is best calculated to serve our national security interests. But deeper reductions must consider multi-dimensional challenges from the world's emerging nuclear powers in a more complex security environment. The Nation's nuclear expertise must not be allowed to atrophy, and focused attention is necessary no matter the size of the nuclear force.

Precision Strike Forces

In addition to nuclear deterrent forces, our conventional precision strike forces hold any target at risk across the air, land, and sea domains. Currently, precision strike forces and armed ISR support joint and coalition ground forces in Afghanistan and Africa. In 2012, the Air Force flew and supported over 28,000 close air support sorties in Operation Enduring Freedom (Afghanistan). However, as our forces rebalance to the Asia-Pacific region and as anti-access/area-denial capabilities proliferate, the ability of our fourth-generation fighters and legacy bombers to penetrate contested airspace will be increasingly challenged.

Success in counterterrorism and irregular warfare missions requires the continued ability to conduct operations in hostile, denied, or politically sensitive environments, using other than conventional forces. Air Commandos provide specialized expertise for infiltration, exfiltration, precision strike, battlefield air operations, ISR, and aviation foreign internal defense that are essential to joint special operations capabilities. In 2012, Air Force special operations personnel executed 1,642 strike missions and 7,713 specialized mobility missions. Persistent special operations presence in Afghanistan and elsewhere, increasing requirements in the Pacific, and enduring global commitments will continue to stress our Air Force special operations airmen and aircraft.

In fiscal year 2014, the Air Force is concentrating on funding the F–35 program—one of our top three acquisition programs. While also complementing the F–22's world class air superiority capabilities, the F–35A is designed to penetrate air defenses and deliver a wide range of precision munitions. This modern, fifth-generation aircraft brings the added benefit of increased allied interoperability and cost-sharing between Services and partner nations. In fiscal year 2014, we are investing $4.2 billion in the continued development of the F–35 weapon system and the procurement of 19 low rate initial production Lot 8 aircraft. The Air Force is focused on completion of the system design and development of the F–35 by fiscal year 2017 and requests $782.3 million in fiscal year 2014 for this purpose.

During F–35 development, it is imperative that we maintain our fourth-generation fighter fleet. The F–16 is undergoing full-scale durability testing to inform structural modification efforts to extend its service life. At least 300 F–16s will undergo a service life extension program and a capability enhancement called Combat Avionics Programmed Extension Suite, which permits them to remain relevant in the near-term threat environment until the F–35 is available in sufficient numbers. We are requesting $52.3 million in fiscal year 2014 for these enhancements.

Modernizing our munitions to align with the DSG is also an urgent requirement that is fundamental to managing the risk associated with combat force reductions. In fiscal year 2014, the Air Force is investing $1.1 billion in preferred conventional munitions, such as the AIM–120D, AIM–9X, AGM–158, and GBU–53, and is devel-

oping new munitions to address future needs. We are also continuing our efforts to ensure the safety, security, and effectiveness of our nuclear arsenal.

The Air Force must maintain its ability to neutralize any target at any time with global strike forces so that America's military credibility will remain uncontested, allies will not worry, and potential adversaries will not be emboldened to challenge the pursuit of our national objectives.

Command and Control . . . Total Flexibility

Airmen employ the Air Force's other four interdependent and enduring core missions through robust, adaptable, and survivable command and control systems. The Air Force provides access to reliable communications and information networks so that the joint team can operate globally at a high tempo and level of intensity. Air Force command and control systems give commanders the ability to conduct highly coordinated joint operations on an unequaled scale using centralized control and decentralized execution.

The Theater Air Control System (TACS) is the Air Force's primary system to enable planning, control, and execution of joint or combined air operations. The senior element of the TACS is the air operations center (AOC). The inherently flexible capabilities of the AOC and its crews allow for deliberately planned responses to anticipated challenges and dynamically planned responses to contingencies. The Air Force's primary TACS weapons systems, such as the Control and Reporting Center (CRC), the E–3 B/C/G Airborne Warning and Control System (AWACS), and the E–8C Joint Surveillance Target Attack Radar System (JSTARS), provide the AOC with the critical battle management, sensors, and communications that are required to get the right information to the right person in a timely manner.

In Operation Odyssey Dawn (Libya) in 2011, TACS airmen enabled more than 2,000 sorties to enforce the United Nations' no-fly zone. In 2012, Air Force command and control operations included: planning, executing, and controlling over 60,000 combat sorties in support of Operation Enduring Freedom (Afghanistan); over 12,000 sorties in support of Operation Noble Eagle (U.S. air defense); over 1,700 sorties supporting 35 defense support to civil authorities events; over 9,000 global aeromedical evacuation missions; noncombatant evacuation operations as a result of the terrorist attack on the American embassy in Libya; and over 1,500 ISR missions supporting U.S. Southern Command and Northern Command. Our command and control systems enabled us to conduct many of these operations simultaneously.

It is essential that we continue to modernize, upgrade, and refit our operational and tactical level command and control systems and sensors to maintain the Nation's advantage in command and control. Our systems are under constant attack, as illustrated by the new and more capable threats emerging daily in the areas of cyber weapons, anti-satellite systems, advanced fighter/attack aircraft, and electromagnetic jamming. Our potential adversaries are also making advances by electronically linking their own combat capabilities, creating new military challenges that our forces must be prepared to address.

To respond to these challenges, the Air Force will field advanced command and control systems that are more reliable, resilient, and interoperable. More importantly, we will recruit and train innovative airmen to build, manage, and advance our complex and diverse command and control systems while enabling their ready use by our own and allied forces. Modernization of existing systems, such as the CRC and E–3G Block 40/45, and AOC 10.2 will serve as the backbone of this effort. In fiscal year 2014, we are investing $396.8 million in E–3G Block 40/45, $58.1 million in AOC 10.2, and $26.4 million in CRC. We are also funding critical investments in future capabilities, such as the Joint Aerial Layer Network. The Air Force has also initiated modernization of crucial national command, control, and communications systems and is investing $52.3 million in fiscal year 2014 to fund data linkages between fifth-generation aircraft and legacy fleets. Finally, the Air Force continues to examine alternatives for the future of the JSTARS mission area.

Cyber Capabilities

The capability to deliver airpower is intimately dependent on the ability to operate effectively in cyberspace, which is critical to all of our core missions and many of our command and control systems. Operations in cyberspace can magnify military effects by increasing the efficiency and effectiveness of air and space operations and by helping to integrate capabilities across all domains. Pervasive and highly interconnected, cyberspace operations will remain extremely contested. The United States faces cyber-attacks on key infrastructures. The cost of entry is low, anonymity is high, and attribution is difficult. The Air Force recognizes the severity of these threats, as well as the speed and interconnected nature of cyberspace, and is dedi-

cated to ensuring the access and freedom of maneuver that are essential for effective cyber operations.

Cyber roles and responsibilities are certainly not exclusive to the Air Force; however, the integration of cyber capabilities with each of our core missions is an essential component of how we bring innovative, globally focused "airmindedness" to ensure our warfighting advantage. In fiscal year 2013, the Secretary of Defense decided on a new force model for Department of Defense (DOD) cyber operations. This model will increase the Air Force cyber force structure and manning. The additional manpower will provide the Air Force capability for national, combatant command, and Air Force cyber missions. For example, the Air Force has increased funding to $3.6 million in fiscal year 2014 to cyber hunter teams who provide precision capability to identify, pursue, and mitigate cyberspace threats affecting critical links and nodes within the Air Force network.

The Air Force will continue to synchronize forces across air, space, and cyberspace to achieve mission success in dynamic battlespaces and support integrated and interoperable joint command and control capabilities that are agile, responsive, and survivable, even in contested environments.

AIRMEN READINESS AND DEVELOPMENT

While it is common to define the Air Force by its core missions or by our aircraft, missiles, and satellites, the reality is that our Service's unmatched capabilities exist only because of the imagination and knowledge of our outstanding airmen. Accordingly, we believe in taking care of our people first, while always remaining focused on the mission. To ensure that our airmen can continue to power the enduring core missions for the Nation, we must invest in their readiness and development.

Readiness

Underpinning our airmen's ability to provide global vigilance, global reach, and global power to the Nation and contribute our core missions to the joint team is their readiness. "Readiness" is the ability of a unit to provide its designed operational capabilities within the required timeline. It is comprised of personnel requirements, training (to include flying hours), weapon system sustainment, facilities, and installations. A good readiness posture depends on health in all of these key areas. While protecting future readiness includes modernizing the weapons systems and equipment, creating combat readiness in the near-term is a complex task involving the intersection of personnel, materiel, and training. It includes balancing time between operational and training commitments, funding from multiple sources, informed levels of risk, and effectively managing resources to achieve the desired state of readiness.

Mitigating the risk associated with a smaller military requires a fully ready force. A smaller force with less capacity requires greater attention to ensuring adequate personnel levels, aircraft availability, weapons, and sufficient training to support the full range of mission requirements at the desired level of competency. If we attempt to sustain current force levels while personnel and operational costs rise, there will be progressively fewer resources available to support our current number of installations, maintain existing aircraft inventories, vital equipment, and weapons, and invest in future capabilities. These factors become more critical as shortages in aircraft availability, weapons, and key personnel grow and exert a larger negative effect on the overall readiness of the force.

While the Air Force has met the demands of a high operational tempo in support of today's fight, this has inevitably taken a toll on our weapons systems and people, putting a strain on the overall readiness of the force. As reflected by Office of Secretary of Defense (OSD)-mandated Status of Requirements and Training System (SORTS) metrics, we have seen a steady decline in unit readiness since 2003; our readiness must improve. The rebalance to the Asia-Pacific and our continued presence in the Middle East and Africa indicate that the demand for Air Force capabilities will remain constant, or perhaps even rise, over the next decade.

Currently, the bulk of the funding for maintaining numerous missions initially fielded with overseas contingency operations (OCO) funding (e.g., MQ–1/9, MC–12, and the E–11A with its battlefield airborne communications node capability) remains in the upcoming fiscal year 2014 budget request. If the Air Force is to retain those capabilities for the long-term, funding for the aircraft and the capabilities and the infrastructure that supports them must migrate from OCO funding to an adjusted base budget. If the base budget is not adjusted, these capabilities will either have to be retired or be retained at the expense of other full spectrum forces and capabilities, which would increase risks.

The Air Force supports combatant command missions that require 24/7 availability and attention. Space operations, command and control, cyber defense, ISR,

special operations, personnel recovery, and nuclear deterrence are all high priority missions that cannot be done adequately, and in some cases cannot be done safely, at low readiness levels. In support of U.S. defense strategy, air forces are inherently capable of responding quickly and can be shifted on relatively short notice between critical theaters of operation. Allowing the Air Force to slip to a lower state of readiness that requires a subsequent long buildup to full combat effectiveness will negate the essential strategic advantages of airpower and put joint forces at increased risk.

Therefore, the Air Force's portion of the fiscal year 2014 PB aligns resources in an effort to slow the readiness decline and sets the stage for restoring full-spectrum readiness. However, as noted previously, the effects of sequestration in fiscal year 2013 will hamper our readiness efforts in fiscal year 2014 and beyond. The pillars of our full-spectrum readiness effort include: a consistent, equitable, and attainable flying hour program; prioritized full-spectrum training venues; focused weapons systems sustainment funding; appropriate reallocation of manpower to our highest priority missions; sustainment of our power projection platforms (Air Force installations); and developing and caring for airmen and their families.

Through planned funding of weapons system sustainment, the flying hours program, training ranges, facilities and installations, and modernization programs, the Air Force could maintain its legacy of "spring-loaded" readiness. In the past 35 years, the Air Force has been called upon nearly 150 times to conduct combat or humanitarian operations in more than 45 countries, and combat sorties in the U.S. Central Command area of responsibility have continued uninterrupted since 1991. The completion of combat operations in Iraq and Afghanistan are important milestones that should provide an opportunity to reset the force, but other international security challenges remain and, in some cases, are growing. America will continue to need a ready Air Force.

Weapons System Sustainment (WSS)

WSS is a key component of full-spectrum readiness. Years of combat demands have taken a toll across many weapons systems, and we continue to see an increase in the costs of WSS requirements, which are driven by sustainment strategy, complexity of new weapons systems, operations tempo, force structure changes, and growth in depot work packages for aging, legacy aircraft. With recent force structure reductions, we must carefully manage how we allocate WSS in order to avoid availability shortfalls.

The fiscal year 2014 budget submission adds $1.5 billion to the WSS portfolio across the FYDP. Although the fiscal year 2014 PB adds baseline funds for WSS, we continue to rely on OCO funding for global contingency operations.

WSS funding requirements for combat-ready air, space, and cyber forces have consistently increased at a rate double that of DOD inflation planning factors. Although service life extension programs and periodic modifications have allowed our inventory to support 20 years of unabated operations, the cost of maintenance and sustainment continues to rise. As a result, we want to improve the link between resources and readiness for Air Force weapons systems by reducing costs, improving risk-based decision making, and balancing costs with performance. To address the trend of higher costs, we are reviewing and streamlining organizations and processes to reduce maintenance and material costs, develop depot efficiencies, and manage weapons systems requirements growth. We are taking actions to reduce requirements by examining the potential for restructuring or modifying new and existing contractor logistics support contracts to optimize tradeoffs, provide visibility, and improve flexibility between costs and outcomes. We will also leverage risk-based strategies and evaluate maintenance schedules to maximize aircraft availability and apply performance-based logistics solutions to balance total sustainment costs with performance.

Despite our efforts, WSS costs are still expected to grow, and new, more capable aircraft are often more expensive to maintain than those they replace. In the current fiscal environment, our efforts to restore weapons system availability to required levels will be a serious challenge.

Flying Hour Program (FHP)

The emphasis on readiness in the DSG reinforced the need to implement a FHP that achieves full-spectrum readiness. The Air Force balanced the allocation of flying hours across the Total Force to incrementally improve readiness levels. The flying hour program will continue to rely on OCO funding to support Operation Enduring Freedom and the redeployment of combat forces from Afghanistan. With the expectation of decreasing OCO flying hours, we have programmed increasing O&M-funded flying hours in fiscal year 2015 and throughout the FYDP. Beginning in fiscal year 2015, the program is approximately 90 percent of the peacetime training

requirement to attain full-spectrum readiness across the Total Force, reflecting our assessment of the full executable program.

We are also committed to a long-term effort to increase our live, virtual, and constructive operational training (LVC–OT) capability and capacity by funding improvements in LVC–OT devices (e.g., simulators and virtual trainers) and networks. Adjustments to the flying hour programs will continue to evolve as the fidelity of simulators and LVC–OT capabilities improve. Increasing our virtual capabilities will minimize fuel consumption and aircraft maintenance costs while ensuring high quality training for our aircrews. In fiscal year 2014, we are investing $3.3 million for LVC–OT purposes.

Training Ranges

Full-spectrum training requires the availability of air-to-air and air-to-ground training ranges. Many of our ranges are venues for large-scale joint and coalition training events and are critical enablers for concepts like Air-Sea Battle. In fiscal year 2014, we are requesting range O&M funding of $75.8 million to sustain these crucial national assets to elevate flying training effectiveness for the joint team, which in turn improves individual and unit readiness levels. Unfortunately, previous years' baseline range funding was at levels as low as 25 percent of requirements, resulting in a corresponding corrosive effect as range infrastructure deteriorated and aircrews only maintained readiness in skill sets oriented toward current combat operations. This year, we are reversing this trend by raising baseline range funding to 74 percent of requirements to begin a return to full-spectrum readiness. As we continue to realign to the DSG, additional range investment and sustainment funding will be necessary to ensure that our combat forces are prepared for the full range of potential threats and environments.

In fiscal year 2014, the Air Force is poised to work with the joint community to enhance cyber ranges to enable realistic testing and evaluation of new cyber concepts, policies, and technologies. These ranges will provide a venue for evaluating network services, information assurance, and offensive and defensive cyber capabilities in a closed and secure environment. Coupled with the Air Force's program for simulator-based cyber education, training, crew certification, and exercises, these cyber ranges will provide trained and tested cyber operators able to strike targets anywhere on the globe, as well as defend against foreign and domestic attacks.

Facilities, Installations, and Energy

From cyber to long-range strike, installation readiness buttresses the Air Force's core mission. Therefore, the Air Force's fiscal year 2014 budget request employs a balanced approach to our installation investment strategy. Our installations are power projection platforms comprised of both built and natural infrastructure that: (1) effectively enable Air Force core operational capabilities—we deliver air, space and cyber capabilities from our installations; (2) send a strategic message of commitment to allies and intent to adversaries; (3) foster partnership-building by stationing our airmen side-by-side with our coalition partners; and (4) enable worldwide accessibility in times of peace or conflict. Therefore, we must maintain sustainable installations to enable Air Force support to the vectors outlined in the DSG.

In the fiscal year 2014 PB, the Air Force returned military construction (MILCON) investment levels to near historic norms following the deliberate pause of fiscal year 2013. This year, the $1.2 billion investment focuses on supporting beddown requirements for the F–35 and KC–46, combatant commanders' top priorities in cyber and nuclear deterrence, and the rebalance to the Asia-Pacific theater.

Recognizing the links between MILCON and facilities sustainment, restoration, and modernization (FSRM), we are funding facilities sustainment at 80 percent of the OSD facilities sustainment model requirement, and we added over $400 million for restoration and modernization across the FYDP to enable consolidation efforts and improve the quality of our most mission-enabling facilities.

Foundational to all of our efforts, energy enables the force and sustains our national security posture. Energy, which comprises about 8 percent of the Air Force budget, enables Air Force core missions, and fuels our operational capabilities. The Air Force recognizes the vulnerability and volatility created by our dependence on finite, non-renewable energy supplies. Therefore, we are committed to increasing energy security and becoming ever more energy efficient. We have already made great strides in reducing consumption and improving efficiency. Since 2006, the Air Force has reduced its fuel consumption by 12 percent, exceeding a 10 percent reduction goal 3 years ahead of schedule.

Overall, our focus is to reduce our energy footprint across all operations. Investments we made in fiscal year 2012 to improve our facility energy efficiency and reduce our energy requirement are expected to start generating savings in fiscal year

2014. The Air Force is also looking to improve its energy security and diversify its energy supply through increased use of renewable energy. We also plan to improve our energy security by making the most of private sector knowledge, technology, and financing to capitalize on underutilized land on our installations.

The Need for Base Realignment and Closure

As we make efforts to improve and sustain our installations, we also recognize that we are carrying infrastructure that is excess to our needs. A capacity analysis conducted prior to the 2005 BRAC suggested that the Air Force had 24 percent capacity that was excess to our mission needs. However, the 2005 BRAC did not make major reductions to Air Force facilities, and since that time, we have reduced our force structure by more than 500 aircraft and reduced our active duty military end-strength by 7 percent. The Air Force currently has significant excess infrastructure that is very expensive to maintain in terms of both financial and human resources. In the current and projected fiscal environment, we simply cannot afford it. The Air Force has limited authority under current public law to effectively consolidate military units or functions and divest excess real property. The money that we are spending on maintaining excess infrastructure is more urgently needed to recapitalize and sustain our weapon systems, improve readiness, and invest in the quality of life needs of airmen.

Readiness and Modernization

The decline in future budgets does not allow us to improve readiness while also maintaining force structure and continuing all planned investment programs. To prioritize readiness, we have made a conscious choice to take some risk by making sacrifices in modernization programs. Although we have been more effective in our use of operating resources and garnered savings from better business practices,[3] the Air Force has been forced to terminate or restructure several programs. Program restructures and terminations include terminating the Space Based Surveillance Block 10 follow-on, freezing Gorgon Stare at Increment II, terminating Air Force participation in the Joint Precision Approach and Landing System land-based segment, and divesting the UAV (unmanned aerial vehicle) Battlelab in fiscal year 2014.

The Air Force also terminated acquisition of the underperforming Expeditionary Combat Support System (ECSS). ECSS was initiated in 2005 in an effort to provide end-to-end visibility of the Air Force's supply chain and enable better logistics decisionmaking. As planned, ECSS would have transformed the logistics enterprise, making all aspects interoperable and synchronized with the financial and accounting systems to enhance business and mission operations and realize efficiencies. Unfortunately, after several years of schedule delays, poor contractor performance, and cost increases, we determined that the program could not meet the fiscal year 2017 financial improvement and audit readiness statutory requirement and was not likely to achieve other promised capabilities at an affordable cost. Instead of continuing to spend money on an underperforming program, the Air Force determined that the prudent course of action was to pursue other ways to transform our logistics business processes.

The fiscal year 2013 sequestration cuts took away all program flexibility, deferred some buys, added risk to many programs while at the same time forced us to reallocate investment funds to more critical O&M needs. Budget projections for fiscal year 2014 and beyond, along with the fiscal year 2013 cuts, may force us to halt or slow pending development or productions milestones on 11 acquisition category (ACAT) 1 programs. Small scale program terminations began in fiscal year 2013, and we will have to consider expanding terminations in fiscal year 2014. Similarly, several key modernization priorities remain unfunded given the current fiscal environment, including a replacement for the aging T–38 trainer and the JSTARS surveillance aircraft.

America's Air Force remains the most capable in the world, but we cannot allow readiness levels to decline further and modernization cannot wait for the next cycle of increased defense spending. We have important production lines under way and development programs that are, or will soon be, mature enough for production. Cancelling programs in anticipation of a future generation of technology would be wasteful and, in some cases, risk the loss of critical engineering talent and techno-

[3] There are $1.3 billion in fiscal year 2014 funding reduction adjustments and $7.9 billion across the future years the Air Force has categorized as being reflective of a more disciplined use of resources. Program terminations and restructures are $2.4 billion of this total. Savings from better business practices and more effective use of operating resources total $3.2 billion across the future years.

logical advantage. New threats and corresponding investment needs are not theoretical possibilities for the future. They are here, now. The future success of the Nation's military and the joint team depends on modernizing our Air Force and keeping it ready to fight.

Airmen Development

The Air Force's strategic advantage begins with its ability to attract, recruit, develop, and retain innovative warriors with a commitment to high standards and our core values of Integrity First, Service Before Self, and Excellence In All We Do. To accommodate an uncertain and fiscally challenging future, we must continue to invest in our airmen through education, professional development, and support programs for airmen and their families, coupled with other programs to maintain a safe, respectful, and positive work environment. We are focusing on the recruitment, development, retention, and overall effectiveness of each individual airman. Through this investment, we will not only improve the capability of today's force, but also illustrate our commitment to future generations of airmen to ensure a diverse and inclusive rich pool of the highest quality recruits well into the future.

Sexual Assault Prevention and Response

Providing a safe, respectful, and productive work environment is the responsibility of every airman at every level, and we are working hard to achieve this. We do not tolerate sexual assault. In the last year, the Air Force redoubled its efforts to eradicate sexual assault within our ranks, and we have invested in several programmatic, educational, and resourcing efforts aimed at reinforcing a zero tolerance environment. When sexual assaults are alleged, we are providing improved support to victims. In coordination with OSD, the Air Force created a special victims capability comprised of specially trained investigators, prosecutors, paralegals, and victim and witness assistance personnel. A cadre of 24 special investigators has received special victim training, along with 16 senior trial counsel, 9 of whom specialize in the prosecution of particularly difficult cases, including sexual assault cases. In addition, 60 Air Force attorneys have been identified and trained to serve as "special victims' counsel" to provide comprehensive and compassionate representational legal assistance to victims. Special victims' counselors currently represent over 200 sexual assault victims. The Air Force has also approved all 46 expedited transfer requests for Air Force victims over the past year, to include both permanent change-of-station and local installation reassignments, and we continue to employ over 3,100 volunteer victim advocates. In accordance with the National Defense Authorization Act (NDAA) for Fiscal Year 2012, each of these volunteer victim advocates will receive full certifications to provide confidential victim support beyond the training they already receive, and the Air Force is on track to place a full-time victim advocate at every installation by October 1, 2013.

Innovative, Global Airmen

Globalization and the pace of technology advances are accelerating. Airmen work with advanced technology every day, and developing innovative and technically-savvy airmen to continue to operate on the cutting edge is the lifeblood of our Service. The Air Force's ability to leverage and field crucial technologies is dependent on America's aerospace research and development infrastructure—a national asset that must be protected to ensure future U.S. advantages in technology, commercial aviation, and space. Accordingly, we are protecting science and technology funding as a share of our total resources. To ensure that airmen increase their technical acumen, we are strategically managing our science, technology, engineering, and math (STEM) workforce and conducting outreach activities to recruit and train an adequate and diverse STEM talent pool to develop, operate, and maintain our technical advantage. While airmen must remain technically proficient, we are most interested in whole person development—creating leaders of character who demonstrate creativity and empathy in addition to technical competency.

Globalization also makes the development of a global community of airmen a more achievable goal. Efforts to enhance the language and cultural skills of the force continue to lay the groundwork for access and coalition building activities that enable future cooperative efforts with friends and allies. Likewise, outreach through foreign professional military education programs where members of other nations attend Air Force programs, as well as personnel exchange programs, significantly increases the likelihood of current and future cooperative relationships. The combined effects of these personnel programs and relationship-building efforts help ensure that future leaders of friendly foreign air forces will continue to regard the U.S. Air Force as one of the finest air forces in the world.

Airmen and Family Support

The quality of airmen and family support programs remains a critical element of the Air Force resilience program. Using a strength-based approach to the resilience program builds an improved ability to cope with stress and forms the basis for an approach for suicide prevention. Regardless of the fiscal environment, the Air Force must continue to address the Service's evolving demographics and maintain balanced, healthy, and resilient airmen and families. We will adjust, consolidate, or eliminate services where required to meet changing demands, capitalize upon community resources, and gain efficiencies where possible.

To better support our airmen and families, we continue to move forward with our "3 to 1 Total Force Personnel Management" initiative. This effort integrates personnel management policies, processes, and procedures across the Total Force to create a more efficient and effective Air Force. To the greatest extent possible, "3 to 1" will yield uniformity, enhance coordination across components, optimize warfighter support, and improve service levels for our airmen. This effort will also eliminate cumbersome paper-based personnel workflows, standardize human resource management under common directives, and provide "one-stop shopping" for personnel support from anywhere, at any time. Finally, we expect this effort to ease airmen transitions on and off active duty and across the three components, all of which are vital to our Air Force mission.

Our airmen continue to contribute significant capabilities in the joint arena and do so with the integrity and excellence expected of them. They remain committed to the Air Force mission and our core values. It is imperative for us to apply sufficient resources coupled with well-informed personnel policies to support and maintain our high quality, All-Volunteer Force, retain their trust and confidence, and empower them to fly, fight, and win.

ACTIVE/RESERVE COMPONENT BALANCE

Today's Total Force consists of about 329,500 Regular Air Force (or Active) airmen, 105,700 Air National guardsmen, and 70,900 Air Force Reserve airmen actively serving in the Selected Reserve, as authorized by the NDAA for Fiscal Year 2013. For fiscal year 2014, the total number of airmen will decrease slightly to 327,600 Active airmen, 105,400 guardsmen, and 70,400 reservists. In addition to these numbers, the Air Force Reserve maintains a strategic depth of more than 790,000 stand-by or non-participating reservists and retirees who can be called up for national emergencies. We are one Air Force—Regular Air Force, Air National Guard, and Air Force Reserve airmen—working together as a Total Force team every day around the world.

There is great interdependence between Active, Guard, and Reserve Forces. We must ensure the right balance between them because too much force structure in the active component does not capitalize on potential lower operational costs of personnel and installations in the Reserve component. Too little force structure in the active component requires guardsmen and reservists to deploy more often—even in peacetime—which breaks the model of a part-time force, threatens the sustainability of the Total Force, and increases costs significantly.

The analytical foundation used to develop Active and Reserve component force balance starts with the National Defense Strategy. The strategy is based on scenarios and associated concepts of operation and forces developed by the Office of the Under Secretary of Defense for Policy, the Joint Staff, and the Office of the Secretary of Defense, Cost Assessment and Program Evaluation. These scenarios form the common starting point for all DOD force structure assessments and include major contingency demand (i.e., surge) as well as pre- and post-contingency rotational demand (non-surge and post-surge, respectively). Force demands, both surge and post-surge rotational, are compared to projected inventories to determine how much and what type of force structure is required. Capabilities and risk are balanced across the Air Force's core missions to field the most capable and sustainable force within available resources. Analysis of Active and Reserve component force levels provides insights into the balance within this force that can most effectively and efficiently meet demand within DOD deployment goals.

Maintaining the appropriate Active and Reserve component force mix is critical to the ability of the Air Force to meet forward presence requirements, maintain rapid response, and meet high-rate rotational demands within a smaller force. Additionally, appropriate force mix is critical to the sustainment, readiness, and health of the Total Force components. Force mix decisions cannot be made based solely on cost. We must consider the symbiotic relationship of the active and Reserve components and treat the three components as a complete system, evaluating the effects of change on all components to better understand unintended consequences to the

whole. For example, Reserve Forces depend on healthy Active component forces from which trained and experienced airmen transition to part-time status. If the active component force becomes too small, the flow of personnel into the Reserve component will slow, driving the Reserve components to increase direct-entry recruitment, causing experience levels to fall and costs to rise. Our analysis also will consider how the Reserve component leverages important civilian skills and experience, such as in cyber, for the needs of the Nation. Air Force leaders must have the flexibility to reorganize force structure within the Active and Reserve components to maintain the health of the Total Force and its ability to ultimately execute the National Military Strategy.

Total Force Initiatives

To get a better understanding of our Total Force mixture, we launched the Total Force Task Force, a team led by three two-star general officers from the Regular Air Force, the Air National Guard, and the Air Force Reserve. The Total Force Task Force is leading a reassessment of the Air Force's efforts to develop the appropriate Active and Reserve component balance through processes that enable the Department of the Air Force to leverage the inherent strengths, unique aspects, and characteristics of each component. The Total Force Task Force is conducting a comprehensive review of Total Force requirements and will develop strategic options to ensure that the Air Force balances the strengths of each component while sustaining necessary capabilities in the years ahead. The team is scheduled to present their findings by October 1, 2013. We expect the task force to serve as a focal point for the National Commission on the Force Structure for the Air Force that was directed by Congress and is scheduled to provide a report to the President by February 1, 2014.

Total Force Integration (TFI) works to shape the most capable force possible under fiscal and operational constraints for our current and future force. TFI associations are a cost-efficient value to the taxpayer as the active and Reserve components share equipment and facilities. We are increasing the number of units that partner Active, Guard, or Reserve airmen at a single location. We currently have 121 such unit associations and plan to add additional associations; however, implementation of the NDAA for Fiscal Year 2013 may affect the number of associations. Already a success story for mobility forces, we are planning for every U.S.-based Reserve fighter unit to become an association with the Regular Air Force within the FYDP, as will the continental United States locations for the KC–46 tanker. We will continue to refine this combination of Active and Reserve Forces across all appropriate areas of the Total Force.

Force structure changes require continual dialogue between the Active component, the Air Force Reserve, the Air National Guard, and the respective Governors. Over the past year, we have worked with OSD, the National Guard Bureau, and the Council of Governors to formalize a consultative process to exchange views, information, and advice, consistent with the applicable guidelines on programming and budgetary priorities and requirements on matters specified in Executive Order 13528. Recently, DOD and the Council of Governors agreed to the "State-Federal Consultative Process for Programming and Budgetary Proposals Affecting the National Guard." This process will, among other things, increase National Guard involvement in DOD's planning, programming, budgeting, and execution processes and improve the dialogue between the Council of Governors and the DOD before resource decisions affecting the National Guard are made. It is essential that we manage the health of the Total Force holistically, and we are committed, now more than ever, to strengthen our integration of effort.

CONCLUSION

From airpower's earliest days, airmen have exploited technology to provide essential knowledge and information on when and where to act, to move people and materials when and where needed, to control the ultimate high ground, and to strike when and where directed.

We are confident in our airmen. They are the best in the world, and we can rely on them to meet any challenge, overcome any obstacle, and defeat any enemy—as long as they are given adequate resources and the freedom to innovate. As they have time and again, our innovative airmen will find new and better ways to approach future military challenges across the spectrum of conflict, throughout every domain, and against nascent and unpredicted threats.

The Air Force's core missions will continue to serve America's long-term security interests by giving our Nation and its leadership unmatched options against the challenges of an unpredictable future. In the last several decades, Air Force airpower has been an indispensable element of deterrence, controlled escalation, and,

when so tasked by the Nation's leadership, been an instrument of destruction against an adversary's military capability—all accomplished with minimal casualties to U.S. service men and women and civilians. However, investments in Air Force capabilities and readiness remain essential to ensuring that the Nation will maintain an agile, flexible, and ready force. This force must be deliberately planned and consistently funded, as reconstitution of a highly sophisticated and capable Air Force cannot occur quickly if allowed to atrophy.

Today's Air Force provides America an indispensable hedge against the challenges of a dangerous and uncertain future. Regardless of the future security environment, the Air Force must retain and maintain its unique ability to provide America with Global Vigilance, Global Reach, and Global Power.

We are committed to excellence and we will deliver with your help. We ask that you support the Air Force budget request of $114.1 billion for fiscal year 2014.

Chairman LEVIN. Thank you very much, General.

We will have an 8-minute first round.

First, on the question of sequestration, Mr. Secretary, you gave us some specifics in your oral testimony about the impacts on unit readiness. Can you go into that in a little bit more detail? We did not have that in your written statement. So it is very important that we flesh it out here in your oral statement. Number of units that have been reduced in readiness and so forth.

Mr. DONLEY. Yes, sir. I will ask the chief to chime in.

We have 12 units that have been stood down completely. That means that there is no flying going on. I think I referred to an additional seven units that are being held at a reduced readiness status, that is, basic mission capable. If the resources are made available, we might be able to move some of those from basic mission capable up to combat mission ready, but those funds are not yet available. We are still working on assessing whether or not that would be feasible. That may depend on the reprogramming to which I referred.

We are concerned that, as the chief outlined—taking units to a stand-down position where they are not flying at all negates the advantages that airpower brings to the joint team. So we are very concerned that this situation be only temporary and that we get back to restoring combat capability as quickly as possible.

Chairman LEVIN. How many units are there all together? That is 12 of how many, 7 of how many?

Mr. DONLEY. This is of, I think, 31 active squadrons. Chief?

General WELSH. We have 54 fighter squadrons in the Air Force, sir. Right now, those 17 are about a third of that. There are additional squadrons the Secretary did not mention because they are not part of our combat air forces. We have also shut down the Thunderbirds. We have shut down our weapons school squadrons. We have closed down a couple of our additional training units that we use, our aggressor squadrons who helped train in Red Flag both in Nevada and Alaska. We have taken those flying hours and we prioritized it toward units scheduled to deploy to Afghanistan or to the Pacific.

Chairman LEVIN. Thank you.

I think, Mr. Secretary, you mentioned OCO shortfalls. That was, I assume, for 2013 because the OCO request for 2014 has not yet been coming. What is the OCO shortfall for 2013 and what is the reason for it?

Mr. DONLEY. It is at least about $1.8 billion.

Chairman LEVIN. This is for the Air Force.

Mr. DONLEY. This is for the Air Force. I believe you will see us attempting to get funding for that in the upcoming reprogramming. We simply did not get support for all of the OCO costs in the original OCO request.

Chairman LEVIN. Okay. Now, relative to BRAC, let me just make a request of you rather than a question. We have made this request before. You have indicated a savings from the last BRAC round of about $1 billion. If you could furnish for the record the detail that goes into those savings, we would appreciate it.

Mr. DONLEY. I am happy to do that.

[The information referred to follows:]

Base Realignment and Closure (BRAC) savings are substantial and allow the Air Force to apply scarce resources to emerging and/or higher priority missions. The Air Force continues to realize approximately $1.0 billion in annual net savings from commission recommendations implemented during BRAC 2005.

BRAC savings begin to be realized during the first year of implementation, growing through the 6-year implementation period, and maximizing the first year of post-implementation. For BRAC 2005, post-implementation net annual savings are approximately: civilian salaries ($183 million), military entitlements ($555 million), base operating support ($68 million), sustainment ($28 million), recapitalization ($32 million), mission ($66 million) and procurement ($24 million).

Specific amounts for each category in BRAC 2005 during the implementation period can be seen in Exhibit BC–02, Implementation Period Financial Summary, page 6, contained in the Department of Defense Base Closure Account—Air Force Fiscal Year 2014 Budget Estimate Justification Data submitted to Congress in April 2013.

Chairman LEVIN. In terms of the role of the chain of command in addressing sexual assaults and other crimes in the military, some propose removing the chain of command from the decision-making process for prosecuting assaults and other crimes in the military both before and after trial. We are going to be taking up this issue, as I indicated, in markup.

Can you very briefly, both of you, tell us what your position is relative to whether or not the chain of command should be making the decision relative to prosecution? If so, why? Whether or not the chain of command should have the power to reverse a finding of fact after a finding of fact of guilt where that is the case, and whether or not the chain of command should retain the power relative to modifying the sentence where there is a finding of guilt. On those three areas, very briefly, if you could. Mr. Secretary, we will start with you.

Mr. DONLEY. Sir, I think maintaining good order and discipline is a commander's responsibility. So I think it is very important that the administration of the UCMJ occur within the military chain of command.

With respect to the role of the convening authority, which reviews evidence and determines whether or not court martials ought to occur, I think that should stay in place.

There is the issue of Article 60, which provides for the opportunity for the convening authority to review the results of courts martial after they are completed and to make any change the convening authority deems appropriate.

When that Article 60 was built, the U.S. military had a much less robust appeal process for court martial cases. Now that that appeal process is in place, we strongly support the Secretary's proposal for Article 60 that the convening authority no longer be given

carte blanche to review the results of court martial and that be cut be back and limited quite a bit.

Chairman LEVIN. General, do you have a view on that?

General WELSH. Yes, Mr. Chairman.

On the convening authority's ability to refer cases to court, I feel very strongly that that is in the commander's purview for a reason.

Number one, if over time you take the UCMJ, particularly if you move the whole caseload, not just sexual assault cases, away from the commander's discretion, commanders eventually will lose touch with the UCMJ, and that would be a terrible occurrence I think over time.

Second, I do not think there is an issue with commanders not agreeing with their lawyers on what cases ought to go to court. In the Air Force, we have looked back the last 3 years, and we have taken a look at over 2,500 cases. We have reviewed them manually. In 0.5 percent of those cases, the commander made a decision to prefer charges or not counter to the recommendation of their judge advocate general (JAG). So this is not a common thing that occurs. I do not know what we would be fixing by doing that.

For the commander's ability to review and make changes to findings of a court, my personal opinion is there is no need for that. We have a court. We have a military judge in the courtroom. We have an appeal process.

I do believe the commander has a role in reviewing the sentencing of a court, and I believe that we should talk very carefully about the commander's involvement in that because there are reasons to keep the commander involved in that discussion.

Chairman LEVIN. Thank you.

The administration is proposing to substantially increase enrollment fees for military retirees who enroll in the TRICARE Prime health care program to institute enrollment fees for participation in TRICARE Standard Extra and TRICARE For Life and to increase pharmacy copayments, to increase deductibles and the catastrophic cap. DOD has assumed budget savings of nearly $1 billion for all of these changes.

Let me ask the General first. Did you personally support these proposals?

General WELSH. I did, Mr. Chairman.

Chairman LEVIN. Do you?

General WELSH. I do.

Chairman LEVIN. Mr. Secretary, I assume—let me ask you, I will not assume anything. Mr. Secretary?

Mr. DONLEY. I do support the President's proposals.

Chairman LEVIN. Thank you.

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

General Welsh, the chairman had asked you to give us an analysis of the $1 billion on the BRAC savings over that period of time. He is referring, I am sure, to the 2005 BRAC round. I would like to have that report include the amount of loss that came from that in the first, let us say, 3½ years. Would you mind doing that?

General WELSH. No, sir. We will do it.

[The information referred to follows:]

Base Realignment and Closure (BRAC) does not drive "losses;" rather there is an upfront investment required to implement the commission recommendations. These upfront implementation costs are offset by savings garnered during the implementation period.

BRAC one-time implementation costs occur primarily in the following categories: military construction, to include planning and design; operations and maintenance; military personnel, other procurement, and environmental cleanup. The invested total one-time implementation cost in the first 4 years of implementing BRAC 2005 was $3.2 billion.

Also during implementation, BRAC savings are generated primarily in the following categories: civilian salaries, military entitlements, base operating support, sustainment, recapitalization, mission and procurement. The net savings generated during the first 4 years of implementing BRAC 2005 was $1.4 billion (grand total savings minus total recurring costs (non-add) in the first 4 years).

Bottom line, the net implementation cost during the first 4 years of BRAC 2005 was $1.8 billion (grand total one-time implementation and total recurring costs (non-add) minus grand total savings in the first 4 years).

Specific amounts for each category in BRAC 2005 can be seen in Exhibit BC–02, Implementation Period Financial Summary, contained in the Department of Defense Base Closure Account—Air Force Fiscal Year 2014 Budget Estimate Justification Data submitted to Congress in April 2013.

Senator INHOFE. All right.

General, you and I talked in my office about the reduction of the 94,000 flying hours and the grounding of about one-third of the squadrons. Now, it is my understanding that once the units have stood down for about 60 days, they are no longer able to meet the operational requirements. Is that correct?

General WELSH. Yes, Senator, or accept great risk in doing so.

Senator INHOFE. Yes, which we do not want to do.

It is my understanding that the Air Force estimates it will take—and I think the Secretary mentioned this in his opening remarks—between 6 and 12 months to return these to mission ready status.

General WELSH. Senator, that would be true, assuming you have the additional flying hour money required to requalify——

Senator INHOFE. That is my next question. Do you see that in the request of the 2014 budget?

General WELSH. No, sir. It is not there.

Senator INHOFE. That is serious, don't you think?

General WELSH. Yes, sir. We would require additional funds.

Senator INHOFE. A very similar thing is true in depot maintenance and in the modernization program. We have deferred a lot of things. We have the best depot maintenance system, I think, that anyone would expect us to have. However, the maintenance has been kicked down the road, probably deferring some 60 aircraft and 35 engines from depot maintenance. So I would ask the same question. By delaying these things, we are going to have to be requiring something in the 2014 budget to make up for that. Do you see that in the 2014 budget?

General WELSH. No, sir, nor is there the capacity to surge to catch up with that bow wave within a year.

Senator INHOFE. Thank you.

When General Odierno was here, we talked a little bit about the hollow force. Nobody likes to talk about that, and I think that, Mr. Secretary, you did mention that we are going in that direction right now. I am going to read to you the quote that the Congressional Research Service (CRS) used back a short while ago. It was actually just last year. They said, talking about the hollow force, that

although the size and composition of the force appeared adequate on paper—this is talking about in the 1970s and the 1990s—shortcomings identified when these forces were subjected to further scrutiny raised questions if these forces would be able to accomplish their assigned wartime missions.

Some feel that we are already approaching the hollow force. We heard General Odierno talk about the hollow force insofar as the Army is concerned. We know that we have smallest size of the Air Force that we have had in history, and we are flying the oldest aircrafts. So where do you think we are, each one of you, in terms of approaching a hollow force similar to that which we experienced in the 1970s and 1990s?

Mr. DONLEY. Sir, I have been very concerned about the decline in readiness since about the 2003 timeframe and our inability to get the resources necessary to keep up with the weapon systems sustainment costs, in particular, that have come with some of the new platforms that require lots of contractor logistics support to support the ongoing efforts in Afghanistan, et cetera. So I have been concerned about this. Sequestration makes the problem worse, quite simply. Standing down units again with no flying hours at all and deferring aircraft and engines, as you mentioned—and I think the numbers you quoted are correct, about 60 airframes and about 35 engines—will create a backlog that needs to be addressed down the line, and we will not be able to recover as quickly as we should. So we are right now making the problem worse, not better.

Senator INHOFE. Do you agree with the comments or the answers that General Welsh stated in terms of the fact that it is not currently in the 2014 budget to get this done?

Mr. DONLEY. That is correct.

Senator INHOFE. It is a very serious thing.

The F–35. You commented on the significance of that, General Welsh. A lot of times, people are challenging that. I know that there have been cost overruns, have been problems, and all that. Is there anything further you want to state in terms of the significance of the JSF to our fleet for the future?

General WELSH. Senator, as I mentioned, we need the airplane. We have committed to it. It brings a capability that nothing else in our fleet has, and we will be able to bring it to the battle space in 2030. It is beyond our ability to upgrade legacy platforms to produce the kind of capability this aircraft will bring to the battlefield. It is just the way it is.

The program for the last 2 years has been making steady progress and has stayed on track in my view since about 2011. The major issues that remain are cost-related. I believe the company now knows how much it costs to build an airplane. I think they have demonstrated stability in that cost in the production line for the last two lots. I think we have to make very clear we understand the long-term operating costs of the airplane. We are working very hard at doing that in conjunction with the company to make sure that we see the same picture.

It is important that we keep our partners involved in the program because they also affect the long-term investment that the United States makes in this program. It becomes much cheaper for

us if we have partners in investing in future builds, et cetera, not just in the production value.

So we are committed to the F–35. I am pretty happy with where it is right now. We need to keep moving toward as high a production rate as we can get. Sequestration has impacted that. We have had to back off our production rates for the next couple of years, although we will still hope to hit 60 per year starting in 2018.

Senator INHOFE. Is the figure that they used initially still a reality figure?

General WELSH. Sir, 1,763 remains the number in the President's budget.

Senator INHOFE. Now, you say that there were 179 that were delayed for 2 years. I have had occasions to go down to Fort Worth and talk about the significance of delays, and you talk about the out-of-country purchases that are out there. As the price does go up—and it does go up every time there is even a delay, not just a cancelation—that does drive some people out of the market. That is something that I am concerned about because that makes it more expensive for us at the same time.

Let me ask you one last question on the C–130. It is the work horse. Now, we are completely out of the E models now. Is that correct?

General WELSH. Yes, sir. The intent is to go to all C–130H and J models.

Senator INHOFE. But the H1 series—as we get new J models on, are we taking out of service then the H1 or the earlier H models?

General WELSH. Yes, sir. The intent is to attrit the older models as we get new J models.

Senator INHOFE. Is that not one program that has not slid on the J models?

General WELSH. The J model program is doing very well.

Senator INHOFE. That is good.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Inhofe.

Senator Blumenthal.

Senator BLUMENTHAL. Thank you, Mr. Chairman.

I want to join my colleagues, Secretary Donley, in thanking you for your excellent service to our Nation and wishing you well in the future if this is, indeed, your last appearance before our committee.

General Welsh, welcome and thank you for your extraordinary service over many years and the men and women under your command.

I want to begin, if I may, with a question about the combat search and rescue (CSAR) helicopter, the CSAR HH–60, which I understand is scheduled to be replaced with a new aircraft which is necessary to perform the very challenging rescue and recovery missions that the Air Force undertakes so frequently. If I may, let me ask—first of all, to commend the Air Force on a very well-structured request for proposal (RFP) that emphasized the best capability and the lowest operating cost for the taxpayers. Could you provide me with an update as to the status of this program and an idea as to when the decision will be reached?

Mr. DONLEY. It is funded in the President's budget, but it is currently under source selection. So we do not have much to say about the particulars of that. It is scheduled for a decision later this year.

Senator BLUMENTHAL. Will the RFP, as it was issued, be implemented?

Mr. DONLEY. Again, I expect that the RFP would be addressed in the source selection process and that is the process that is underway today. Again, we are looking to make a decision later this year.

Senator BLUMENTHAL. Do you have a more precise idea as to when later this year it would be made?

Mr. DONLEY. I do not at this point.

I will just offer transparently that we are also looking at the affordability of all our modernization programs going forward. This is a very important one, but as we look at the potential for sequestration over a 10-year period, if that sight picture does not change, as I suggest in my testimony, it is going to change a lot of acquisition programs. So we are taking a broad look at all of our modernization programs to make sure they will be affordable for the future.

Senator BLUMENTHAL. I understand. If you could keep us informed about the status of that program, I would appreciate it.

General Welsh, first of all, let me commend you for being so forthcoming to many of us in your efforts to combat sexual assault in the Air Force and in particular the special victims counsel (SVC) program that you have implemented since January 28, 2013. I understand that the SVC program has already represented 224 sexual assault victims. I have joined two of my colleagues, Senators Boxer and Gillibrand, in urging that funds be made available to every Service to follow the model that the Air Force is setting in this regard.

I wonder if you could give us an update on this program and the efforts that are being made because the kind of representation of victims or survivors is so critically important to enabling and encouraging them to come forward and report these predatory crimes. They are predatory, violent crimes for the most part. They should be treated as such. In the civilian world, as I know from my experience, providing aid to victims is critically important in encouraging more reporting of a crime that in the military is so drastically under-reported. Could you give us an update, please?

General WELSH. Yes, sir, I can.

We now have 265 victims assigned to SVCs. Our SVCs are busy enough that we have taken them off of all other duties. They are now completely dedicated to this particular task. We left them regionally distributed around the country as opposed to centralizing them, which was one of the debates we had, because we think it allows victims better access to them.

We have seen two significant statistics.

One is that in the past we had about a 30 percent rate of unrestricted report victims who would decide not to continue with prosecution after they began the process of investigations, interrogations, questioning, et cetera. So far, of the 268 represented by SVCs, we have 2, which is a huge improvement, which allows us

to prosecute more cases over time which is key to moving forward in this area in my view.

The second thing I would mention to you is that our change of restricted reports to unrestricted reports in the past was about 17 percent on average. Of the victims who have SVC, that number is about 55 percent. So more victims are willing to change to an unrestricted report and allow us to investigate because they are more comfortable having a legal advisor who is with them throughout the entire process.

Just those two statistics make me feel very comfortable this program is moving in the right direction, and there is a lot of other anecdotal evidence, including victim testimony, et cetera.

Senator BLUMENTHAL. Let me ask you. You may have read, General Welsh, the Washington Post story this morning about Lieutenant General Susan Helms reversing a conviction similar to the one that General Franklin did that has aroused a great deal of interest and more than a little controversy.

I wonder if you could enlighten us as to whether that story was accurate and what action you would contemplate under these circumstances.

General WELSH. Senator, I would be happy to.

First of all, by way of context, because I think this is such an emotional topic from every angle that context is important. In the U.S. military, in DOD over the last 5 years, there have been five sexual assault cases where a convening authority has reversed the decision. In three of those cases, the actual allegation of sexual assault—the subject was found not guilty at a trial but was found guilty of lesser offenses, not sexual assault charges. In those three cases, the convening authority set the court aside and punished the subject under nonjudicial punishment for the three lesser offenses.

In the two cases where a sexual assault allegation was found to be guilty in court and then set aside by the convening authority, in one of those, the case you refer to, General Helms' case, there were actually two sexual assault charges. The court found the subject innocent of one and guilty of the second. General Helms has the convening authority and, following due process of the law as written, reviewed the case, determined that in her view the evidence presented did not meet a burden of reasonable doubt. She reversed the guilty decision on the second count of sexual assault. She then took the other three charges, the minor charges that had also been found guilty in court, and she punished the subject under nonjudicial punishment for those offenses. She also punished the sexual assault charge under nonjudicial punishment.

The last case, and the only one where a court has been completely set aside that we can find in DOD in the last 5 years, was the Aviano case that has also gotten a lot of publicity.

So we have had two cases over the last 5 years where this has occurred. It does not happen routinely. I think clearly it makes us question two things. Number one, we have to do a review of the convening authority's actions. In the Aviano case, Secretary Donley did a very thorough review of that and determined that our convening authority followed the law as written, made a decision that we expect our convening authorities to make, not right or wrong in our judgment, but just made a decision. That is their job.

Now we think the issue is whether the law is written correctly. Should Article 60, which gives the convening authority that responsibility and designs the process—should it be reviewed and adjusted? The Secretary and I both very clearly believe it is time to do that.

Senator BLUMENTHAL. I think it also undermines the credibility of the convening authority to make prosecutorial decisions in the first place. You have defended that authority here and I understand and respect your views. But I would just respectfully suggest that it also indicates a need to review the entire convening authority's actions and powers and credibility in light of these decisions.

General WELSH. Senator, if I might. It is clearly an issue that we need to debate openly and honestly and look at all the second- and third-order effects.

One practical example of why removing a convening authority's disposition authority is that it would create a huge problem for commanders in the field. Article 15, which is one of the tools commanders use routinely, is a baseline building block for enforcing military justice and discipline in their units. It almost requires the ability to compel someone to accept it. If you do not have the ability to refer that individual to court, you have no way to compel them to accept the Article 15. So from a very practical perspective, we just need to think through that implication because it is significant.

Senator BLUMENTHAL. I thank you very much. My time has expired, but I look forward to exploring these questions with you further. Thank you personally for your actions, as well as Secretary Donley. Thank you.

Chairman LEVIN. Thank you, Senator Blumenthal.

Senator McCain.

Senator MCCAIN. Secretary Donley, thank you for your great service in many capacities to this country, and we thank you for that. I think I share the view of all of us in thanking you for your outstanding service.

I do not usually speak about parochial matters, but if I could just for a minute. The forest fire season is coming earlier than ever. In our defense bill that we passed, we authorized the transfer of aircraft of the C–27J to replace the very rapidly aging, very old fire fighting aircraft that we have.

Can you give us an update on that particular evolution and how soon we could expect those very aging fire fighting tankers to be replaced?

Mr. DONLEY. Yes, Senator. We are implementing the planned retirement of the C–27s using the language that the NDAA passed last year. We have had letters of interest from U.S. Special Operations Command, from the Coast Guard, from the U.S. Forest Service. It is our intent to have those aircraft off the books by the end of the fiscal year. So we will go through a process this summer of evaluating those letters of interest and negotiating out which agencies might receive the C–27s that DOD plans to divest.

Senator MCCAIN. I hope you will view it with some urgency because I am told that we may have a shortfall in our ability to combat these fires. Obviously, it is not a question of whether there are going to be forest fires in the entire West, but when. So I hope you

will give it some priority and make sure that we are on track to replace those aircraft that we have to retire.

Now, back again on sequestration, does your budget planning for fiscal year 2014 consider—does it assume that sequestration will be repealed?

Mr. DONLEY. No.

Senator MCCAIN. It does not.

Mr. DONLEY. Let me think this through. The President's budget does propose the repeal of sequestration. So if all the budget assumptions that go with the President's budget were passed, there would be no need for sequestration in fiscal year 2014. Therefore, the fiscal year 2014 budget, as proposed, does not anticipate sequestration. If those budget assumptions do not come to pass and sequestration occurs, it will occur from whatever level, as I understand it, Congress has enacted for fiscal year 2014.

Senator MCCAIN. But right now, you are not budgeting for sequestration remaining in effect.

Mr. DONLEY. Correct.

Senator MCCAIN. General Welsh, are you concerned about morale and retention of pilots in the U.S. Air Force as a result of the reduced flying hours and actual stand-down in some of the most important training components like the Fighter Weapons School at Nellis and others?

General WELSH. Senator, if this continues for any period of time, I am absolutely concerned about it. They did not join to sit. You know that as well as anyone. They will get frustrated and they have other options.

Senator MCCAIN. I am told that there will be a very large exodus of airline pilots who have joined in a block period and that will create a demand for pilots in the airlines that we have not seen in a long time. Are you aware of that?

General WELSH. Yes, sir, I am.

Senator MCCAIN. So you are having to, as you listed, stand down some of the most vital training regimens that we have in the U.S. Air Force.

General WELSH. Senator, we have stopped Fighter Weapons School classes. We have stopped Red Flag training, and we canceled the last Red Flag at least. We are looking at them one at a time as they come up on the schedule to see how much money we have to execute them. We have stopped instructor pilot upgrade programs that are dedicated to that function. These are bills that we will continue to pay for 20 years. We will never recover this training capacity. The longer we shut down, the more traumatic it is. This is a big deal to our Air Force.

Senator MCCAIN. General Odierno testified that it could take 10 to 15 years to restore the operational capability of the U.S. Army if we continue with sequestration throughout the next year. Do you agree with that assessment?

General WELSH. If we continued for another year, I am not sure it would take us 10 years to restore the operational capability. It would take us much longer than that to fill the personnel and the requirements bathtubs that we have generated in year groups now. If we do not do Weapons School instructor training for another

year, our ability to create the top tier leaders of our Air Force will be affected for 20 years until those people retire.

Senator MCCAIN. The ability of your pilots to perform at the highest level in combat will be degraded because of the lack of training.

General WELSH. Yes, absolutely, Senator. That training is what makes all our Services the best in the world.

Senator MCCAIN. Secretary Donley, in that context, in your retirement—and you have been around longer than most—I think one of the reasons that members of both parties are willing to allow this sequestration to proceed is a widespread belief that a profligate DOD is unwilling to rein in runaway costs on under-performing programs. The most recent example is the Expeditionary Combat Support System (ECSS), $1 billion, JSF cost overruns, the F–22 cost overruns, the criminal Boeing tanker case. It is damaging DOD's fiscal credibility which in turn permits elected officials to believe that haphazard cuts, which damage our readiness, are the right thing to do. As you testified, grounding of 17 squadrons, critical operations, maintenance. What do you say to this, Secretary Donley?

Mr. DONLEY. I think our acquisition process just takes way too long and costs way too much. We have become, in many ways, risk averse, I think, in acquisition programs because we have seen so many different ways over the years that programs can get off track, and each time a program gets off track, we try to correct it by putting in a new law, a new regulation, a new layer of oversight to try to prevent that from happening again. After 20 or 30 years of that, we are pretty thick on regulations and oversight in our acquisition system.

So I think there is a lot of streamlining that needs to be looked at going forward and especially as the resources come down after the fights in Iraq and Afghanistan and looking at the budget totals contemplated in the BCA, sequestration or no, whatever would take the BCA's place, we need to put more pressure on streamlining our acquisition process and getting some of the people and the processes out and get focused on more rapid introduction of technology.

I support the spiral approach where we are introducing technology more rapidly and planning for changes later, not trying to build the perfect airplane right off the bat, but spiraling that capability in 5- or 10-year increments to improve it over time.

Senator MCCAIN. If you think that Congress needs to act in any way, I promise you we are more than eager to accept your recommendations as to what actions need to be taken to do exactly as you said. I am sure you understand the frustration. We share the frustration of a lot of American taxpayers. We need to fix it, and any recommendations that you can provide to us with the benefit of your experience we would certainly be pleased to have.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator McCain.

Senator Kaine.

Senator KAINE. Thank you, Mr. Chair.

Secretary Donley, General Welsh, welcome today.

Last week, we were in a recess and as I often do in recess, I travel around Virginia and go to parts of our State that touch upon our armed services mission, Department of Veterans Affairs' hospitals, bases, military contractors, Reserve Officer Training Corps programs. I was at an interesting one last week. Mary Baldwin College is a women's college in Staunton, VA, that has a 100-member Virginia Women Institute of Leadership in this small, private college, and they have a commissioning percentage among these 100 women that is higher than most of the 6 senior military colleges designated in title 10.

One of the young ladies was asking me a question and said do you think the military's decision to remove barriers to combat service might have a broader effect on women's opportunities in the civilian world. That led to an interesting discussion about what happens in the military and its effect on the civilian world and the important leadership role that the military takes.

It is in that spirit—I am just very sorry that the rescheduling has you here today, in the same week when this incident in Arlington is in the news, and yet it is. I just worry about the effect of this. There are all kinds of today effects that this kind of event suggests when somebody charged particularly with overseeing a program to deal with victims of sexual assault is in fact charged. The chairman said that we have to presume innocence until proven guilty.

But I worry as much about the tomorrow effects. I worry about the tomorrow effects of women who are thinking about making military careers and for the young woman who asked me the question about what happens in the military has a civilian effect. I also worry about those women in the program who do not commission but go into a civilian world but maybe go in with a little more of a concern that if this happens at the top echelon in military leadership, then it could happen in the civilian world as well.

The stakes on this one are enormously high. They are enormously high. Senator McCain asked about morale questions with respect to sequester, and I am going to get to that in a minute. But we need to worry about the morale of tomorrow's military leaders, and in that context I was quite concerned.

General Welsh, you mentioned that you have sought jurisdiction in this case, which is a standard matter, and if you could just educate me for a second about the procedure. There is an arraignment that is scheduled through the Commonwealth's Attorney in Arlington County, and that is scheduled later in the week. It would be military standard to seek jurisdiction of the matter. I gather that the prosecutor has discretion as to whether to continue with the criminal case in the courts of the Commonwealth of Virginia or to put it in abeyance in some way and transfer it over to military jurisdiction. Is that correct?

General WELSH. Senator, that is exactly right. The sexual assault prosecutor in Arlington County will make that decision. Our 11th wing assigned at Bolling Air Force Base here in Washington, DC—their JAG office is actually the one that is the interface with Arlington County. They have submitted the request for jurisdiction and we will let the process play out.

Senator KAINE. You have educated me on the process, so I clearly do not know. But I imagine that one of the things the prosecutor's office weighs in wrestling with a request such as that is their degree of confidence about whether a trial or proceeding, if transferred over to military jurisdiction, would in fact be a fair one.

General WELSH. Senator, I would assume that would be part of this.

Senator KAINE. Just that the stakes are very high. The stakes are very high on this one.

Talking about morale in a different way and now moving to sequester, I visited Langley about a month ago. I met with wonderful Air Force personnel there, both pilots but also wonderful mechanics who maintain F–22s, not just those in Virginia, but from all around the country. I talked to General Hostage about this one-third of the Air Combat Command (ACC) units standing down. My assumption is that in the dangerous circumstances we find ourselves in in the world, there is an awful lot of contingency planning going on about use of ACC assets in Syria possibly, with respect to North Korea, other places in the world.

If you could, just talk about what it means to stand down one-third of the ACC units and how that impacts the kinds of planning and then, God forbid, the need to actually go forward on executing any of those contingency plans in a status where we have curbed our training and our missions in that way.

General WELSH. Senator, what we have prioritized to keep units flying is the units that are either already in Afghanistan or preparing to deploy to Afghanistan or units on the Korean Peninsula or those doing the nuclear mission—everything else was affected by this, either drawdown to minimal flying or standing down completely. So any new contingency activity that requires the rest of that force structure will be impacted.

As one example of the type of disconnect you can get, because we are meeting a known tasking from a combatant commander for a type of capability, an F–15C let us say, which is an air-to-air airplane—we have other units that do suppression of enemy air defenses that are not flying right now because they are not required in the current deployment cycle. In an example like a new contingency where you need to go suppress enemy air defenses, they would be the first things you need and they will not be fully ready. So we are trying to manage them day-to-day as the world's situations change.

Senator, if I could go back to your last comment just one time on the fair trial or not. One of the issues that seems to come up routinely is this belief that the military does not prosecute as much as a local jurisdiction might. We actually took the Air Force statistics that are in a little bit of a convoluted equation that comes out of DOD because of the way we track these things. We took them to the Rape, Abuse, and Incest National Network (RAINN) folks. We sat down side-by-side with them, and we said use your model and put our data into it and tell us what our prosecution and conviction rates are. For 2012, our prosecution rate was 1 percent below the national average. Our conviction rate was 3 percent above. So the idea that we do not prosecute should not be a concern of the special prosecutor. The idea that we cannot convict relative

to the local jurisdiction should not be a concern of his if we can ensure they have all the facts.

Senator KAINE. That is certainly my hope. I am not suggesting otherwise. Yet, just the controversy over the Aviano situation, the article about the second case this morning, the fact that the individual who is charged with leading an important leadership position to deal with sexual assault cases has, in fact, himself been charged, those are the kinds of things that just, again, as a prosecutor is making up a mind about where a case can be prosecuted in a way that will certainly protect victims and it will also protect the accused—Arlington is a pro-military community. So it is not going to be a hostile environment. These are the kinds of things that prosecutors wrestle with, and that goes back to my comment about the stakes being pretty high in this situation.

I wanted to follow up on Senator McCain's question because I think you each knew something that I do not know and maybe others do not. This issue about is there a cohort of civilian aviation pilots that is expected to retire or depart that would create a significant present competition that might pull out military pilots if they feel like Congress, through budgetary or other actions, is demonstrating that we are not committed to certainty in their future work and path.

General WELSH. Senator, we have been hearing for about a year now that the airline industry expects to increase their hiring rates dramatically over the next 1 to 3 years. So we do anticipate there will be opportunities and a draw, and historically we lose a much higher percentage of air crew members from all the Services when the airlines hire.

Senator KAINE. Let me just say in conclusion that there were 53 votes, I think, in this body at the end of February in the Senate to not allow the sequester to go into effect. There were 50 votes to pass the Senate budget that did pass on March 23 that would have dramatically changed the sequester and made the cuts targeted rather than across-the-board, back-end rather than spread evenly across 10 years, and cut in half. It is my deep hope, based on your testimony and the testimony of others who have been before us that this committee can play a lead role in trying to find a solution that does not continue to jeopardize the missions that you are promoting.

Thank you, Mr. Chair.

Chairman LEVIN. Thank you very much, Senator Kaine.

Senator Ayotte.

Senator AYOTTE. Thank you, Mr. Chairman.

I want to thank the witnesses, both of you, for being here and for your distinguished service to our country and all that serve underneath you.

Secretary Donley and General Welsh, in your prepared statement, you talked about the KC–46 as one of the top Air Force acquisition priorities, particularly given that obviously our tankers go back to the Eisenhower era of making sure that we update our tankers. The importance of the in-flight refueling missions is certainly the linchpin for our being able to carry out almost any mission in the world, as well as supporting our allies.

I understand, General Welsh, from the discussion you and I certainly had this morning in my office that you are in the process, the Air Force is in the process, of making the decision on the basing of this particularly for the Air National Guard and that will be upcoming. I just want to applaud you for the transparent and objective process you have applied thus far. I think it will not come as a surprise to both of you that both Senator Shaheen and I feel very strongly about the performance of our 157th air refueling unit at Pease and we welcome the objective nature of this process because certainly Pease has a strategic location, only 12 minutes from very important refueling tracks, and also an already existing Active Duty association that we are very proud of. Of course, for us just what our unit has already done in every conflict in terms of their utilization and the excellent work they have done to support essentially almost every mission that the Air Force has been involved in most recently. So I am very proud of Pease. I know that Senator Shaheen is as well. I want to commend both of you just for the way you have conducted the process thus far.

Do we expect this process to go forward in May when you will be making final decisions?

Mr. DONLEY. Yes.

Senator AYOTTE. Okay, good. So one of the questions I would have to you going forward, as we look at the impact of sequestration, what type of impact could that have on, for example, our acquisition of the KC–46A in terms of purchasing the numbers that we need to meet our capacity going forward?

Mr. DONLEY. As I suggested, Senator, the acquisition plan for the KC–46 remains intact. It is 179 aircraft, I think 8 aircraft by fiscal year 2017, the first development aircraft by fiscal year 2015. So the program is on track today. It is a contract which is, we think, in the best interests of the warfighter and the taxpayer, limiting the Government's exposure at about $4.9 billion. We need to make sure that those contract requirements stay funded over the next several years. So we will do our best to keep that on track and make sure that the KC–46 remains a high priority and a funded program.

Senator AYOTTE. Of course, we also need to make sure that our pilots get the appropriate training and flying hours not just in our refuelers, but obviously our fighters as well. That remains a significant challenge going forward with sequestration, does it not, General?

General WELSH. Senator, clearly it does. In fact, just as a side note, if you will permit me, we have a KC–135 crew we lost in Kyrgyzstan just this past week, and this morning, we were still searching for the remains of one of those crew members.

Senator AYOTTE. Our thoughts and prayers are with their families and their loss for their sacrifice for our country. Thank you.

I wanted to discuss with you, General Welsh. Earlier you told Senator Blumenthal that the Air Force was seeing positive results by providing victims of sexual assault a SVC. I understand that that is a pilot program within the Air Force that you think is effective.

Today, Senator Murray and I are introducing a bill which, in part, will provide a SVC to all sexual assault victims within all branches of the military. This is something modeled after, obvi-

ously, what is happening now in the Air Force pilot program. So I wanted to get your view on this and how important you thought having that counsel was helping the process of making sure victims have the support that they need to navigate through the system, the judicial system.

General WELSH. Senator, I believe to date the evidence in my mind is clear that it has been immensely helpful particularly to the victims, and that is who we are most interested in helping. Our intent in this program is to complete the pilot with a report that I will work with the Air Force JAG, and I will forward that to the Secretary with my recommendations on whether the Air Force continues and recommendations on what he should forward to the Secretary of Defense for recommendations across DOD. Then the Secretary will make a decision from there.

Senator AYOTTE. I believe that this is not something that when you are within the Air Force and a victim that you should receive, but I believe that victims across the branches should be receiving this type of support. Obviously, as you can hear from the questions today from many of us, this is a very important issue that we are concerned about in terms of the readiness of our forces and also making sure that those who are victims receive the support that they need and a proper legal process to see that justice is done going forward. So I think this is an issue that we will work on on a bipartisan basis, and it is an important issue for our country.

I wanted to finally follow up on the issue of audits, which is when I look at the cancelation late last year of the ECSS, that raised a flag for me, and I wanted to hear from both of you. Is the Air Force on track to meet the 2014 and 2017 audit deadlines?

Mr. DONLEY. The short answer is yes, but there is risk in this work and the cancelation of ECSS puts a little bit more emphasis on the need to go forward with existing systems and to modify existing systems, it is clear that our enterprise resource programs are not going to all be in place to support this work. So there is going to be a lot of manual work and a lot of work with existing systems to do that. We have had some success in getting a clean opinion on about 46 percent of Air Force inventory, on missile motors, other parts of our Air Force inventory. So we continue to work toward the fiscal year 2014 and fiscal year 2017 goals.

Senator AYOTTE. Mr. Secretary, do you think that you will today, as we sit in this hearing, meet those goals?

Mr. DONLEY. We are working very hard to get there. There is risk but we are working very hard to get there. We have been trying to use outside auditors and experts to do pre-audit work with us. Some of that work was intended to be contracted out. The contract is under protest. So that did set us back. We are looking for opportunities to regain some lost time there, but we are working very hard to get there.

Senator AYOTTE. I thank you. This is, obviously, a very important issue just for us to meet those audit deadlines finally and to be able to have the right type of financial information and accountability, particularly with the fiscal challenges that we face.

So I thank you both for being here today and for your leadership.

Chairman LEVIN. Thank you, Senator Ayotte.

Senator McCaskill.

Senator MCCASKILL. Thank you, Mr. Chairman.

I know you had a bad weekend, General Welsh, and I understand that this is painful for you. But I need to ask a couple of questions.

What background did Lieutenant Colonel Krusinski have that qualified him for this job?

General WELSH. He is a personnel officer by training. He has spent the last 2½ years working on the air staff in the personnel policy arena. He was a Force Support Squadron commander before coming to the Pentagon. The Force Support Squadron is the squadron in which things like sexual assault coordination counselors, et cetera work in our active Air Force units. He has been around the business his entire career as a personnel officer.

Senator MCCASKILL. Have you looked at his file?

General WELSH. Yes, Senator, I have. His record is very good.

Senator MCCASKILL. Did you look at his file for any kind of problems related? I mean, clearly the accusation is that he was drunk and sexually attacked a complete stranger in a parking lot. It is hard for me to believe that someone would be accused of that behavior by a complete stranger and not have anything in their file that would indicate a problem in that regard. Have you looked at his file and determined that his file was absolutely pristine?

General WELSH. Senator, I looked at his officer record of performance, which is all I could access last night. I talked to his current supervisor. I have not talked to people who knew him or supervised him in the past. There is no indication in his professional record of performance or in his current workplace that there is any type of a problem like this.

Senator MCCASKILL. Who selected him?

General WELSH. He was selected by Brigadier General Eden Murrie who is the director of our services part in our personnel area, the office above the Sexual Assault Prevention and Response Office, and Lieutenant General Darrell Jones who runs our directorate of personnel manpower.

Senator MCCASKILL. Will those two people be responsible for selecting his replacement?

General WELSH. Yes, ma'am, they probably will be.

Senator MCCASKILL. I hope that you will evaluate the qualifications. I have spent hours with JAG prosecutors, not just General Harding and his colleagues at the top of the military justice food chain, but with courtroom prosecutors. You have a wealth of people in the Air Force that understand what this job has to be. If this allegation is proved true, this was not someone who understood what this job was about. I will be watching very carefully who is selected to replace Lieutenant Colonel Krusinski because I think it is one of those times you are going to be able to send a message, and I think it is important you do.

These cases turn on who is believable. In the Aviano case and in the case that General Helms overturned, in both instances you had the victim testifying to one set of facts and the accused testifying to another. In both instances, juries selected by those generals said they believed the victim. In both of those instances, the generals said, no, no, we believe the member of the military. That is the crux of the problem here because if a victim does not believe

that the system is capable of believing her, there is no point in risking your entire career. Or as the victim in the Helms case said, how difficult it was for her to encounter the accused who had been convicted by a jury and have to salute him. Now, I cannot imagine what that would feel like to have to salute the man who had been convicted by his peers of assaulting her in the way that he did.

So I agree with you that we have to be very careful about removing the convening authority entirely, but I will look forward to visiting with General Helms about her decision.

The other point I want to make about her decision, General, is that these generals have the ability to consider anything when they make this decision. Anything and everything. She did it without meeting with the victim. She did get some email from the prosecutor about the victim's point of view. But should the victim be required to have something in the file before clemency is determined even if we decide to remove the convening authority from the ability to overturn? Should the victim's statement not be part of any clemency proceeding?

General WELSH. Senator, I would assume that every victim would want their statement to be part of a clemency proceeding. I know in the cases you have referenced, the victim was requested to provide matters for clemency.

Senator MCCASKILL. So would you have any problem with us requiring that?

General WELSH. Senator, I personally would not have any problem with that. I have no idea if there is a legal implication of that, but from a common sense perspective, it makes eminent sense.

Senator MCCASKILL. Yes. They are all getting stacks of letters about what a great guy this is. In this instance, they got an email from the prosecutor characterizing what the victim had said. It seems to me that is a little weighted.

When she made this decision, we had changed Article 120, and I do not know how familiar you are with 120. But 120 has been a difficult part of the UCMJ dating back to 2007. We wanted to change it, to update it, and then mistakes were made in the way it was drafted. We changed it again. We had changed 120 at the time Helms made her decision. It had been signed into law. It just had not gone into effect yet. But yet, she reached back and used the old 120 instead of looking at the new 120 as she was evaluating what standard of consent was available. I will be anxious to visit with her about that decision, if she got any legal advice about how that law had been changed.

Senator Ayotte covered also ECSS. For both of you, I share her concerns about auditability on ECSS. But the main question I would like for both of you—and I know, Secretary Donley, you have served well and long, and I too salute your service in leading one of the most important parts of our great military in this country. What I really want to focus on—and we would like some follow-up answers to this—is what did we learn about when to cancel a system. We spent a billion with a "B" on ECSS before it was canceled.

At what point in time should we have canceled it, and why was it not canceled earlier? Why did we get to $1 billion before we realized this was unworkable? If we do not do this analysis, I know this is going to happen again. I just know it. So what steps do you

think we need to memorialize here that would be instructive to the future ECSSs that we could avoid wasting $1 billion of taxpayers' money?

Mr. DONLEY. Senator, this is a very good question. There are two reviews underway, one in OSD, one inside the Air Force, to get formally the lessons learned out of this experience. In the case of the Air Force, we are treating it in terms of developing for the acquisition this process, the same kind of rigor and discipline that we put to an accident investigation process, why and how did this happen, in great detail.

I will tell you that ECSS got lots of oversight and that the program was restructured at least twice over a 4- or 5-year period. That the program manager was held accountable, that the program was rescoped down to try to make it more implementable, and it got oversight not just from the Air Force but from three other offices in OSD.

So deciding when we have gone far enough—we have restructured it once. We have restructured it a second time, and in this case the third review determined this is unrecoverable.

So I am very interested in getting the results of these two reviews to see if it can help us decide earlier when we should cancel programs such as this. But we certainly went through restructurings and it certainly had lots of oversight.

Senator MCCASKILL. Now with the fiscal restraints we have, it is going to be very important that we absolutely have a very clear document showing when mistakes were made and how they could have been avoided. We have good news and bad news about our military, and that is, our military is so good we think we can do anything. The bad news sometimes is our military is so good we think we can do anything. In this instance and many other instances I can cite, a failure to give up ends up being very costly for the bottom line, and that is just something we cannot afford going forward.

So I will look forward to those reports. I will continue to follow up on this subject until I feel like we have real clear guidance as to where mistakes were made and how we can avoid them in the future.

I will continue to want to work closely with you, General Welsh, in a way that is responsible on the UCMJ on these cases, and I will look forward to any kind of information I can get about the replacement for the lieutenant colonel who was arrested over the weekend. Thank you.

Chairman LEVIN. Thank you, Senator McCaskill.

Senator Wicker.

Senator WICKER. Thank you, Mr. Chairman, and thank you, gentlemen, for your testimony.

I am going to try to squeeze three issues in to my 8 minutes. So I think on the first one, let me just make a statement for the record, and perhaps we can talk about that later.

I want to reiterate my concerns regarding the concept of the Air Force Total Force Plan (TFP) and its implementation. I remain deeply concerned about the fiscal year 2013 defense authorization conference decision made without consultation of all conferees, which enabled the Air Force to begin implementation of the TFP

without hearings or adequate deliberation by the full Senate Armed Services Committee. I am convinced that some elements of the TFP were short-sighted and may adversely impact our intra-theater airlift capability at a time when our Services are evolving toward a more rotational deployment model.

I say to my chairman and to my ranking member, I look forward to working with them as well and with the Airland Subcommittee chairman, Senator Manchin, on markup initiatives to help ensure the Air Force makes its force structure decisions based on the best possible understanding of long-term global force requirements. These decisions should not be based solely on artificial or self-imposed resource constraints.

Now, having made that statement, let me move to another issue. I think what I will ask you to do is just take this series of questions for the record, but I want to get it out in public. It is concerning the Air Force's rotorcraft acquisition strategy.

I understand you are considering a common support helicopter to recap your UH–1N fleet of aircraft. I believe there are existing and affordable replacement systems available to meet global strike command's nuclear missile security mission during the decades to come. So I would appreciate it if both of you could provide this committee with written answers concerning the following.

Number one, current requirements for all UH–1N missions.

[The information referred to follows:]

The Air Force's UH–1N is flown by five major commands, which include multiple mission sets: Air Force Global Strike Command's Intercontinental Ballistic Missile (ICBM) helicopter security support, the Air Force District of Washington's National Capital Region Mass Passenger Transport, Pacific Air Forces' Operational Support Airlift, Air Education and Training Command's Air Force Survival School, and Air Force Materiel Command's flight test support.

The current requirements for the various missions of the UH–1N are documented in the Joint Requirements Oversight Council's approved Common Vertical Lift Support Platform (CVLSP) capability development document. Although these requirements are no longer tied to a specific acquisition program (i.e., the CVLSP), the requirements for the UH–1N mission set remain valid.

Senator WICKER. Number two, whether the Air Force requirements have been reviewed and validated since those missions were separated from the combat rescue helicopter program.

[The information referred to follows:]

The current requirements for the various missions of the UH–1N are documented in the Joint Requirements Oversight Council's approved Common Vertical Lift Support Platform (CVLSP) capability development document. Although these requirements are no longer tied to a specific acquisition program (i.e., the CVLSP), the requirements for the UH–1N mission set remain valid.

Air Force Global Strike Command will continue to sustain the existing UH–1N fleet for the foreseeable future, and look for opportunities to acquire excess aircraft from other Department of Defense organizations at low or no cost to the Air Force.

Senator WICKER. Number three, the findings and recommendations of the Air Force's request for information on the UH–1N modernization with regard to the costs of the program modification versus a replacement cost.

[The information referred to follows:]

In the case of the UH–1N, as stated in the original request for information (RFI), "in terms of mission capability rates the UH–1 remains one of the most reliable platforms within the USAF inventory." The purpose of the Air Force's RFI on UH–1N Modernization was to determine the feasibility of sustaining and making modest modernization enhancements to the platform via low cost options. The Industry Day

presentations reaffirmed that the robust helicopter industry and the large number of UH–1's operating globally will enable the Air Force to effectively sustain the UH–1N until such a time that it can be replaced with an aircraft that provides all required capabilities.

Air Force Global Strike Command has determined that the most cost effective way ahead includes safety and simulator modifications totaling just over $500,000 per aircraft in the near-term. Follow-on improvements to the forward looking infrared radar and secure communications at $100,000 to $200,000 per aircraft yield a total cost of less than $1 million per aircraft over a 10-year period. Compared to the previously assessed cost of the Common Vertical Lift Support Platform program, or any other new helicopter acquisition, this approach is far more cost effective for the Air Force.

Senator WICKER. Number four, the current operational availability of the UH–1N fleet and the Air Force's assessment of any risk regarding the maintenance and adequate availability levels.

[The information referred to follows:]

The current UH–1N average aircraft availability for fiscal year 2013 is 73.7 percent, meeting the Air Force Global Strike Command-established standard of 73.7 percent. The future aircraft availability rate is projected to continue to meet or exceed the 73.7 percent requirement. We expect to maintain adequate readiness levels for the foreseeable future.

Senator WICKER. Number five, whether the Air Force has evaluated potential replacement aircraft for any of the missions performed by the UH–1N.

[The information referred to follows:]

The Common Vertical Lift Support Platform was cancelled due to cost considerations in this constrained economic environment after determination that the Air Force could assume manageable risk in this area. Air Force Global Strike Command is no longer pursuing a Combat Rescue Helicopter option to replace the UH–1N fleet for similar reasons. Instead, Air Force Global Strike Command will continue to sustain the existing UH–1N fleet for the foreseeable future, and look for opportunities to acquire excess aircraft from other Department of Defense organizations at low/no cost to the Air Force.

Senator WICKER. So having asked for that on the record, I will now see if I can let you gentlemen actually speak on an issue, and that is concerning the safety of our U.S. Air Force data security.

There have been numerous media articles referring to an egregious breach of U.S. computer networks when the Chinese gained access to some data from the JSF program back in 2009. The incident was part of a wave of data thefts that year, during which Beijing stole proprietary and in some cases classified information from the U.S. defense contractors.

I asked General Bogdan, the program executive officer for the JSF program, at a subcommittee hearing 2 weeks ago about these data intrusions. General Bogdan's testimony was this: DOD and our allies have a robust system in place to prevent cyber theft, but the general went on to say, "I would tell you that I am not confident outside the Department." Then he went on to say that he is "less confident about industry partners."

So let me ask you each about that, and I will start with you, Mr. Secretary. How confident are you about the Air Force's ability to secure classified and sensitive data within DOD data networks and how confident are you about the ability of our industry partners to secure this very important classified and sensitive data?

Mr. DONLEY. Sir, I do believe we have the appropriate security protocols in place to protect key classified information in DOD. We have protected networks to do that on, and we work very hard to

maintain appropriate security levels on each of our classified and unclassified networks.

I will say that in the last 5 or 6 years, 7 years—since I have come back to DOD, really 8 years now, I have seen more and more attention to this issue progressively each year. We have learned from weaknesses or errors seen and experienced from the past. We developed strong partnerships with industry partners who are what I would call our prime contractors who deal with the JSF, for example, Lockheed Martin, Northrop, Boeing, other large contractors with whom we do lots of defense business.

So we have a stronger network of collaboration among key industry partners today than we had, say, 5 or 6 years ago. But it is continuing work, and there is always a concern that we are covering all that needs to be covered.

Senator WICKER. General Welsh?

General WELSH. Senator, I would tell you that internal to DOD, the one thing that we have worked very hard on over the last year and will continue to work on and refine is the way we support U.S. Cyber Command (CYBERCOM) which, I believe, will be the orchestrator and the architect of the proper defense of the DOD information network. The Air Force has to be hand-in-glove with General Alexander and his people moving forward on this, and we are trying to identify clearly how we do that, what kind of training our people need to support him. They have been tremendously helpful in this regard, and the entire joint world is trying to move in that direction.

Senator WICKER. Are you as confident about our industry partners as you are about security within DOD itself? Or do you agree with General Bogdan that you are less confident about our industry partners?

General WELSH. Senator, first of all, I am not a technical expert on what industry is doing in every case. I believe we have some partners who are very reliable in this area, and there are probably some who are not as reliable. I would leave this up to the experts at CYBERCOM to offer a better assessment than I can give you.

Senator WICKER. Are either of you aware of any further intrusions like the one I mentioned in 2009 into the Air Force research and development (R&D) and acquisition programs since that time? Either one of you?

Mr. DONLEY. I think I would like to provide you an answer for the record on that. This is ongoing work.

Senator WICKER. You could do that in a non-classified answer for the record.

Mr. DONLEY. We will do our best to do that.

[The information referred to follows:]

The Department of Defense (DOD) Chief Information Officer recently released the latest National Defense Authorization Act (NDAA) Section 935 2012 Report to Congress, which contains an unclassified summary of cyber intrusions.

To summarize that report, in fiscal year 2012, the Office of the Secretary of Defense (OSD) investigated 86 cyber intrusions reported by Defense Industrial Base (DIB) participants. Fifty-four of the 86 were reported prior to fiscal year 2012 and 32 additional cases were reported during fiscal year 2012. Of the 86 cases, OSD cyber intrusion damage assessment entities concluded the analysis for all or part of 35 cases. Twelve other cases were closed in fiscal year 2012 when the DIB cyber security and information assurance participant certified that no DOD information

was involved. Most cases involve multiple DOD acquisition equities (e.g., programs, systems, or technologies).

DOD is concerned with the vulnerabilities throughout the information and communications technology supply chain. As part of its ongoing efforts to institutionalize the Trusted Defense Systems/Supply Chain Risk Management (SCRM) strategies, DOD continued to develop policies and legislative input to formalize SCRM.

Supply chain risks pose a complex and evolving threat to defense systems. In the January 2010 NDAA for Fiscal Year 2009 Section 254 Report on Trusted Defense Systems, DOD described supply chain risks and DOD's strategies for countering those risks. During fiscal year 2012, DOD continued efforts to implement those strategies, policies, and risk management activities with the goal of developing a fully operational SCRM capability by fiscal year 2016.

The Air Force can provide more details via a classified venue if requested by the committee.

Senator WICKER. Thank you very much.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Wicker.

Senator King.

Senator KING. General, do you fellows have data on the frequency of occurrence of sexual assault in the military or in the Air Force in particular versus the general society?

General WELSH. Sir, anecdotally we do. One of the things that we have also learned in our discussions with RAINN is that that data is not easily available anywhere else. It is much better tracked inside DOD than it is in most places.

I have talked to a number of university deans of student affairs, the vice president for student affairs. There are some who estimate that as many as 50 percent or more of their students experience some type of sexual harassment or unwanted sexual contact or sexual assault during their time at their university. I hate to try and characterize this as better or worse anywhere. It is a big problem for our Nation. It may be as big or bigger elsewhere.

My view is that we can lead the pack in this. We have the ability. We have the organizational structure, the leadership, the training, the education, and a disciplinary system and a judicial process that allows us to attack every aspect of this problem. We should be the best in the world at it.

Senator KING. I am delighted to hear you say that. In dealing with these kinds of problems, often it is a cultural issue. You can do all the law enforcement and all of those things, but the culture is what you have to deal with. You and I grew up at a time when drinking and driving was more or less tolerated in this country. The culture changed and that has had a really profound impact. So I hope that—and I am sure this is the case—that within the Air Force, it has to become unacceptable culturally in the pub after work that this is just not something that we do.

General WELSH. Senator, that is clearly what it has to be. Roughly 20 percent of our young women who come into DOD and the Air Force report that they were sexually assaulted in some way before they came into the military. So they come in from a society where this occurs. Some of it is the hook-up mentality of junior high even and high school students now, which my children can tell you about from watching their friends and being frustrated by it. The same demographic group moves into the military. We have to change the culture once they arrive. The way they behave, the way

they treat each other cannot be outside the bounds of what we consider inclusive and respectful.

Senator KING. Thank you, General. I appreciate your attention to this.

Secretary Donley, sequester. It keeps coming up. We talk about it at all of our hearings. There is a discussion around here that the real problem is flexibility and that you can take the cuts if you are given the flexibility. Now, you said something like transfer authority will not help. Can you focus this discussion for us? Because this is going to come up over the next year as we wrestle with this issue. If we gave you additional flexibility, would that substantially alleviate the impact of the sequester on the hollowing out of the force?

Mr. DONLEY. Flexibility comes in a variety of flavors and colors. So, first of all, with respect to fiscal year 2013 and the way it has to be implemented this year and what we experienced, it came almost 6 months into the fiscal year. So it forced a very mechanical spread of dollars across all the accounts, but it forced that to happen in essentially the last 6 or 7 months of the fiscal year. So it has had devastating impacts really on our ability to execute the budget that you all approved.

Looking forward, there is no question in our minds that more flexibility is better, that being allowed to make choices about where to put emphasis in our defense planning and programming, to favor certain programs, to promote the strategic interests of the United States even as defense resources go down is an important goal. It is an important flexibility to have.

But I would also offer that in doing this work, we need time. We need time to do this right. As you give us the flexibility, we also need to have the collaboration and the cooperation of Congress so that you understand the choices that we will be making and you will be comfortable with those as you approve our defense plans and budgets. It will not help if we make tough choices internal to DOD which Congress does not agree with or is not ready to make and you reverse or block those changes. So it is very important that we collaborate in this work going forward regardless of what the level is. But we need time to do it right.

Senator KING. But are you suggesting then that we can go ahead with the 10-year sequester and you can manage okay if you are given—I was under the understanding that you said transfer authority will not really help. Was that only for this year or in the future? This is an important question.

Mr. DONLEY. Just to be clear, transfer authority for fiscal year 2013 will not help us out in this sense. What you are giving us when you give us transfer authority is the ability to move dollars from one account to another account inside the fixed constraints of sequestration. So in order to meet all our O&M requirements, for example, to fix all the OCO shortfalls and O&M shortfalls, we have to cut into modernization programs that right now we are not quite prepared to cut into yet. So we would have to start breaking contracts and doing other significant damage to modernization programs to pay operational bills for this year. That is not a good trade for fiscal year 2013. We could set up those decisions for 2014 and 2015 if we were given the time to do that.

Senator KING. But are you saying that the figures you would get in 2014 and 2015 under sequestration are adequate if you have the flexibility to plan and move the funds around?

Mr. DONLEY. No. My view is that the dollars implicit in the BCA, which involve a trillion dollars in cuts over 10 years, will have a devastating impact on our security policy and programs going forward.

Senator KING. Regardless of flexibility and transfer authority.

Mr. DONLEY. You cannot take a trillion dollars out of the defense program and not have an impact.

Senator KING. The impact you just characterized as——

Mr. DONLEY. Devastating. It will be force structure. It will be readiness. It will be modernization. To get a trillion dollars out will do significant damage to our military in my opinion.

Senator KING. The phrase you used earlier was, "significantly degraded readiness posture." Is that the characterization?

Mr. DONLEY. That is how we are going to start fiscal year 2014 most likely.

Senator KING. I am out of time, Mr. Chairman. I am going to submit some questions for the record on the long-term plans for the KC–46 and refueling, where that is going to go.

I appreciate your testimony. Thank you.

Chairman LEVIN. Thank you, Senator King.

Senator Chambliss.

Senator CHAMBLISS. Thanks, Mr. Chairman.

Let me say to Secretary Donley, this being your last hearing, again as I alluded earlier to you privately that we thank you for your service and I particularly do. I have a major Air Force presence in my State. You have been very open to dialogue with respect to all the issues that we have had with regard to not just the facilities but with weapons systems and a broader range of issues that we have had to engage on. Your service is very much appreciated and I also appreciate the friendship that we have shared during your tenure. So we are going to miss you, but we certainly wish you the best.

Gentlemen, I want to talk for a minute about JSTARS. I am very concerned with what I see the direction in which this weapon system is going. The E–8C aircraft is the military's premier and wide-area ISR aircraft with ground targeting capability. Secretary Donley, you and I have talked about this any number of times over and, General Welsh, you and I have had this conversation too, that every time I go into theater, which is often, and I mention to our combat commanders on the ground the word "Joint STARS," their eyes light up because of what this weapon system has done from the standpoint of being able to address the enemy in whatever part of the theater they exist.

The President's budget request cuts $10.7 million in R&D funding from the program and recommends the test aircraft, the T–3, be put into what I understand as preservation storage because the developmental program has concluded. However, there are multiple upgrade programs such as the National Guard's multi-agency upgrade that will require flight testing, and the Air Force is proposing in your budget request to place JSTARS test aircraft into preservation storage, again due to the conclusion of the develop-

ment programs. But the Air National Guard continues their development programs and modernization efforts, funded and planned, which will require flight testing.

How will the Guard complete flight test requirements for these programs without the T–3?

Both the Air Force and the Guard have future plans for additional modernization programs for JSTARS. How will these programs complete flight test requirements without the T–3?

Lastly, what are the costs associated with placing T–3 in preservation storage?

Mr. DONLEY. Senator, I would like to get back to you on the record with a comparison of what is funded in the Active Air Force versus what is planned on the Guard side going forward for the E–8.

[The information referred to follows:]

Joint Surveillance Target Attack Radar System operational jets will be used to support test requirements when not providing their primary function of supporting combatant commanders and training forces for initial qualification and combat readiness. The cost of placing T–3 in storage is $57,000 for induction and $52,000 for re-preservation every 4 years.

Senator CHAMBLISS. Okay.

Any comments, General Welsh?

General WELSH. No, Senator. I do not know the details of the Guard program. I agree with the Secretary. We need to get you the right answer.

Senator CHAMBLISS. Okay. I really am concerned that this program may be headed towards whatever preservation storage may be, and I am truly concerned about it.

Mr. DONLEY. Sir, if I might, I would just offer too that this is a concern for us in the sense that we have done an Analysis of Alternatives (AOA) that suggests for this set of missions, the ground moving target indicator mission, going forward among varying levels of options and capabilities, the best solution is probably a business jet type aircraft with a new radar. That was the result of the AOA a couple of years ago.

The issue for us is it is not funded. We simply do not have the resources. It is one of several programs where we know pretty much what we want to do. We pretty much understand the requirements, but the dollars are not there to fund those programs going forward. There is even more pressure on the modernization programs ahead, as I indicated.

Senator CHAMBLISS. In your response to Senator King, you talk about readiness being impacted in a big way, and this is another one of those areas where we are not going to be ready if we do not have the resources under sequestration.

Let me move to another issue, G–222. There is a lot of conversation around the Hill these days that the Air Force has a $600 million program of airplanes that we purchased for use in Afghanistan and that those airplanes are sitting on the ground in Afghanistan not being used now and that they are going to be chopped up and thrown away versus some other more useful disposition being made. My understanding is that that is not really the case, but I want to give you an opportunity to address that issue and let us set the record straight with respect to, number one, what are the

circumstances surrounding the termination of that contract, and number two, what is the Air Force's intentions relative to the disposition of those aircraft that are on the ground in Afghanistan today.

Mr. DONLEY. Senator, as you suggest, the G–222 has been a troubled program for the Air Force. This was an early version of the C–27, procured on the used aircraft market to meet an urgent need for the Afghan air force. As those aircraft were delivered, they had sustainment problems from the very beginning. First it was propellers. A year later, it was supply chain issues. They faced a number of spare parts and performance-related materiel crises over several years. Again, after working with the contractor, we simply concluded that this was not recoverable. We were not delivering—the contractor was not delivering the ready aircraft required under the contract.

So we have worked with the Afghans. They have identified a C–130-like aircraft as the best option for them going forward. The G–222 was actually always intended as a bridge to a future capability, and the cancellation of the G–222 program will get us to the C–130-like capability more rapidly.

So Secretary Carter and the rest of the defense leadership has us focused on making this transition as quickly and as effectively as we can. We have no plans for the disposition of the G–222 at this point. So there is simply no good option in front of us at this point.

Senator CHAMBLISS. As you proceed down the decision-making process route, I hope you will keep this committee informed of what you do intend to do there because, obviously, that was a lot of money to be spent. I understand the problems that existed, but we just need to know what is going to happen with the resources that were used there.

Mr. DONLEY. We will keep you posted.

Senator CHAMBLISS. Thanks, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Chambliss.

Senator Donnelly.

Senator DONNELLY. Thank you, Mr. Chairman.

Mr. Secretary, General, thank you for being here today.

I am a dad. I have a son and daughter, and moms and dads all over the country put their most precious resource, their most precious treasure in our hands. We have to get this right in the area of sexual assaults and sexual harassment. We have to have zero tolerance. I believe that you will work nonstop to make sure we get this right and look forward to your efforts on that. We will be watching closely to make sure that happens.

I was with a group of Senators and Representatives that just returned from Afghanistan a few days ago. While we were there, there was a discussion about the need for the Afghan troops to continue to have air cover after we are gone. One of the discussions that took place was that there is a contract dispute right now over planes that are going to go to the Afghan air force. This dispute continues. I am very concerned about making sure that the Afghan army, the Afghan police have the ability to have the same kind of quality air coverage that we provide to our soldiers as we step back. I was wondering what are the plans to solve these disputes

and to get this in place because the Afghan soldiers themselves said, look, we are concerned about the Medevac piece. If we are out there fighting, we need to get back. We need to have cover. So I am interested in your response.

Mr. DONLEY. Just a couple of points, Senator. I will also ask the chief to chime in.

This is the light attack support program, to which you referred, which we had a misfire on in our acquisition process over a year ago. We restarted that competition. We made a contract award earlier this year. It was protested, and that is currently being reviewed by the Government Accountability Office (GAO) currently. That usually takes about 100 days. The 100-day clock will run out in the mid-June timeframe, I think.

In the meantime, though, we have sustained the contract award that we made earlier this year to get the program started. This was an extraordinary action on our part. Normally we would have suspended that while waiting for the GAO to rule on this matter, but we decided to go ahead because of the commitment we had made to the Afghan air force to get this capability to them next summer. We are already behind in that work, and we are dedicated to doing that.

They will not have the same kind of capability that we are exercising over Afghanistan today. I do believe they are on track to building a small but effective air force. One of their backbones right now is the MI–17 helicopter, and they have been doing casualty evacuation work in this regard and stepping up into that mission.

Chief?

General WELSH. Yes, Senator. I would just add that nobody anywhere has the kind of air support that we give our troops on the ground and they never will.

The Afghans will get what they need from the A–29. It will provide them the capability they need to be successful in the battlefield, I believe, if we can deliver it on time. The plan is still to deliver it by the end of calendar year 2014, and that is what the Commander of International Security Assistance Force, General Dunford, is expecting us to do.

Senator DONNELLY. Great.

In Syria, in regards to a no-fly zone, whether it is—20 percent has been discussed. 100 percent of the entire country has been discussed. How difficult is that to put in place? How many airmen, soldiers, marines, Navy are required to do that?

General WELSH. Senator, I think the number is completely dependent on the plan itself, and I am not privy to the detailed planning that is going on for options in Syria.

I will tell you that the forces we have that are not flying right now will be likely required to maintain a no-fly zone over time. A lot depends on where you can actually base the aircraft which are enforcing the no-fly zone. You cannot do it all from carriers in the Levant. We do not have enough. You will have to do land basing. If they can base in countries nearby, you need less tanker support. If you have to move farther away, you need more tanker support. There are a lot of variables that will drive the size of this operation.

Senator DONNELLY. When you look at that, does a no-fly zone over 20 percent of the country—is that effective? Does that change the game at all?

General WELSH. Senator, I think that is completely dependent on the objectives you are trying to accomplish. As I said, I am not in that discussion.

Senator DONNELLY. In regards to unmanned air systems, can you talk to us about the future of the unmanned air systems in the Air Force? What role in the Federal Aviation Administration's (FAA) task of integrating the unmanned aircraft systems (UAS) into the National Airspace System (NAS) by September 2015—what role is the Air Force going to play in that, sir?

Mr. DONLEY. Sir, we are members of the NAS review process. We have Air Force staffers, Air Force officers assisting FAA in this work. Their choice about which locations to choose for demonstrating, I think it was, six different locations across the Nation—that is an FAA decision that we are not privy to. But they did come to us and ask for advice on how to set up that process.

RPAs have a future in our Air Force. There is no doubt about that. We have new career fields and capabilities that we did not have 10 years ago that we are going to maintain into the future.

Senator DONNELLY. One of the proposals out there is a joint proposal between the States of Indiana and Ohio to be one of those six UAS test sites.

As you look at the fiscal year 2014 budget, it requests approximately $90 million for Air Force research, development, test and evaluation, human effectiveness, applied research for trusted autonomy. Do you think that that level of funding is sufficient for the study of the UAS autonomous systems?

Mr. DONLEY. Sir, I am not familiar with the details of that particular proposal, but I will get you an answer for the record on that.

[The information referred to follows:]

The total Air Force research, development, test and evaluation (RDT&E) budget request for research in trusted autonomy is sufficient. The $89.483 million request for Air Force RDT&E, Human Effectiveness Applied Research (Program Element 0602202F), contains a broad portfolio of human-centered research in the areas of airmen training, airmen system interfaces, bioeffects, deployment and sustainment of airmen in extreme environments, and understanding and shaping adversarial behavior. Of this amount, $3.1 million is specifically targeted to work in the area of trusted autonomy for unmanned aircraft systems. The Air Force Research Laboratory has a well-coordinated investment in trusted autonomy research as it relates to integration of remotely piloted aircraft in the national airspace. The research investment in this area is balanced across multiple technology areas and program elements to develop and demonstrate technology options to our warfighters in the timeframe they require. The Air Force is also leading a cross-Service effort, called the Priority Steering Council for Autonomy. This group has identified two technical challenge areas related to trusted autonomy: (1) human/autonomous system interaction and collaboration; and (2) test, evaluation, validation, and verification. There are many shared goals in these technical challenge areas that have resulted in ongoing, collaborative cross-Service research efforts focused on this issue.

Senator DONNELLY. Thank you, Mr. Chairman.

Senator NELSON [presiding]. Senator Gillibrand?

Senator GILLIBRAND. Thank you both for your extraordinary service and for the hard work you do every single day.

I want to continue the line of questioning that was started by Senator Levin concerning sexual assaults in the military, and I want to start with you, Secretary Donley.

You said that you believe the chain of command needs to retain its authority to make determinations of whether or not a sexual assault charge should go to trial because you believe that that authority is necessary to maintain good order and discipline within the ranks.

Now, fiscal year 2011 had 19,000 cases of sexual assault and rape, 3,192 reported, 190 convictions. The fiscal year 2012 report has come up with higher numbers, 26,000 cases and barely more reported, 3,374.

Obviously, this is not good order and discipline. So are you saying that every commander in the chain of command is failing in our military today?

Mr. DONLEY. No, I am not, and I would say that the changes in the numbers that we are seeing are a matter of some debate and we are not really sure whether the numbers of increasing reporting reflect a higher incidence or they reflect more confidence in the system so we are getting more reporting of incidents that had already been taking place——

Senator GILLIBRAND. Secretary Donley, take the lower number. Let us not even take the supposed cases of 19,000. Let us just stick with the 3,000 reported cases. If that is too high for you, let us stick with 190 convictions from last year.

Mr. DONLEY. The numbers are too high. We agree with you on that. The issue that you asked about is whether or not commanders ought to be involved in this work, and I guess in my judgment—and I will defer to the chief to chime in here—commanders need to be part of the good order and discipline for their units. If they are cut out in some specific way, it is not good. It kind of separates them——

Senator GILLIBRAND. They are failing in this regard, sir. This is a regard in which there is clearly insufficient training, insufficient understanding. If the man in charge for the Air Force in preventing sexual assault is being alleged to have committed a sexual assault this weekend, obviously there is a failing in training and understanding of what sexual assault is and how corrosive and damaging it is to good order and discipline and how it is undermining the credibility of the greatest military force in the world. This is not good enough.

Now, General Welsh, in answer to the same question from Senator Levin, you said you did not know what we would be fixing by removing the authority from the chain of command. You cite as proof for that that the chain of command does not disregard the recommendations of the lawyer.

Do you have a sense as to why, if there are 19,000 or 26,000 or some unknown number of sexual assaults and rapes within the military every year, such a fraction are reported? Could you surmise that it may well be that a victim has no faith in the chain of command on this issue, on sexual assault? Because going back to the gentleman whose job it is to prevent sexual assaults was just alleged to have committed sexual assault. Do you think perhaps that a victim does not believe he or she will receive justice because

the chain of command is not trained, does not have the understanding of what sexual assault and rape actually is?

So I do not think you should pat yourself on the back that your commanders have acknowledged and accepted the recommendation of their lawyers in a good percentage of cases. I am highly concerned that so few victims feel that they could ever receive justice that they will not report. So what I would like you to consider—and I would like thoughtful consideration of this—if we remove it from the chain of command, perhaps more people will report these cases because they are reporting them to a trained prosecutor who understands the nature of sexual assault and rape and will not discount their allegations.

Already you are willing to agree that Article 60 is no longer needed because we see time and time again that after a jury's verdict, commanders are overturning that verdict. Imagine you are the assaulted victim who has just gone through a trial and because a commanding officer has said let us overturn the jury's verdict, you then have to salute the person who assaulted you. That seems to be a lack of justice.

So I would like you to think this through because I have now heard from nearly everyone that somehow removing this one judgment—this one judgment—would unwind the discipline and order within the armed services. We are not taking away the commander's authority over almost everything else. I think there is a lack of understanding and training for this specific type of crime that is continuing to rise. So do you understand, General Welsh, that there is something that needs to be fixed?

General WELSH. Senator, you referred to several different things. Let me try and break them apart just a bit because I have given this a lot of thoughtful thought.

The number 800 is the one I focus on because I know there are 800 victims last year in the U.S. Air Force—792 people came forward and said they were victims, and we know an awful lot about that set of victims.

I also know that in the last 3 years there has been one sexual contact case, one case out of 2,511 court cases, where a commander decided not to prefer it to court when a lawyer, well-trained, educated in the law, said he should. One case. We do not have commanders routinely overturning sexual assault convictions. There are two in DOD in the last 5 years that we can find. This does not happen all the time.

The facts are critical as we try and figure out how we move forward to solve the problem because it is very easy to get distracted and derailed and focus on things that will not make this better.

My concern is ensuring, if that is ever humanly possible, that no one else suffers from this crime. You know well, because you work this very hard, that there are lots of pieces to that. One is prosecution. I do not know if you were in the room when we had this conversation earlier, but I sat down with my JAG. We took our Air Force statistics because my concern is if we are seen as not prosecuting, people will not report.

Senator GILLIBRAND. I heard your .05 percent. That is not what I am worried about.

General WELSH. That is not the point I am making. RAINN took our data, put it in their model, and for 2012, according to their statisticians, we are 1-something percent below their prosecution rate and 3 percent above their conviction rate. So a fact on the table is that we do not have a very different problem than district attorneys' offices around the country have. It is a horrible problem, but it is the same problem. So that is not the critical issue that makes the military different.

Senator GILLIBRAND. If one in five women say they are serving in the military and they are receiving unwanted sexual contact, that is a huge problem regardless of what you are looking at in the public sector.

General WELSH. I am not comparing us to anything, Senator. I am trying to get at the problem that we have to fix. In the civil sector, there are people who can help us look at this. They have the same problem. We are reaching out to them. It is the same problem in universities, on Capitol Hill, and industry. It is the same problem. We should be working together to identify those things that help us resolve the problem in a meaningful way. That takes a very careful analysis of the data.

Senator GILLIBRAND. One of the reasons why I am concerned that you are so focused on retaining this authority, if it is used in so few instances, why do you need to retain it? Because the reality is because it is in the chain of command, I believe—and this is what victims have told us time and time again—that it is why they do not report. So if you want to increase the number of reported cases, as opposed to these numbers that are unsure, vague, not sure if it is precise, whether it is 19,000 or 26,000 a year but only 3,000 approximately are reporting, you have to remove it from the chain of command. The commander is not using the authority to overturn what the lawyers are recommending in hardly any cases. You have just said so. It is only a handful of not taking the recommendations to go to trial, and it is only a handful that are overturning those cases.

But I think because it is in the chain of command, because this is what our witnesses have told us, people are not reporting. They do not feel that there is an atmosphere by which they can report safely. They are afraid of retaliation. They are afraid of being treated poorly by their commanders, being treated poorly by their colleagues. There is not a climate by which they can receive justice in the system. That is why I want the decision not to be part of the chain of command but be done entirely by trained professionals who may not have a bias or may not have a lens that is untrained.

General WELSH. We did a survey recently in the third Air Force in Europe. 79 percent of the respondents said that they would report sexual assault if it occurred to them. That ends up not being true once they become victims. We find that 16 percent of our victims report. So what changes when you become a victim? I think we all know. The things that cause people to not report primarily are really not chain of command. It is I do not want my family to know. I do not want my spouse to know or my boyfriend or girlfriend to know. I am embarrassed that I am in this situation. It is the self-blame that comes with the crime. That is overridingly

on surveys over the years the reasons that most victims do not report. I do not think it is any different in the military.

Prosecution rates in the Air Force for this crime——

Senator GILLIBRAND. I think it is very different in the military. I think you are precisely wrong about that. Everything is about the chain of command. How you are seen by your peers and your commanders is the essence of whether you will have a successful career in the military.

General WELSH. Ma'am, I am just relating what we get on surveys from our members. I cannot attest to the veracity with which they take the survey. I will take the data at face value until we have something better to work on.

Our prosecution rate for sexual assault in the first quarter of this fiscal year—we have more cases referred to court than were referred in the entire year of 2011. It is 50 percent higher than any quarter last year. We are working this hard.

Senator GILLIBRAND. Thank you for your efforts, and I do appreciate what you are doing. I know every aspect in the military is trying very hard to address this scourge, and I appreciate your leadership on that.

My time has expired.

Chairman LEVIN [presiding]. Thank you, Senator Gillibrand.

Senator Nelson.

Senator NELSON. I think what you are hearing here is this is coming to the fore because a lot of people are beginning to speak out. This Senator had hearings on this not among the military but among the military contractors in Iraq, and I had these hearings 6 years ago. We had women who had been raped come forward and explain how everything was shuffled under and swept under the rug, how rape kits were not available, how there was always the pressure not to report. I think that what has happened is that there has been sufficient agitation now as being expressed by a number of the women Senators here on the dais that it is finally coming out. Of course, things need to change.

What I found was that we could not even—this is the hearing 6 years ago—that we could not even get the U.S. attorneys to prosecute because they could not get the evidence because the evidence was never there when in fact we had a number of testimonies that would just tear your heart out.

So thank you for what you are doing.

Mr. Secretary, I want to personally thank you. You have served extraordinarily well. I remember when you were selected by Secretary Gates to come in and clean up a problem in the Air Force, and that was 5½ years ago and you have done that exceptionally well. I want to thank you for your service.

Now, let me just ask a couple of quick questions. There is talk about another round of BRAC, and of course, that makes Senators nervous. But why is there not real concern about a BRAC in Europe? Why do we need the forces there that, in large part, were put there as a result of the Cold War? Why is that not a logical place to look?

Mr. DONLEY. Sir, I would offer that the U.S. Air Force footprint in Europe is much smaller than it was during the Cold War. We can possibly make it a little bit smaller yet, and those discussions

are underway with our joint partners and with OSD. But I will let General Welsh, who knows this theater like the back of his hand, address this in more specifics.

But I will also offer that despite the range and speed of airpower and the flexibility it provides from the CONUS to go east or west in support of combatant commanders or worldwide commitments, geography matters. Geography matters, and so the collaboration that we have, the presence that we maintain in Europe provides throughput to the Middle East and other important areas and to North Africa as well.

But I would let the chief talk about his experience in Europe.

Senator NELSON. General, can you speak outside the Air Force as well?

General WELSH. Senator, I think so. The U.S. Army did a very big reduction in Europe a couple of years ago. The Air Force has actually come down about 75 percent of its force structure in Europe over the last 20 years. There has been a significant lowering in force structure and size.

We believe we can still streamline the footprint. We believe we can consolidate, we can realign some things and save money and close some infrastructure in Europe. We are in the process of putting that plan together. But as the Secretary said, there are some things that the United States will always want to have in Europe to support options for the Nation.

Senator NELSON. Mr. Secretary, I just want to echo the commentary from Senator Chambliss' concerns regarding the grounding of the test aircraft in JSTARS, and he has already made that statement. General, I would address that to you as well.

Tell me. Replacing the A–10—would something like the A–29 help fill the gap in close air support?

Mr. DONLEY. Again, I would offer the chief the opportunity to speak in more detail.

But the F–35 is our preferred air-to-ground capability going forward. It is intended to replace the F–16. It is a multi-role aircraft, likely to replace the F–16 in numbers. I think it has the capability to replace the A–10 as well. But I will let the chief talk to this more specifically.

One problem with the A–29 is its inability to operate in a highly contested environment. But I will let the chief respond.

General WELSH. Senator, we have no requirement for the A–29 in the U.S. Air Force. The environments that we are training for for the future—we need an airplane that can both operate in a contested environment and then swing to an uncontested one when able because we are, as Senator Inhofe mentioned earlier, the smallest Air Force we have ever been, and I think that downsizing will continue, which means we are having to make decisions like single-capability, single-mission airplanes are not as valuable to us as multi-mission airplanes.

The F–35 can do the close air support mission. I think we will have to look at optimizing weapons for it for that mission in the future potentially, but the weapons that are currently in its projected inventory will allow it to do the job very well.

Senator NELSON. I did not have the opportunity to hear Senator McCaskill's comments. She has put a hold on a promotion of an Air

Force general, and as reported in the Washington Post, this was a general that overturned a conviction of a military court. Is that what it is? Can you cite something about the history of whether or not this is something that is done frequently?

Chairman LEVIN. Let me interrupt your answer on this. I am going to run over and vote and come back. Senator Shaheen is over voting and is going to come back. There is a vote on, I should have started by saying. So when you are done, Senator Nelson, if you would recess this until either Senator Shaheen or I or other members come back.

You folks may have a 5- or 10-minute break, in which case it is purely by chance, not by design. So do not thank me for it. We are punishing you here a little bit this morning.

Anyway so, Senator Nelson, excuse the interruption.

Senator NELSON [presiding]. Thank you.

General WELSH. Senator, this was a case, one of only two in DOD in the last 5 years, where a convening authority has reversed the finding of guilt on a sexual assault charge. This was a case where there were actually two allegations of sexual assault against an individual and then some other lesser charges. On the principal charge of sexual assault, the subject was found not guilty. Or the second charge, he was found guilty, and he was found guilty of the lesser offenses that were not directly related.

So the convening authority, reviewing the case in accordance with the UCMJ and our rules of court martial, made the judgment call that the evidence presented—after she considered the record of trial, the evidence presented and matters presented for clemency, which included other things, that the evidence presented had not met the burden of proof in her view. So she set aside the court conviction on the second charge of sexual assault and set aside the court on the other lesser charges and took those four charges and handled them all under nonjudicial punishment through Article 15 action. So she did not set aside with no punishment, but she set aside the court finding on that case. That is the case.

It has only happened twice, that and a recent case at Aviano. That is it in all the Services in the last 5 years.

Senator NELSON. Can you describe the facts in the Aviano case?

General WELSH. In that particular case, sir, there was an allegation of sexual assault by a military member on an Air Force civilian. The convening authority convened the court. The court found the subject guilty of sexual assault, and sentenced him to prison. In the review process, the standard review process, again according to the UCMJ and the rules of court martial, the convening authority again reviewed all the evidence presented at trial and some additional information presented in the clemency package that was not available to the jury at trial. The convening authority decided again that they had not met the burden of proof in trial in his view, and he set aside the court martial findings.

Senator NELSON. In this instant, the case that Senator McCaskill was involved in, was there any additional evidence that came in such as in the Aviano case?

General WELSH. There was input from the victim through the victim's counsel included in the matter of clemency, and then I do not know exactly what was in the entire clemency package. I know

roughly what it was. I have scanned through it all. But I do not remember how many letters of support, et cetera, were presented. I did not review all of the evidence presented in trial on this case. It happened a couple of years ago, and so I do not know if there was other evidence that the judge in that trial had not allowed in court that was presented to the convening authority. I do not know the answer. We can find that out for you, sir.

Senator NELSON. I think this ought to be handled, but you have a Senator, Senator McCaskill, who is concerned about the convening authority and the convening authority's ability to proceed with a promotion. I would assume that that might be something that the Chief of Staff would want to review with regard to any additional evidence presented, as opposed to letters of support. As you just stated, in the Aviano case, there was additional evidence that had not been brought out at the trial. That would seem to me to be something that the Air Force at the highest counsel would want to know.

General WELSH. Senator, we are in very close contact with Senator McCaskill. She has the complete record of trial. She has the justification from the convening authority. She has everything we have on this case. My JAG has spoken with her staff multiple times. I believe she has all the information she needs from us on this case.

By the way, just to clarify, this is not a promotion. It is a lateral move that we have requested for this particular officer.

Senator NELSON. If it is not a promotion, why does it have to come through the Senate Armed Services Committee?

General WELSH. It is another three-star position, sir. She is in a three-star position currently and moving to another one.

Senator NELSON. I see. Okay. Thank you.

The committee will stand in recess, subject to the call of the chair. [Recess.]

Senator SHAHEEN [presiding]. Thank you, everyone, for coming back in.

To Secretary Donley and General Welsh, thank you both for your stamina this morning, for coming back so I can ask my questions as well, and especially thank you for your service to the country. Secretary Donley, I very much appreciate all of the time, energy, and expertise you have provided in your role as Secretary of the Air Force. I know that the country will miss you.

Gentlemen, I am going to change the subject for a minute. I know my colleague from New Hampshire, Senator Ayotte, has raised this issue, and I would be remiss if I did not begin with asking you about the KC–46A basing decision. Now, I will spare you my talking points about Pease's great location in the northeast Atlantic and the success we have had integrating our Active Duty and our National Guard and the competence of everyone who is stationed there. But I do want to ask you if the decision about the basing of the new tankers is still on track and when you expect that to be announced.

Mr. DONLEY. It is on track, ma'am. We do expect it later this month.

Senator SHAHEEN. Great. Thank you.

I know there have been some questions about the contract for the new tankers, but can you explain what the impact of continued sequestration might be, if there is any, and we have to renegotiate the contract for the KC–46A?

Mr. DONLEY. We think that the current program is on track, 179 aircraft, first developmental aircraft by fiscal year 2015, and I believe it is 8 aircraft by fiscal year 2017. We think the contractor is a good one both for the taxpayers and for the warfighter.

One of my favorite reports to sign to Congress, which I do on a quarterly basis I believe, is that there have been no engineering changes to the KC–46 contract and there have not been since that contract was awarded. It caps the Government's role in this development contract at $4.9 billion. There is some cost and schedule—cost risk, I would say, not schedule risk that we know of, but cost risk to the contractor at this point. There is a minor impact from sequestration as we have to move dollars around to make sure that the KC–46 contract can be and is funded. We will continue to do that going forward.

Senator SHAHEEN. So what would the impact be should we not address sequestration in the next fiscal year or the following fiscal year? Will we still be able to go forward with the contract?

Mr. DONLEY. It would make it more difficult to do so. Depending on the flexibility provided by Congress to move dollars around various appropriations, that could impact our ability to meet contract obligations. But we are doing our utmost not to reopen this contract.

Senator SHAHEEN. That is very good to hear. I certainly hope that we will do our utmost in Congress to address those automatic cuts from sequestration and to come up with a long-term plan that means that not only will the military but no one within Government will have to have the impact of those cuts.

But while we are talking about contracts, can we also talk about what impact that sequestration and furloughs might have on the JSF?

Mr. DONLEY. Again, the JSF remains a very important priority for us. It has taken its share of reductions in sequestration. We have been able to accommodate those to some extent, but we are losing probably 3 to 5 tails out of our planned procurement for the Air Force of 19 aircraft in fiscal year 2013. Some of that will go to pay for continued development of the program which we are prioritizing. So the focus is on making sure the F–35 development program closes out before fiscal year 2018, and that is a firm commitment that the Joint Program Office is holding to, that the Services are holding to. There is no more money being provided to this program. So tradeoffs between procurement and development are an annual process, and sequestration forces us to take a couple of more tails in 2019 to support development.

Senator SHAHEEN. Will that affect the long-term cost of the F–35?

Mr. DONLEY. It will. We have made adjustments to the program in the last several years where we have pushed airplanes outside of the FYDP, and those would need to be made up at the end of the program. That does increase unit cost a little bit, extends the

program out. So these are deliberate choices we are making. They do extend the life of the program a little bit longer and add cost.

Senator SHAHEEN. So that even though we may see some short-term savings, we are going to see some long-term increased cost.

Mr. DONLEY. Yes, but hopefully marginally. As long as we stick to our current procurement plans and we maintain strong partnerships with the international partners that are part of this program and we do not take any action to substantially reduce the size of the program, then the cost per aircraft increase from these delays will be smaller than if we take these other actions.

Senator SHAHEEN. Good. Thank you.

Finally, gentlemen, I do want to raise my concerns, even though I know they have been raised by many of my colleagues here, about sexual assault in the military. We heard in my office last week not from a woman who had been sexually assaulted but from a man who had been sexually assaulted and not only once but over a period of time.

So, General Welsh, you talked about the comparison between what is happening in the military and what is happening in the civilian world. As you pointed out, this is unacceptable regardless of where sexual assault happens. But can you talk about how you are making use of what has been learned on the civilian side about how to address sexual assault?

This is an issue that I have worked on for probably 30-plus years in various capacities, and the things that I have learned from my experience that have worked have been opportunities to support victims of sexual assault, to make sure that they can be removed from the perpetrator, to ensure that there is a swift response on the part of law enforcement and that people understand what the punishment is going to be and that that is clear and swift and an awareness about why this is unacceptable among the general public.

So can you talk about how you are making use of some of the lessons in the civilian world as you try and address this issue?

General WELSH. Yes, Senator, I can. We have worked very hard to review both literature and to invite experts in, experts in the fields of prosecution, experts in the field of victim care, experts in the field of psychology, experts in the field of developing cultures and environments. We have been doing this for several years in the Air Force now and in DOD. We have made many changes.

We do not know what effect they are having, but they are not having enough of an effect is the big point I would raise. We have to keep working this and we have to find a different set of things that may be game changers in battling this problem. That is why I stressed that we have to unemotionally assess this to the extent possible so that we can work together on the things that can be game changers, not the things that are not really at the source of the problem.

For example, I have a dinner at my home later this week with a group, an industry group, that actually does work on building cultures and climates. The intent is to ask them if there is a way to put together something that we integrate into our training programs across the Air Force that helps develop focus on diversity, inclusion, and respect. We will not call it sexual assault training

because that might not get us the result we want. We just change the way people think from the day they walk in the door. How do we take that wide spectrum of behavior and thought in society and bring it down into what we think is an acceptable spectrum of behavior when you are serving in this business. If we can start to make progress in that area, we can extend it throughout the course of a career.

Now, we are trying to do all those things, find the areas where we gain traction, and then exploit those. The SVC, in my mind, is the one that has done that. Some of the things we have done differently are investigative processes. We have a new Office of Special Investigations special investigator course that we have now run three classes through, designed curriculum approved by initial attendees from outside the Air Force who are special victims prosecutors in the civilian world. So we have counselors, psychiatrists, special victims' prosecutors from the past who are helping us, and we are going to continue to do everything we can.

Senator SHAHEEN. Did Lieutenant Colonel Krusinski have the benefit of some of those education programs before he was assigned to his role?

General WELSH. Let me speak generally because I have not seen specifics of training completions that he has done. As I said, I just have not had time to look at that since we heard of this yesterday.

He has completed all the standard Air Force training. We have annual training. We have recurring training. He has been a squadron commander in our Air Force. There is training that is required in squadron commander training before you take that role where this is included. He was a Force Support Squadron commander, and sexual assault response coordinators, et cetera, work under the Force Support Squadrons in our Air Force. So he is clearly familiar with the program. I do not know how far back his training record goes. Obviously, he had just completed his sexual assault response coordinator training and victim advocate training for this job last week.

Senator SHAHEEN. Thank you very much.

Thank you, Mr. Chairman.

Chairman LEVIN [presiding]. Thank you very much, Senator Shaheen.

Just one quick question. You have given us some indication of the very few number of cases where fact findings by courts martial panels have been overturned by the convening authority. Could you, for the record, tell us—those related just to sexual assault case. So if you could tell us for the record whether there are any other cases and if so, what cases in the last same number of years—I think you were going back 5 years—there were set-asides of findings.

General WELSH. It is about 1 percent, just so you know. We will get you the details.

Chairman LEVIN. If you could get us the actual numbers, that would be helpful.

[The information referred to follows:]

From 1 March 2008 to 28 February 2013, convening authorities disapproved findings in a total of 40 cases, 35 of which were not sexual assault. During that same timeframe, 3,713 cases were tried in the Air Force.

Chairman LEVIN. There will be many questions that will be sent to you about either proposed legislation or legislation that has already been introduced asking for your opinion. There has been some legislation already introduced, which I understand has already been sent to the general counsel. There have been letters that have been sent to our chiefs, but there will be some additional letters that will be sent by me, other members of the committee. What we would ask you for is—we know we are going to get thoughtful responses, but we also need prompt responses because it is my plan and expectation that there will be legislation that will be taken up as part of the defense authorization bill's markup, which begins in June. So you could be getting letters regularly between now and then, but we would very much appreciate prompt responses to those letters.

Nothing that was said here today by any of us was intended to affect or influence any judicial proceeding. Nothing that was said by any of us here today was intended to have any effect on any either pending or future judicial proceeding. I think we were careful to make that clear. But in any event, that is the position of this committee and our members to a person that we do not intend to influence any judicial proceeding by any comment that we make here because you have a responsibility in the military to dispense justice. We count on you to dispense justice for victims, but also for people who are accused of crime.

We are going to do the very best that we can to see if we cannot bring our UCMJ up to date because there are some things that have happened since those provisions on the power of the convening authority were written, particularly in the area of appellate rights for defendants. So, we will be working hard on that and we will need your cooperation.

We are very, very grateful to both of you for your testimony here today. It is very important to us that we have your views on not just the issues of sexual assault but also on the problems that you face in the Air Force, which are there in large numbers. So we are grateful for your service. Particularly, I say to you again, Mr. Secretary, you will be missed. You have been a really true friend, not just of the Air Force, but of our Nation, and we are grateful for that. We will see much more of you, General Welsh.

We will stand adjourned.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR BILL NELSON

F–35: REPLACING THE A–10

1. Senator NELSON. Secretary Donley and General Welsh, the Joint Strike Fighter (JSF) program is designed to replace the F–16 and A–10 in the Air Force inventory. As you know better than anyone, the A–10 is designed to be low and slow in order to provide close air support (CAS) to ground forces, and it is heavily armored to protect the pilot and vital systems. How confident are you that the will the F–35 will be able to replace the core mission of the A–10?

Mr. DONLEY and General WELSH. The Air Force is very confident in the F–35s' capabilities as an A–10 replacement.

The F–35A in the CAS role provides increased survivability and lethality, and while stealth may not necessarily be required to conduct CAS in low intensity conflicts, F–35's fused sensors, precision weaponry, large payload, and data-link capability will offer distinct advantages.

Selecting the appropriate CAS asset must take into account the threat, ground situation, target effects required, and a host of other dynamic factors. As the threat of advanced, mobile, surface-to-air missiles proliferates, the F–35's unique survivability may make it the best available fighter to conduct CAS in certain high-threat situations.

2. Senator NELSON. Secretary Donley and General Welsh, would something like A–29 help fill the gap left in CAS?

Mr. DONLEY and General WELSH. In the near- to mid-term, the Air Force believes it will be able to fulfill COCOM CAS requirements with acceptable, but increased risk. With declining budgets, the Air Force is emphasizing aircraft capable of performing multiple missions, rather than those uniquely optimized for CAS. Aircraft like the A–29 are optimized for precisely the kind of low-intensity, large-scale, sustained operations that the 2012 Defense Strategic Guidance de-emphasized, saying "U.S. forces will no longer be sized to conduct large-scale, prolonged stability operations." While the DSG does emphasize irregular warfare, presence missions and counterinsurgency operations, the Air Force believes that multi-role systems can successfully perform these missions at acceptable cost for short durations.

As long as the President expects the Air Force to be able to deliver global reach, power and vigilance anywhere in the world at the moment of our Nation's choosing, airmen must be equipped and ready for that call. We remain committed to bringing decisive airpower to combined arms warfare campaigns, but budgetary realities mean we cannot afford platforms efficient at one end of the spectrum of conflict and unusable at the other. Fiscal pressure is forcing the Air Force to make difficult choices, such as not pursuing as much CAS capacity as we may like—and that the A–29 may deliver—in order to ensure we can deliver the forces needed to prevail in most consequential scenarios with a near-pear aggressor.

The Air Force will continue to support the A–29 filling a building partnership mission. Should the demand signal for CAS, sustained stability and engagement operations, building partnership, or Department of Defense (DOD) strategic guidance change, we will continue to seek optimal weapons systems to fulfill our warfighting mission.

JOINT SURVEILLANCE AND TARGET ATTACK RADAR SYSTEM

3. Senator NELSON. Secretary Donley and General Welsh, Joint Surveillance and Target Attack Radar System (JSTARS) aircraft have proven themselves in all recent conflicts, including Libya. The decision has been made to terminate the re-engining program and the Air Force has indicated a need to upgrade the avionics sensors, as well as other systems to keep the aircraft viable. In light of the current budget environment and the need to recapitalize the fighter, bomber, and tanker fleet concurrently, do you believe it makes sense to modernize the JSTARS platform or to replace and invest in upgrading the platform?

Mr. DONLEY and General WELSH. The Air Force considers the JSTARS mission areas of battle management and intelligence, surveillance, and reconnaissance, critical for combatant commanders' operations worldwide. In the fiscal year 2014 President's budget, the Air Force continues to fund modernization of JSTARS computer and radar processing equipment. Further, emerging requirements in command and control and intelligence, surveillance and reconnaissance make a compelling case for JSTARS recapitalization, even within today's challenging budget environment. To meet these emerging requirements, the Air Force is evaluating several options, including JSTARS recapitalization, in accordance with the recently completed analysis of alternatives (AOA), modernizing the existing E–8C fleet, or maintaining the status quo.

4. Senator NELSON. Secretary Donley and General Welsh, why is the Air Force preparing to ground the test aircraft for a year?

Mr. DONLEY and General WELSH. Due to the conclusion of developmental programs and no significant testing currently planned, the JSTARS T–3 test aircraft will be put into preservation storage. In fiscal year 2014, the National Guard Bureau's Multi-Agency Communications Capability integration will only require two test sorties on an operational aircraft.

QUESTION SUBMITTED BY SENATOR KAY R. HAGAN

HIGH SPEED WEAPONS

5. Senator HAGAN. General Welsh, given the pivot to the Asia-Pacific region, one of the unique challenges the military must face is the long distances involved between our bases and potential areas of action. In order to cover long distances in a relatively short amount of time requires higher speeds for both aircraft and weapons. DOD is focusing on high speed kinetic strike weapons and pursuing programs like the Conventional Prompt Global Strike program and the Air Force has the High Speed Strike Weapon program. What specific investments is the Air Force making in its research, development, testing, and evaluation (RDT&E) infrastructure and workforce to be able to effectively and affordably develop, test, and field these high speed weapons?

General WELSH. The Air Force has made RDT&E investments for ballistic missile defense and hypersonic research (such as the X–51) that to a great extent can be translated to support programs such as Conventional Prompt Global Strike and the Air Force's High Speed Strike Weapon. Currently funded Air Force upgrades to our related infrastructure are being completed and we continually evaluate the operational and technological requirements of this emerging high speed kinetic strike technology against the RDT&E needs. The Air Force also makes it a point to promote partnerships with other government agencies such as Defense Advanced Research Projects Agency and the National Aeronautics and Space Administration Langley Research Center to maximize our opportunity for any future investments in this field.

The Air Force RDT&E community is engaged across the relevant technical areas to effectively utilize personnel with experience in the high speed tactical concepts (supersonics, hypersonics) and ensure the next generation of workforce carries forward this expertise. The Air Force has previously developed a Science, Technology, Engineering, and Mathematics (STEM) Workforce Strategic Roadmap, called Bright Horizons, which we've been implementing over the past 2 years to assist in our RDT&E workforce planning. We are confident our current workforce approach will make certain we have the right skill sets in place as this technology matures into the operational realm.

QUESTIONS SUBMITTED BY SENATOR JOE MANCHIN III

SEXUAL ASSAULT IN THE AIR FORCE

6. Senator MANCHIN. General Welsh, the arrest of Lt. Col. Jeff Krusinski was an embarrassment to the Air Force. With the gravity of the Air Force's sexual assault problems, it is perplexing to understand how—with over 200 general officers—the Air Force would appoint a Lieutenant Colonel as the face of the program. The Air Force's decision to assign a field grade officer to manage its sexual assault prevention program suggests the program was not a high priority. Given the importance of this issue, why did the Air Force not assign a general officer to lead its sexual assault program?

General WELSH. The Air Force Sexual Assault Prevention and Response (SAPR) program was under the Air Force Services Directorate led by a Brigadier General at the time of Lieutenant Colonel Krusinski's arrest. The lieutenant colonel branch chief was responsible for SAPR policies and procedures. Following the events that have transpired over the last year to include the arrest of Lieutenant Colonel Krusinski, the Air Force has worked on creating a new directorate that reports directly to the Vice Chief of Staff of the Air Force. In June, this directorate was officially stood up under the direction of Major General Maggie Woodward. The new structure is significantly different than our previous structure as it will consist of over 30 functional experts across the SAPR spectrum to include medical, legal, personnel, law enforcement, public affairs, and research. This new headquarters SAPR structure will have a much greater capability to comprehensively address the crisis facing the Air Force. Four and three star commanders, wing, group, and squadron commanders, command chiefs, and supervisors are all charged with executing and enforcing our Air Force SAPR program. I have overall responsibility for the Air Force SAPR program and Air Force leaders at all levels.

7. Senator MANCHIN. Secretary Donley, how are you addressing sexual assault involving servicemembers in the Air National Guard that are in a Title 32 status?

Mr. DONLEY. Any servicemember who is sexually assaulted while in Title 32 status is encouraged to report the assault to the Sexual Assault Response Coordinator

(SARC). The member will be assigned a Victim Advocate. Because Air Guard facilities and services are limited, we ensure these victims are provided information on civilian services. A line of duty determination may be accomplished to establish whether the assault occurred while the member was on active duty. All members assaulted while on duty will have access to medical care and spiritual counseling. They are also eligible for expedited transfer to a new unit if desired. If local law enforcement or the Air Force Office of Special Investigations declines investigating the title 32 sexual assault on/off orders, the member's Adjutant General is able to contact the Office of Complex Administrative Investigations to request an investigation in accordance with Chief National Guard Bureau Manual 0400.01.

8. Senator MANCHIN. Secretary Donley, are you comfortable that sexual assault is being adequately addressed in all three Air Force components?

Mr. DONLEY. The Air Force recognizes we will not win our war on sexual assault until we have everyone on board to fight; Guard, Reserve, Active Duty, and our civilian workforce. We have taken great strides in the last year in working with the Total Force (Guard, Reserve, and Active Duty) to address sexual assault in the Air Force over a wide front of prevention, investigation and response. One example of this close teamwork was our Guard and Reserve components training alongside Active Duty members for Bystander Intervention Training. Additionally, our Total Force airmen now benefit from the many enhancements we have made in care and training for SARCs and Victim Advocates (VAs) who help AF members regardless of their title.

Further, our Special Victims Counsel program is a pilot which empowers all Total Force airmen to come forward and ensures the legal process is better understood and not so daunting. We completed a Total Force Health and Wellness Inspection of over 200 installations and over 700,000 AF military/civilian personnel ensuring that no materials were in the workplace which could be perceived as contributing to an unprofessional environment that tolerates sexual harassment or assault.

Recently, we created a new AF SAPR directorate which is aligned directly under the Vice Chief of Staff of the Air Force and is led by a Major General. This new structure is significantly different than our previous structure as it will consist of over 30 functional experts across the SAPR spectrum to include medical, legal, personnel, law enforcement, public affairs, and research. This new headquarters SAPR structure will have a much greater capability to comprehensively address the crisis facing our Total Force and will work closely with Guard and Reserve leadership as we map out SAPR policies and procedures.

However, there is a need for improvement as we identify our Total Force manning requirements and shortfalls. Currently, our Air National Guard bases do not have "dedicated" full-time SARC positions. These duties fall under the Air National Guard Wing commander executive officer. We are working with our Air National Guard leadership to address this problem. Lastly, we are able to offer only limited support beyond SARC/VA services to Res/ANG airmen who were assaulted outside of a duty status.

CONTRACTORS

9. Senator MANCHIN. Secretary Donley, please provide the approximate number of contractors the Air Force presently has in its inventory. Has this figure gone up or down since last year?

Mr. DONLEY. The Air Force reported approximately $26.5 billion in obligations which equated to 141,300 contractor full-time equivalents (CFTEs) to Office of the Secretary of Defense (OSD) for Personnel and Readiness (P&R) and OSD for Acquisition, Technology, and Logistics for inclusion in the DOD's fiscal year 2012 Inventory of Contracts for Services (ICS) pursuant to section 2330a of Title 10, U.S.C. (fiscal year 2012 data is the most recent and is due to Congress by 30 Jun 13). This is a gross reduction of 25,200 CFTEs from our fiscal year 2011 ICS that identified approximately $33.6 billion in obligations which equated to 166,500 CFTEs performing these same type services.

Note: Approximately 21,400 CFTEs of this reduction is directly attributable to a change in methodology when the data is normalized between the last 2 years. This change captured service obligations embedded in supply and equipment contract actions (18,300 CFTEs) and excluded supply and equipment obligations embedded in service contract actions (39,700 CFTEs) based on the object class definition of the funding source identified in the initial stages of our ICS review process.

IMPACT OF THE SEQUESTER ON AIR FORCE END-STRENGTH

10. Senator MANCHIN. General Welsh, if the current budget control caps remain in place, will you propose reductions to the Air Force's authorized end strength? If so, what are those reductions by component?

General WELSH. The Air Force will program military, civilian, and contract support end strength to perform required capabilities consistent with the National Military Strategy and fiscal constraints.

If Sequester remains in place for the next 9½ years the Air Force will look different. If the gross effect is to take 10 percent off everything then that would translate to about 33,000 Active Duty airmen separated and about 700 aircraft taken out of service. Similar reductions in the Guard and Reserves would equate to a loss of 10,000 and 7,000 positions, respectively.

QUESTIONS SUBMITTED BY SENATOR KIRSTEN E. GILLIBRAND

INTRA-THEATER AIRLIFT

11. Senator GILLIBRAND. General Welsh, the National Defense Authorization Act (NDAA) for Fiscal Year 2013 provided the Air Force with the authority to decide the type of intra-theater airlift aircraft to retain. The Air Force made the strategic choice to divest the C–27J and maintain the C–130 as the single airframe in the intra-theater airlift inventory. I fully support your decision; however, I am concerned that you provided C–130 aircraft back to units as predominantly back-up aircraft. These aircraft did not come with personnel or flying hour allocations. While I understand your rationale to maintain force structure at a reduced cost, how will units maintain the scheduled and unscheduled maintenance on these airplanes without the personnel allocations to do so?

General WELSH. Back-up aircraft are typically assigned to units over and above primary inventory to allow for scheduled and unscheduled depot level maintenance, modifications, inspections and repairs. The 2013 NDAA placed aircraft into units that previously did not have back-up inventory and only placed one aircraft per unit. Although the additional total inventory comes with an incremental cost increase in Weapons System Sustainment, the additional aircraft should benefit the gaining units with additional operational and scheduling flexibility.

12. Senator GILLIBRAND. General Welsh, do you believe this lack of resources will hurt unit morale?

General WELSH. The addition of one back-up aircraft to selected C–130 units should not adversely affect morale. The intent of back-up aircraft is to offset depot level maintenance, modifications, inspections and repairs. Although every back-up aircraft placed into service comes with incremental increased costs at the enterprise level, a single back-up aircraft can actually be a benefit to units by providing greater flying and maintenance scheduling flexibility and increased ground training opportunities.

CYBERSECURITY/NATIONAL GUARD

13. Senator GILLIBRAND. General Welsh, the fiscal year 2014 budget indicates a large investment in our military's cyber capabilities. DOD approved a major expansion of the U.S. Cyber Command (CYBERCOM) to include growing its ranks from around 900 to 4,900 personnel, or cyber warriors, which I understand will fortify DOD's own networks, help plan and execute offensive attacks, and protect critical infrastructure like power grids and power plants. The fiscal year 2014 budget asks for a large increase in offensive and defensive appropriations for Air Force cyber projects. Is this investment mostly for technology development, or does it include personnel training and recruitment as well?

General WELSH. This investment is for both technology development and personnel. About $74.7 million of CYBERCOM's funding increase went toward research and development and another $74 million went toward personnel-related activities. This includes plus-ups in Air Force civilian and contractor pay, information technology costs, supplies, travel, and security clearances. Additionally, the Air Force increased funding to its cyber hunter teams that provide security for Department of DOD networks by $3.6 million in fiscal year 2014. Lastly, the Air Force sourced its initial military manpower requirement for CYBERCOM's Cyber Mission Forces, a total of 39 officers and 130 enlisted.

14. Senator GILLIBRAND. General Welsh, what is the Air Force doing to recruit the best and brightest cyber talent?

General WELSH. The Air Force targets potential airmen with cyber skills through national advertising campaigns highlighting STEM requirements as opposed to targeting cyber specifically. The Air Force also advocates and supports cyberspace and computer training and education programs nationwide to encourage high school and college students towards technical career fields. For example, we support national competitions such as the Air Force Association's CyberPatriot competition for high school students. Additionally, the Air Force Institute of Technology's Center for Cyberspace Research hosts the Advanced Cyber Education (ACE) summer program for Reserve Officer Training Corps cadets from all Services who are studying computer science or computer/electrical engineering. Unfortunately, ACE has been canceled for 2013 due to funding constraints as a result of sequestration but we hope to be able to hold ACE again in future years.

15. Senator GILLIBRAND. General Welsh, what mechanisms do we have in place to encourage cyber studies at the U.S. Air Force Academy (USAFA) and in Reserve Officers' Training Corps (ROTC) programs across the country?

General WELSH. All USAFA cadets learn about cyber fundamentals and Air Force cyber operations during their first year in the core Introduction to Computing course. The cyber operations content of this course was recently increased from 5 to 16 of the 40 lessons and now includes many offensive and defensive cyber operations exercises conducted on USAFA's virtual Cyber Training Range. In the summer, between their first and second years, USAFA cadets have the opportunity to take the week-long basic cyber operations training course. This training is taught by upper-class cadets who have excelled in cyber and many who compete on USAFA's world-class Cyber Competition Team. Approximately 200 cadets per class attend this training and earn the cadet Basic Cyber Badge which they may wear on their uniforms. This exposure to cyber takes place before most cadets select their academic major in their second year.

USAFA cadets who decide to pursue cyber studies in depth typically major in computer science-cyber warfare or computer engineering. In addition to earning an Accreditation Board for Engineering and Technology (ABET)-accredited degree, these cadets have opportunities to expand their knowledge in cyber. Each year about a dozen of the sharpest students in these majors get a top secret security clearance and spend 6 weeks working at the National Security Agency or the National Reconnaissance Office. Cadets also have the opportunity to conduct state-of-the-art cyber research in the Intel Corporation's anti-malware lab located at USAFA. Cadets who demonstrate exceptional cyber skills can earn a position on USAFA's 12-person Cyber Competition Team and compete against the best cyber teams around the world. The record-high enrollments in USAFA's computer science and computer engineering majors, over 200 cadets this academic year, are a good indication that cadets are encouraged and motivated to study cyber at USAFA.

Air Force Reserve Officers Training Corps (AFROTC) enrolls cadets to meet Air Force cyberspace operations career field requirements which include a degree in Computer Science or 24 hours in 200 level or above STEM courses. AFROTC produces computer science, computer engineering and other engineering degrees that exceed accession targets. ROTC accomplishes this primarily through the scholarship program. There are currently 197 computer science and 173 computer engineer majors on scholarship and 293 more non-scholarship cadets in our program.

Additionally, the Air Force Institute of Technology (AFIT) hosts the Advanced Cyber Education (ACE) program to encourage ROTC cadet cyber studies. ACE is a summer program for ROTC cadets studying computer science, computer engineering and electrical engineering. The program consists of an instructional component and cyber war games, hands-on internships and cyber officer development days that focus on the study of cyber as a revolution in military affairs. Unfortunately ACE has been canceled for 2013 due to funding constraints as a result of sequestration but we hope to be able to hold ACE again in future years.

16. Senator GILLIBRAND. General Welsh, is the Air Force considering an incentive pay system that helps in the retention of military members with high-level cyber skill sets?

General WELSH. Of the eight enlisted cyber Air Force Specialty Codes (AFSC), seven are currently receiving Selective Reenlistment Bonuses (SRB) in at least 1 year group. The SRB program is updated biennially, at the start of the fiscal year and mid-way through. As additional manpower authorizations are identified, we will be able to increase and adjust the bonuses as needed to mitigate low retention.

17. Senator GILLIBRAND. General Welsh, leveraging citizen soldiers who work in the cyber industry every day and also serve their country in uniform through the National Guard and Reserve is imperative. Senator Vitter and I have introduced a bill to create and leverage a Cyber Guard. I received a positive letter from General Alexander and the National Governors Association about the idea. At the DOD posture hearing, I asked General Dempsey about the bill and he was also supportive. I'd like to work with you to ensure that we implement every available tool to recruit and retain a capable cyber force. Does this sound like legislation the Air Force will support?

General WELSH. The Air Force recognizes the urgent requirement for high-end expertise as we build our cyber forces to meet future missions. To meet this need, the Air Force is actively participating in DOD CIO, OSD(P), OSD(P&R), and CYBERCOM working groups to address broadening the recruitment pool for all services. Currently the Air Force screens members based on test scores and educational achievements. Future plans include targeted recruiting and testing for cyber aptitude. In addition, the Air Force provides full-spectrum cyber training for the Total Air Force encompassing net ops, cyber offense/defense, and exploitation for officers, enlisted and civilians alike. We have some concerns that, if enacted, the Cyber Warrior Act of 2013 would actually hinder the efforts of DOD to build and strengthen cyber forces for two primary reasons.

First, establishing 54 National Guard Cyber and Computer Network Incident Response Teams would limit the available recruiting pool. We recognize that the National Guard provides a great opportunity to recruit personnel willing to serve their country while retaining their civilian careers and service in National Guard cyber forces, combined with equivalent civilian experience, presents a great value for the Nation. Accordingly, we expect the Air Force Reserve to leverage the same advantage to develop cyber forces for the Total Air Force.

Second, this bill would divert DOD resources that should be invested in creating skilled DOD cyber forces—from all Reserve components—to perform national defense missions and support Federal partners. Distributing cyber forces across 54 Cyber Teams could provide flexibility in response, and equip the Guard to respond in the wake of a cyber attack just as they do for natural disasters. Yet the inherent fluidity and flexibility of cyber technology permits cyber forces to use remote access to achieve their objectives. It is this flexibility that will allow the Air Force to partner with other Services and Federal agencies to build the world-leading cyber force by consolidating resources where possible, recruiting among all Reserve components, and distributing forces in appropriate locations, to serve all 54 States and territories.

UNIFORMED SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT

18. Senator GILLIBRAND. Secretary Donley, the NDAA for Fiscal Year 2012 included a provision which amended the Uniformed Services Employment and Reemployment Rights Act (USERRA) of 1994 to include full-time National Guard members who are serving under Title 32 status for more than 5 years. This new provision ensures servicemembers who exceed the 5-year statute of limitations receive the same protections under the law as servicemembers serving on title 10 orders. Thus far, DOD has failed to issue any guidance for implementation of this new law. What is the status of the provisions implementation and why has it taken DOD so long to ensure our National Guard members are protected under this law?

Mr. DONLEY. Section 575 of the NDAA for Fiscal Year 2012 amended section 4312(c)(4) of title 38 to add a new subparagraph (F) that exempts full-time National Guard duty (other than for training) under section 502(f)(2)(A) of title 32 when authorized by the President or the Secretary of Defense for the purpose of responding to a national emergency as declared by the President and supported by Federal funds, as determined by the Secretary concerned. In accordance with the law, when an operation is authorized by Secretary of Defense under section 502(f)(2)(A) of Title 32, the Air Force will ensure that airmen receive a statement on their orders citing the authority under Title 38 exempting the period of service from the USERRA 5-year limit.

QUESTIONS SUBMITTED BY SENATOR RICHARD BLUMENTHAL

AIR FORCE MILITARY CONSTRUCTION

19. Senator BLUMENTHAL. General Welsh, in order to bed down C–130 aircraft at the Bradley Air National Guard Base, the aligning and training of personnel for the

new mission along with the movement of the new aircraft must be considered. Given all these moving pieces, and as you have visibility through coming fiscal years, what are the necessary infrastructure projects—like hangar space and fuel cell size—that will facilitate a seamless changeover in aircraft type and maintain mission tempo?

General WELSH. The National Guard Bureau conducted a Site Activation Visit (SATAF) at Bradley Air National Guard Base on 18–21 Jun 13. The Air Force, the Air National Guard, and the base are integrating existing base assets; user facility needs; perceived facility modifications required, and environmental considerations to develop both their project list and the Description of Purposed Alternative Actions (DOPAA) for the Environmental Impact Analysis Process (EIAP) required by the National Environmental Policy Act (NEPA). To expedite our efforts, the contracts needed to complete the EIAP actions have already been awarded. As briefed to base leadership, the Air Force and the ANG plan to include the alternative project lists and the proposed timing of those projects developed as a result of the SATAF in the formal public release of the DOPAA, so we may comply with NEPA. There are several critical considerations that must be assessed and adjudicated including ramp configuration, hangar capacities, fuel cell requirements and other facility considerations. If existing situation cannot meet the requirements for the new mission, the ANG will propose facility projects to address the new weapon system requirements. Projected resource constraints will make it difficult to achieve current conversion timelines.

SEXUAL ASSAULT

20. Senator BLUMENTHAL. Secretary Donley and General Welsh, does the Air Force Inspector General treat the SAPR program as an item of special interest when conducting inspections of organizations and activities with responsibilities regarding the prevention and response to sexual assault as explained in Section 1611 of Public Law 111–383?

Mr. DONLEY and General WELSH. Yes, the Air Force Inspection System has included the SAPR program as a mandatory inspection requirement within the inspection system since 1998. The new Air Force Instruction (AFI) 90–201, The Air Force Inspection System, continues to designate SAPR as a mandatory inspection item by Major Command IGs. The Air Force is implementing a new inspection system that increases compliance reporting and external oversight. In an early test of the new system in 2013, Air Force wing commanders inspected and reported over 99 percent compliance with Sexual Assault Prevention & Response (SAPR) requirements.

QUESTIONS SUBMITTED BY SENATOR ANGUS S. KING, JR.

AERIAL REFUELING MODERNIZATION

21. Senator KING. Secretary Donley and General Welsh, what is the long-term plan of the Air Force to sustain its aerial refueling capabilities, to include the fielding plan for the KC–46 and modernization plans for the KC–135 fleet until they can all be replaced?

Mr. DONLEY and General WELSH. Replacement of the legacy KC–135 fleet is planned to take place in three stages, KC–46, KC–Y, and the KC–Z. The initial increment fields 179 KC–46s by 2028, replacing roughly a third of the current capability. The Air Force will continue to evaluate the health of the current tanker fleet and invest, as required, to meet objectives outlined in the Defense Strategic Guidance and keep the legacy aircraft viable to the projected service life of 2040.

22. Senator KING. Secretary Donley and General Welsh, what is the plan for the second and third—KC–Y and KC–Z—phases of the tanker replacement plan, and is that on schedule?

Mr. DONLEY and General WELSH. The Air Force intends to begin the Next Generation Tanker (KC–Y) procurement in the mid/late 2020s as the current planned KC–46 procurement concludes. We are in the early stages of developing an initial capabilities document for KC–Y and plan to undertake an AOA by 2017. This AOA will explore several options including a continuation of the current KC–46 production line, a different commercial derivative effort, or a new development effort. KC–Y and KC–Z will conceptually explore a smaller, tactical complement to the KC–46 combining the capabilities of a penetrator (range, speed, signature technology, advanced avionics, defensive systems, and automated air refueling) with smaller size and lower infrastructure requirements to support advanced strike, special operations forces and combat search and rescue missions. KC–46A is on schedule and

development of the KC–Y is awaiting approval for the Advanced Air Refueling Capability Concepts Developmental Planning effort.

23. Senator KING. Secretary Donley and General Welsh, how many refueling aircraft does the Air Force have in its inventory today, and how many does it anticipate having in the inventory after the KC–135 and KC–10 fleets are replaced?

Mr. DONLEY and General WELSH. Based on approved retirements in the fiscal year 2013 President's budget, the Air Force will have 456 refueling aircraft in the inventory (397 KC–135s and 59 KC–10s) at the end of this fiscal year. The future refueling force structure will be based on current fiscal constraints and the Defense Strategic Guidance.

24. Senator KING. Secretary Donley and General Welsh, will KC–46, KC–Y, and KC–Z aircraft replace the KC–135/KC–10 fleet one-for-one, or will the capabilities of the new aircraft allow the Air Force to meet its refueling demands with less total aircraft?

Mr. DONLEY and General WELSH. KC–46 is the first of a three step recapitalization strategy for air refueling. Its capabilities allow for a one-for-one replacement with the KC–135 tanker. Air refueling capability requirements involve not only "fuel offload," but "booms in the air" as well. KC–46A will only replace approximately one third of our Nation's air refueling fleet, leaving approximately 220 "Eisenhower-era" KC–135s still in the inventory. KC–Y and KC–Z, steps two and three of the recapitalization process, are planned to replace the remaining KC–135s and KC–10s. However, an analysis of air refueling requirements must be accomplished prior to beginning each recapitalization step. For example, to determine capabilities required for a follow-on to the KC–46A (KC–X), Air Mobility Command, in collaboration with Air Force Material Command, are initiating a developmental planning effort in fiscal year 2014 to examine advanced air refueling capability concepts. Given the size of our legacy tanker fleet and the length of the current DOD acquisition and procurement processes, the Air Force must begin to examine future air refueling capability concepts now to ensure uninterrupted recapitalization of the tanker fleet.

25. Senator KING. Secretary Donley and General Welsh, do you foresee the need for any further consolidation of air refueling units or aircraft?

Mr. DONLEY and General WELSH. As the fiscal and strategic environments evolve, the Air Force will continue to evaluate its air refueling enterprise and field the most operationally effective, fiscally-informed force structure ready for the Nation today and modernized to the support the Nation in the future.

QUESTIONS SUBMITTED BY SENATOR JAMES M. INHOFE

READINESS AND FLYING HOUR CUTS

26. Senator INHOFE. General Welsh, the Air Force had to cut approximately $10 billion over the next 6 months of fiscal year 2013 due to sequestration. This includes a reduction of 94,000 flying hours, resulting in the grounding of combat coded squadrons that started on April 9. Please provide a complete list of Air Force flying squadrons/units that have been, and those who have had, their readiness status reduced. Please include numbers of aircraft and personnel impacted by each squadron/unit grounding or reduced readiness status.

General WELSH. Sequestration forced the Air Force to implement actions to flying units which forced some Regular Air Force units to cease flying operations while other units flew at reduced rates. The Air Force is continually adjusting unit flying rates to meet global operational commitments and deployment timelines within fiscal constraints. Due to the fluidity of these adjustments, the status of certain units may differ from what is listed in the chart below.

The Air Force can also provide a detailed assessment of unit readiness status in a classified forum as needed.

Air Force Flying Hour Program FY13 adjustments to Combat Air Forces due to Sequestration

Squadrons whose flying was reduced to Basic Mission Capable (BMC) rates:

Wing	Squadron	Aircraft Type	# of Primary Aircraft	Base
1st Fighter Wing	27th Fighter Sq	F-22	21	JB Langley
3d Wing	962d Airborne Air Control Sq	E-3	2	JB Elmendorf
20th Fighter Wing	79th Fighter Sq	F-16	24	Shaw AFB
18th Wing	961st Airborne Air Control Sq	E-3	2	Kadena AB
18th Wing	44th Fighter Sq	F-15	24	Kadena AB
18th Wing	67th Fighter Sq	F-15	24	Kadena AB
35th Fighter Wing	14th Fighter Sq	F-16	18	Misawa AB
388th Fighter Wing	421st Fighter Sq	F-16	24	Hill AFB
23d Wing	75th Fighter Sq	A-10	21	Moody AFB

Squadrons which ceased flying operations:

Wing	Squadron	Aircraft Type	# of Primary Aircraft	Base
1st Fighter Wing	94th Fighter Sq	F-22	21	JB Langley
4th Fighter Wing	336th Fighter Sq	F-15E	24	Hill AFB
20th Fighter Wing	77th Fighter Sq	F-16	24	Shaw AFB
31st Fighter Wing	555th Fighter Sq	F-16	21	Aviano AB
48th Fighter Wing	494th Fighter Sq	F-15E	24	RAF Lakenheath
355th Fighter Wing	354th Fighter Sq	A-10	24	Davis-Monthan AFB
366th Fighter Wing	391st Fighter Sq	F-15E	24	Mountain Home AFB
388th Fighter Wing	4th Fighter Sq	F-16	24	Hill AFB
2d & 5th Bomb Wings	Equivalent of 2 bomb sqs	B-52	0 (only crews affected)	Barksdale/Minot AFB
28th Bomb Wing	34th Bomb Sq	B-1	11	Ellsworth AFB
552d Air Control Wing	Equivalent of 2 squadrons	E-3	0 (only crews affected)	Tinker AFB
Active Association	158th Fighter Wing	F-16	18	Burlington IAP
Active Association	169 Fighter Wing	F-16	23	McEntire ANGB
Active Association	187 Fighter Wing	F-16	18	Dannelly Field
Active Association	442 Fighter Wing	A-10	24	Whiteman AFB
Active Association	917 Fighter Group	A-10	24	Barksdale AFB

Squadrons which ceased flying operations (continued):

Wing	Squadron	Aircraft Type	# of Primary Aircraft	Base
57th Wing	8th Weapons Sq	E-8/RC-135/EC-130	0 assigned	Nellis AFB
57th Wing	14th Weapons Sq	AC/MC-130	0 assigned	Hurlburt Field
57th Wing	16th Weapons Sq	F-16	20	Nellis AFB
57th Wing	17th Weapons Sq	F-15E	5	Nellis AFB
57th Wing	26th Weapons Sq	MQ-1/9	4 assigned	Nellis AFB
57th Wing	29th Weapons Sq	C-130	0 assigned	Little Rock AFB
57th Wing	34th Weapons Sq	HH-60	3	Nellis AFB
57th Wing	57th Weapons Sq	C-17	0 assigned	JB McGuire-Dix
57th Wing	66th Weapons Sq	A-10	6	Nellis AFB
57th Wing	77th Weapons Sq	B-1	0 assigned	Dyess AFB
57th Wing	325th Weapons Sq	B-2	0 assigned	Whiteman AFB
57th Wing	340th Weapons Sq	B-52	0 assigned	Barksdale AFB
57th Wing	433th Weapons Sq	F-15C, F-22	6	Nellis AFB
57th Wing	509th Weapons Sq	KC-135	0 assigned	Fairchild AFB
57th Wing	64th Aggressor Sq	F-16	18	Nellis AFB
57th Wing	65th Aggressor Sq	F-15	8	Nellis AFB
57th Wing	Thunderbirds	F-16	8	Nellis AFB
354th Fighter Wing	18th Aggressor Sq	F-16	18	Eielson AFB

27. Senator INHOFE. General Welsh, are these grounded squadrons tasked to fill combatant commander (COCOM) operations plans?

General WELSH. Almost all of our mission-ready units are already tasked to Secretary of Defense-ordered missions or forward-based, so the ability of the Air Force to provide requisite numbers of ready forces for emergent requirements is severely limited and will continue to become more difficult the longer we operate under these conditions. The flying hour reductions due to sequestration have caused the Air Force to continually adjust unit flying rates to meet deployment timelines and ensure global operational commitments are filled within fiscal constraints.

Detailed descriptions of taskings and ability to meet operations plans are classified, but the Air Force can provide more details in a classified forum as needed.

28. Senator INHOFE. General Welsh, what is the impact of our ability to fill all COCOM operational requirements, and what is the impact on conducting additional combat operations?

General WELSH. Almost all of our mission-ready units are already tasked to Secretary of Defense-ordered missions or forward-based, so the ability of the Air Force to provide requisite numbers of ready forces for emergent requirements is severely limited and will continue to become more difficult the longer we operate under these conditions. The flying hour reductions due to sequestration have caused the Air Force to continually adjust unit flying rates to meet deployment timelines and ensure global operational commitments are filled within fiscal constraints.

If non-mission ready forces are sourced for combat ops, the risk of higher casualties and collateral damage increases. The lack of ready forces limits strategic choices and increases risk.

Detailed descriptions of taskings and ability to meet operations plans are classified, but the Air Force can provide more details in a classified forum as needed.

29. Senator INHOFE. General Welsh, how many additional hours will have to be dedicated to bring all these units and their aircrews back up to mission ready status, and how much will that cost?

General WELSH. In order to bring units back to pre-sequestration, sub-optimal readiness levels, it is anticipated the stood down units would need an additional 10 percent over the requested fiscal year 2014 budget for flying hours and would require 3–6 months.

Bringing the Air Force back to full, mission readiness goals requires one full training cycle (approximately 2 years) and an additional $3.2 billion increase above the fiscal year 2014 budget request for both fiscal year 2014 and fiscal year 2015, as well as a reduction in the number of current deployments.

30. Senator INHOFE. General Welsh, is that cost factored into the fiscal year 2014 budget?

General WELSH. The fiscal year 2014 President's budget submission does not factor in the cost of restoring the readiness of flying squadrons that have stood down due to sequestration. The Air Force is working to mitigate readiness impacts in fiscal year 2013. Through prioritization, efficiency efforts to make every dollar count and congressional reprograming actions, the Air Force is working to increase funding to the flying hour program. As our opportunity to buy back additional flying hours comes closer to an end, a more accurate picture of 2014 impacts will be possible.

31. Senator INHOFE. General Welsh, as the Air Force focuses its flying hours on getting the grounded aircrews mission-ready again, what is the impact on the rest of the force?

General WELSH. Since flying hours are contained within our operations and maintenance budget, additional flying hour funding will reduce critical base operating support or facility maintenance. Overall, the Air Force does not have sufficient operations and maintenance funding in fiscal year 2013 and will not in fiscal year 2014 if the 2014 budget request is sequestered.

32. Senator INHOFE. General Welsh, how will the student pilot pipeline be impacted?

General WELSH. Under our current plan, we have allocated sufficient flying hours to enable our basic student pilot pipeline production to continue. However, we expect impacts if there is a civilian furlough because Air Education and Training Command maintenance and simulators are largely run by government civilians.

33. Senator INHOFE. General Welsh, what are the safety risks associated with reduced flying hours?

General WELSH. The Air Force designs our flying hour program model to provide requisite hours for aircrew to accomplish each unit's mission in a proficient manner. Diminished flying hours put these pilots at higher risk if they are called upon to execute operational taskings in a diminished readiness state.

34. Senator INHOFE. General Welsh, how will the groundings impact the readiness of other mission-essential personnel, such as munitions, maintenance, and life support?

General WELSH. The skill sets and training opportunities of our munitions handlers, maintenance, and life support personnel will erode in units where flying is curtailed. This will slow progression in skill level training for our maintenance personnel and contribute to challenges in readiness recovery.

READINESS AND DEPOT MAINTENANCE CUTS/DEFERMENTS

35. Senator INHOFE. General Welsh, constant deployments over the past 20 years have taken a toll on all Air Force aircraft. Fortunately, we have the best depot maintenance in the world, but it comes at a cost. Sequestration will result in deferring 60 aircraft and 35 engines into depot maintenance which will result in the grounding of some aircraft, further reducing the overall combat readiness of the Air Force. How will civilian furloughs affect depot maintenance, and what are the possible long-term consequences on the depots and the fleet?

General WELSH. The overall depot maintenance requirement from fiscal year 2013 moving into fiscal year 2014 currently stands at 24 aircraft and 84 engines. Internal mitigation and requested reprogramming efforts would decrease impacts; however a bow wave into fiscal year 2014 remains. In the near term, civilian furloughs are expected to reduce depot maintenance productivity by 25 percent for each week of furlough. This loss of productivity will increase flow days and depot possessed time impacting availability and readiness. With adequate sustainment funding, the Air Force anticipates a 2- to 3-year recovery for the impacted fleets.

36. Senator INHOFE. General Welsh, what are the safety risks associated with reducing depot maintenance?

General WELSH. There are no safety risks with reducing depot maintenance. The depot maintenance reductions are a result of fewer depot inductions, but do not affect the quality of maintenance. The aircraft and engines that are not inducted will be grounded (not flown) until the required depot maintenance can be performed.

37. Senator INHOFE. General Welsh, like flying hours, the Air Force starts fiscal year 2014 with a bow wave, or backlog, of depot and maintenance requirements, but the fiscal year 2014 budget does not include extra funding nor does it factor in sequestration. How much of the force can the Air Force return back to mission-ready status in fiscal year 2014, given these budget impacts?

General WELSH. Internal mitigation and proposed reprogramming would reduce aircraft availability impacts in fiscal year 2013; however a bow wave of requirements into fiscal year 2014 remains. The Air Force will seek to minimize fiscal year 2014 near-term risks to readiness by making tradeoffs within weapon system sustainment to minimize the impact to those requirements that most directly impact readiness, including aircraft and engine overhauls. The Air Force will make adjustments throughout fiscal year 2014 to optimize funding to ensure aircraft are available to meet mission requirements.

38. Senator INHOFE. General Welsh, how does that impact long-term time and cost to recover the fleet back to required mission-ready status?

General WELSH. With adequate sustainment funding, the Air Force anticipates a 2- to 3-year recovery for the impacted fleets. The Air Force will continue to minimize risk by making tradeoffs within weapon system sustainment. However, the trade space for these tradeoffs will decrease as workload accumulates resulting in impacts to aircraft availability. Targeted force structure adjustments may decrease the recover costs and the length of the recovery period.

F–35 JOINT STRIKE FIGHTER PROGRAM

39. Senator INHOFE. General Welsh, while the overall press on the F–35 continues to be negative, positive changes have been made in the program to include decreasing cost of each lot buy for the aircraft, lower than project concurrency costs, timeline milestones being met, flight tests surpassing goals, and a recent assessment by the Government Accountability Office (GAO) that is the most positive I have seen in the entire history of this program. The first operational squadron stood up at Yuma, AZ, in November 2012, and the first delivery of aircraft to Nellis Air Force Base (AFB) occurred at the end of February 2013. How many F–35s have been delivered to the Air Force and are they all currently flying?

General WELSH. To date, 22 production F–35A aircraft have been delivered to the Air Force. An additional four F–35A aircraft were procured using system develop-

ment and demonstration funds and are being used exclusively to support developmental testing at Edwards AFB. All 26 F–35As are currently accruing flight hours.

Of the 22 F–35As delivered to the Air Force, 12 are stationed at Eglin AFB, 4 are located at Nellis AFB, and 6 are located at Edwards AFB. To date, production F–35As have flown over 700 sorties and accumulated over 950 flight hours. In addition, the F–35A has flown over 1400 flight test sorties and accumulated 2,733 total flight test hours. The Air Force gains increased confidence in, and knowledge of, the F–35 weapon system with each sortie.

40. Senator INHOFE. General Welsh, the Marine Corps is planning to achieve initial operational capability (IOC) of the F–35B next year. When is the Air Force planning to achieve IOC with the F–35A?

General WELSH. The Air Force has recently established its IOC criteria for our F–35As, and based on the current program schedule, we have set an Objective date for achieving IOC of August 2016 and a Threshold date of December 2016. This IOC criteria is capability-based and is defined as 12–24 F–35As, with airmen trained, manned, and equipped to conduct CAS, interdiction, and limited suppression and destruction of enemy air defenses in a contested environment. Logistics and operational elements should also be in place, and the air system and personnel should be capable of deploying and performing the assigned missions. Should capability delivery experience additional delays, we will need to revise our timeline estimate.

This criteria provides sufficient initial capability for the threat postulated in 2016. However, to meet the full spectrum of Joint warfighter requirements in future years, the Air Force requires the Block 3F capabilities delivered at the completion of the program's system development and demonstration (SDD).

NUCLEAR MODERNIZATION

41. Senator INHOFE. General Welsh, the Air Force is responsible for two legs of the strategic nuclear triad: bombers and intercontinental ballistic missiles (ICBM); and tactical nuclear weapons delivered by fighter aircraft. Development of a replacement for the 31-year-old nuclear Air Launched Cruise Missile (ALCM) is 2 years behind schedule, no decision has been made for a follow-on to the Minuteman ICBM which we hope can be maintained until 2030, and a life extension program (LEP) for the B–61 bomb, an average age of 27 years—the principal nuclear weapon on the B–52, B–2, and fighter aircraft—has been delayed by 2 years from 2017 to 2019. Does the Air Force continue to support development of the Long-Range Strike Bomber (LRS–B), a nuclear long-range stand-off weapon, a new ICBM, and future tactical fighters capable of carrying the B–61 nuclear bomb?

General WELSH. Long-Range Strategic Bomber (LRS–B): The Air Force continues to support development of the LRS–B. The "Strategic Guidance for a 21st Century Defense" reaffirmed the requriement for a new, survivable bomber by highlighting its critical role in projecting power and deterring adversaries. LRS–B will be built with features and components necessary for the nuclear mission, ensuring nuclear certification within 2 years of conventional IOC. The President requested $8.8 billion in fiscal years 2014 to 2018 for the development of the bomber. Further programmatic, technical, and operational details are subject to enhanced security measures to protect critical technologies and capabilities.

- Long-Range Standoff Weapon (LRSO): The Air Force continues to support development of the LRSO program. The 2010 Nuclear Posture Review directed the Air Force to conduct a study to inform decisions about replacing the current air-to-ground (AGM)-86B Air-Launched Cruise Missile (ALCM). The Air Force conducted an AOA between August 2011 and December 2012, and its conclusions were validated in May 2013. The LRSO program was fully funded in the fiscal year 2014 President's budget. It will be compatible with B–2, B–52, and LRS–B.
- Ground Based Strategic Deterrent (GBSD): The Air Force continues to support the GBSD program. The Air Force will sustain the Minuteman III ICBM through 2030. The Air Force programmed $21.1 million during fiscal years 2013–2014 for a materiel solution analysis phase (including an AOA) to identify potential follow-on ICBM solutions. The GBSD AOA will be complete in late fiscal year 2014, in time to inform the President's budget, facilitating replacement of the Minuteman III ICBM in the 2025–2030 timeframe.
- Future tactical fighters capable of carrying the B–61 nuclear weapon: The Air Force continues to support carrying the B–61 on the tactical fighters. The Air Force is pursuing two new lines of effort to incorporate the B–61

into the F–35, while remaining committed to ensuring legacy aircraft are modernized and sustained to carry the B–61 for decades to come. The fiscal year 2014 President's budget funded R&D efforts specific to preparing the F–35 to integrate B–61s, and the Air Force supports the Joint Program Office (JPO) timeline to deliver nuclear delivery capability as part of the F–35's Block 4B configuration.

42. Senator INHOFE. General Welsh, what are the military risks for the Air Force nuclear deterrence mission should the B–61 LEP encounter further delays?

General WELSH. The Air Force plans Life Extension programs with some margin to enable success through the transition. Delays that decrease that margin are cause for concern and require careful attention and planning to ensure requirements are met. The B–61 supports the strategic nuclear mission performed by the heavy bomber force and also supports the United States national commitment to the extended deterrence mission performed by our European-based dual capable fighter force. Additional delays in the fielding of the B–61 Mod 12 would increase the risk of aging issues in the weapons that currently support STRATCOM requirements and would undermine both the strategic and the extended deterrence mission, which is a central element of the U.S./NATO alliance.

43. Senator INHOFE. General Welsh, why is the B–61 bomb an important capability? Why not arm our bombers only with nuclear cruise missiles?

General WELSH. To hold all targets at risk, the Air Force requires both nuclear gravity weapons and stand-off cruise missiles. These capabilities are complementary, not redundant. As the primary nuclear gravity weapon employed by United States. long-range bombers and dual-capable aircraft, the B–61 plays a central role in meeting STRATCOM requirements and providing extended deterrence and assurance to our allies. The B–61 is the only U.S. nuclear weapon capable of employment from U.S. Dual-capable aircraft (F–16/F–15E), bombers and NATO dual capable aircraft. Limiting the inventory to just nuclear cruise missiles will minimize our military capability to cover a wide variety of targets. Also, the B–2 will not be able to employ a nuclear cruise missile until the long-range stand-off missile is operational.

44. Senator INHOFE. General Welsh, why hasn't the administration made a decision about a follow-on to the Minuteman ICBM?

General WELSH. The Air Force is continuing to modernize the Minuteman III ICBM to sustain the weapon system through 2030. We are currently pursuing an AOA for the GBSD. The study is expected to begin August 13 and will define options for a Minuteman III follow-on providing capability well beyond 2030. The final AOA report is expected late fiscal year 2014 with a Milestone A decision expected in fiscal year 2015. The GBSD AOA will examine the following system approaches: (1) Baseline: sustain current capabilities, (2) Current Fixed: improved baseline to address capability gaps, (3) New fixed: a new, hardened silo-based system, (4) Mobile: ability to disperse upon warning and launch from various locations. Also considered will be a hybrid concept, a mixture of fixed silos and mobile based systems.

45. Senator INHOFE. General Welsh, it can take up to 15 years to develop a new ICBM. If the Minuteman III comes out of the force in 2030, we need to begin a new development next year. What options are being examined?

General WELSH. The Air Force is continuing to modernize the Minuteman III ICBM to sustain the weapon system through 2030. We are currently pursuing an AOA for the GBSD. The study is expected to begin August 13 and will define options for a Minuteman III follow-on providing capability well beyond 2030. The final AOA report is expected late fiscal year 2014 with a Milestone A decision expected in fiscal year 2015. The GBSD AOA will examine the following system approaches: (1) Baseline: sustain current capabilities, (2) Current Fixed: improved baseline to address capability gaps, (3) New fixed: a new, hardened silo-based system, (4) Mobile: ability to disperse upon warning and launch from various locations. Also considered will be a hybrid concept, a mixture of fixed silos and mobile based systems.

OVERSEAS CONTINGENCY OPERATIONS FUNDING

46. Senator INHOFE. General Welsh, I am concerned that this administration is losing the ability to accurately budget for overseas contingency operations (OCO). Each of the Services has been required to expend base budget money to fund OCO requirements. Is there an OCO funding shortfall for fiscal year 2013? If yes, what is it?

General WELSH. The Air Force has an ~$1.8 billion fiscal year 2013 OCO shortfall in the Operation and Maintenance appropriations.

47. Senator INHOFE. General Welsh, will DOD's upcoming reprogramming budget request eliminate the OCO funding shortfall?

General WELSH. Yes, if fully supported by Congress, the upcoming reprogramming request eliminates the Air Force's fiscal year 2013 OCO funding shortfall.

48. Senator INHOFE. General Welsh, will the Air Force fiscal year 2014 OCO request include funds to address the fiscal year 2013 problems in both the OCO and the base budget for readiness shortfalls?

General WELSH. The fiscal year 2014 OCO request does not include funds to cover fiscal year 2013 OCO or base readiness shortfalls resulting from sequestration. The fiscal year 2014 OCO request was formulated with input from CENTCOM, the Joint Staff, and OSD and is based on the best available estimate of operational requirements for fiscal year 2014.

49. Senator INHOFE. General Welsh, did the Air Force get fully funded for its fiscal year 2013 OCO expenses? If not, what was the shortfall?

General WELSH. The fiscal year 2013 OCO submission was based on budgetary assumptions made at the time of the submission. Congress made a variety of reductions to the request which, combined with operational reality has resulted in ~$1.8 billion shortfall in the Operation and Maintenance appropriations.

50. Senator INHOFE. General Welsh, what is your fiscal year 2014 OCO request?

General WELSH. The fiscal year 2014 OCO request for the Total Force is $13.9 billion.

51. Senator INHOFE. General Welsh, do you expect to be fully funded? If not, what would be the impact to readiness?

General WELSH. Yes, the fiscal year 2014 flying hour program was built upon a fully funded fiscal year 2014 OCO request. If the OCO request is not fully funded, additional units will be required to reduce and/or cease flying to ensure continued OCO operations. This will have a detrimental and long-term readiness impact.

SPACE LAUNCH CAPABILITY

52. Senator INHOFE. General Welsh, the Air Force fiscal year 2014 budget seems to indicate it will save the Air Force $1 billion over the fiscal years 2014 to 2018 budget from doing a block buy of rockets from the incumbent Evolved Expendable Launch Vehicle (EELV) provider. Is that correct? Please explain your answer.

General WELSH. Yes. As a result of the new acquisition strategy, which was validated by the OSD Cost Assessment and Program Evaluation independent cost estimate, the program has achieved $1.1 billion in savings over fiscal years 2014 to 2018. The new acquisition strategy incentivizes the incumbent to order material from vendors in quantity sets allowing for maximum economies of scale savings.

53. Senator INHOFE. General Welsh, does the Air Force current launch capability meet the full spectrum of launch requirements by the Air Force and its users?

General WELSH. Yes, the EELV can launch the entire National Security Space manifest to all required orbits.

54. Senator INHOFE. General Welsh, does demand exceed current launch capabilities?

General WELSH. No, the United Launch Alliance is capable of meeting the National Security Space launch capabilities.

FORWARD PRESENCE

55. Senator INHOFE. General Welsh, how critical is a forward-deployed presence in U.S. European Command (EUCOM) and U.S. Pacific Command (PACOM)?

General WELSH. Our forward-deployed presence in EUCOM and PACOM supports our national interests and is an essential element of our alliances in both theatres. Although the formal makeup of the alliances differ, the presence of United States capabilities in theatre demonstrates our commitment, provides opportunities to develop alliance interoperability, and keeps our forces trained for employment anywhere in the world. Our combat-ready forces are a deterrent to potential adver-

saries, enhancing regional stability. In the event of a humanitarian or contingency operation overseas, our forward stationed forces are capable of responding with minimal support from our limited and aging fleet of refueling aircraft. We have programmed to recapitalize our tanker fleet, but even with the complete package of new tankers, in some scenarios an overseas force gives us options and responsiveness not possible from CONUS. That said, our stewardship of national resources demands a continuous review of our posture. We are engaged with OSD and our Sister Services in a comprehensive review of U.S. facilities in Europe to identify efficiencies. We fully expect this European Infrastructure Consolidation will enable us to return some assets to our host nations and consolidate certain operations with a foot print that supports an essential level of forward presence while eliminating that which is not additive to the national defense.

56. Senator INHOFE. General Welsh, current Air Force force structure is reportedly the minimum required to rapidly respond to crises in the European and African areas of responsibility (AOR) and dictate a permanent forward presence. Missions include contingency, presidential support, aero-medical evacuation, airdrop, and training missions, as well as significant Joint Chiefs of Staff (JCS)-directed and COCOM-requested exercises. Current events in Northern Africa and the Middle East exemplify the need to permanently forward-base forces to execute phase zero operations and preserve strategic flexibility in times of crises. What is the requirement for C–130s in EUCOM, and what missions do they support?

General WELSH. There are 14 C–130Js assigned to EUCOM. They support operational missions for EUCOM and U.S. Africa Command as well as Theater Security Cooperation (partner capacity building) missions with partner nations. In addition to COCOM operational missions, these aircraft use training sorties to support U.S. Army Europe (USAREUR) and U.S. Navy Europe (USNAVEUR) airborne qualified units (approximately 20 percent of all training sorties). USAREUR and NAVEUR do not possess organic capability to maintain their required airborne currency.

A portion of the U.S. Air Forces in Europe-based C–130 force remains on heightened alert status to support U.S. Government and partner nations' interests throughout both theaters. Removal of forward-based C–130 support puts these interests at risk.

57. Senator INHOFE. General Welsh, have timelines for requests for forces been met in the past?

General WELSH. Although every effort is made to deliver forces on the timeline requested by combatant commanders, there are occasions when delays are inevitable. In most cases, the delay can be attributed to shortages in the requested forces or individual circumstances (e.g., insufficient dwell, personal hardships and other situations). In every case we work with the requesting combatant commander to establish an acceptable delivery date.

58. Senator INHOFE. General Welsh, how would NATO be impacted by cuts to force structure?

General WELSH. Cuts in the U.S. Air Force force structure could call into question NATO's ability to achieve the Level of Ambition agreed by the heads of state of the member nations. It would require the North Atlantic Council to reevaluate its strategic goals and would most likely reduce its ability to influence destabilizing activities both inside and outside its traditional borders.

Much of the planned force structure supporting the NATO Strategic Concept comes from the U.S. Air Force: high demand, low density forces such as air-to-air refueling and intelligence, surveillance and reconnaissance platforms are just two examples of critical resources we provide. The United States provides more than half of the NATO requirement for these capabilities. For ballistic missile defense of NATO member nations, we provide an even higher percentage.

We have always stated that, in principal, the United States may make the political decision to provide all our resources for defense of the NATO Alliance, to the degree that is consistent with our worldwide commitments. Given current and potential operations and standing treaty obligations, further cuts in our force structure would severely constrain the resources that could be available to NATO under any scenario.

MUNITIONS

59. Senator INHOFE. General Welsh, are you experiencing any shortfalls in ammunition for training, base, and operational requirements?

General WELSH. The current Air Force ground munitions stockpile is adequate to support all current Air Force training, base and operational requirements for fiscal year 2013 and fiscal year 2014.

60. Senator INHOFE. General Welsh, do you have any inventory shortfalls in air-to-air and air-to-ground weapons, such as advanced medium-range air-to-air missiles (AMRAAM), joint direct attack munitions (JDAM), and high-speed anti-radiation missiles (HARM)? If so, how do you plan to address such shortfalls?

General WELSH. Yes, AMRAAM and JDAM inventories are short of their objectives. The Air Force will address these weapons shortfalls by competing these requirements against all other high priority procurements within the Air Force and make the tough trade-offs on what we can afford to buy. The Air Force plans to continue procurement of both AMRAAM and JDAM at a rate determined by the results of the trade-off with the intent to meet combatant commander objectives. HARM inventory currently meets its objective. High-speed anti-radiation missiles modernization efforts are currently underway to increase the lethality of the weapon system against emerging advanced surface-to-air missile systems.

CYBER SECURITY

61. Senator INHOFE. General Welsh, the Air Force is uniquely situated to support cyber-related missions. This capability is critical to ensuring national security interests. What is the Air Force doing to recruit and train airmen with cyber skills?

General WELSH. The Air Force targets potential airmen with cyber skills through national advertising campaigns highlighting STEM requirements as opposed to targeting cyber specifically. The Air Force also advocates and supports cyberspace and computer training and education programs nationwide to encourage high school and college students towards technical career fields. For example, we support national competitions such as the Air Force Association's CyberPatriot competition for high school students. Additionally, the Air Force Institute of Technology's Center for Cyberspace Research hosts the Advanced Cyber Education summer program for Reserve Officer Training Corps cadets from all Services who are studying computer science or computer/electrical engineering. Unfortunately, ACE has been canceled for 2013 due to funding constraints as a result of sequestration but we hope to be able to hold ACE again in future years.

Air Force cyberspace training programs develop Total Force cyberspace professionals from numerous career fields. Core training includes Undergraduate Cyberspace Training and Cyberspace Defense Operations at Keesler AFB, MS, and Intermediate Network Warfare Training at Hurlburt AFB, FL. We have also developed an Intelligence Cyber Analyst course at Goodfellow AFB, TX, to train our digital network analysts. This analyst training is complemented with a 6-month follow on Joint Cyber Analysis Course at Pensacola Naval Air Station, FL. Cyber personnel attend further joint cyberspace and related courses based upon positional requirements and work roles. In addition, the Air Force Institute of Technology at Wright-Patterson AFB, OH, conducts graduate-level cyber curricula and professional continuing education as well. Growth and change is constant in the cyberspace domain and these schools adjust as technology and tactics evolve.

62. Senator INHOFE. General Welsh, what type of training do these airmen receive?

General WELSH. Air Force cyberspace training programs develop Total Force cyberspace professionals from numerous career fields. Core training includes undergraduate cyberspace training and cyberspace defense operations at Keesler AFB, MS, and intermediate network warfare training at Hurlburt AFB, FL. We have also developed an Intelligence Cyber Analyst course at Goodfellow AFB, TX, to train our digital network analysts. This analyst training is complemented with a 6-month follow on Joint Cyber Analysis Course at Pensacola Naval Air Station, FL. Cyber personnel attend further Joint cyberspace and related courses based upon positional requirements and work roles. In addition, the Air Force Institute of Technology at Wright-Patterson AFB, OH, conducts graduate-level cyber curricula and professional continuing education as well. Growth and change is constant in the cyberspace domain, and these schools adjust as technology and tactics evolve.

63. Senator INHOFE. General Welsh, how are you retaining these airmen after such training?

General WELSH. To retain our cyber airmen, seven of the eight enlisted cyber Air Force Specialty Codes (AFSC) are currently receiving a Selective Reenlistment

Bonus (SRB) in at least 1 year group. Also, all eight AFSCs are currently identified on the Chronic Critical Skills for Promotion List that increases the number of promotions given to a career field to support noncommissioned officer (NCO) and senior NCO manning. Finally, cyber AFSCs were shielded from some of the force management programs such as voluntary separation programs and accession cuts.

64. Senator INHOFE. General Welsh, how are you ensuring that these airmen will get opportunities to advance in their career progression?

General WELSH. Cyberspace airmen have multiple opportunities to advance in their careers. They are deliberately force managed to acquire breadth in their career fields and depth in the cyberspace field. For example, certain specialties will serve consecutive operations tours in cyberspace positions at different locations to build depth as they progress through their career. This experience is coupled with continuing professional cyberspace education to build cyberspace experts.

BASE REALIGNMENT AND CLOSURE

65. Senator INHOFE. General Welsh, GAO released a report last year noting that one-time implementation costs for the 2005 Base Realignment and Closure (BRAC) round grew from $21 billion to $35 billion, an increase of $14 billion, or 67 percent. As a result, the 20-year value DOD expected to achieve from the 2005 round decreased by 72 percent and the annual recurring savings has decreased by 10 percent. In addition, GAO determined that 75 out of the 182 recommendations, about 41 percent, are now expected to result in a negative 20-year value. Has the Air Force actually conducted any analyses to quantify the extent of its excess infrastructure? If not, how can the Air Force predict with any confidence how much will be saved by a BRAC round?

General WELSH. The Air Force has not conducted an updated capacity analysis. Our current estimates of excess infrastructure are based on the 2004 OSD report to Congress, required under BRAC 2005 legislation, which stated the DOD had approximately 24 percent excess infrastructure at that time. BRAC 2005 eliminated very little Air Force infrastructure in BRAC 2005 and since then, the Air Force retired approximately 500 aircraft and reduced its total active duty manpower by approximately 8 percent without reducing infrastructure accordingly. If legislation is enacted authorizing another round of BRAC for U.S. installations, the Air Force will base its analysis on an approved force structure plan and will evaluate all bases equally to determine what bases may be candidates for closure or realignment.

The Air Force knows from past BRAC rounds that savings from BRAC are real; 40 installations have closed saving $2.9 billion per year. However, it is premature for the Air Force to predict the amount of savings that can be garnered prior to completing the BRAC analysis.

The Air Force effectively controlled BRAC 2005 costs through a disciplined military construction and training approval process with senior leader oversight. The Headquarters Air Force staff screened and budgeted for major command requests within the first year. Subsequently, all major command projects were reviewed biannually, tracking both status and cost management. Requirements that arose from site surveys were justified and well supported.

TRICARE

66. Senator INHOFE. General Welsh, in the President's budget request, DOD proposes to increase TRICARE Prime enrollment fees and pharmacy co-pays yet again, institute new enrollment fees for TRICARE Standard and TRICARE for Life beneficiaries, and increase Standard deductibles, among other things. Within the last 2 years, Congress authorized DOD to increase enrollment fees and pharmacy co-pays each year by the amount of the annual retired-pay cost-of-living adjustment. Hasn't that helped you control healthcare costs? Why do we need to go down this road again?

General WELSH. Congress' recent support for increases in the TRICARE Prime enrollment fees for working age retirees and adjustments to retail and mail order pharmacy co-pays are an important step to managing costs, but they are not enough to sustain the benefit in the long term. Managing health care costs is a shared responsibility among the government, providers and the beneficiaries. In addition to seeking reasonable beneficiary cost share reforms, the Military Health System is undergoing comprehensive change to be a progressive health system for the beneficiaries into the future while aggressively gleaning efficiencies to control cost.

By following a holistic approach to addressing the rising costs of health care, the military health benefit will continue to be a rich reward for those who have served our country. Without beneficiary cost share reforms, sustaining the health benefit will require diversion of funds from other critical accounts to make up the shortfall.

67. Senator INHOFE. General Welsh, if Congress doesn't agree with your TRICARE fee proposals, what is your back-up plan to make up the large deficit in your health account?

General WELSH. If Congress prohibits the proposed TRICARE fee changes and does not restore the budgeted savings in fiscal year 2014, the Department will likely be forced to make additional reductions to readiness and modernization accounts. The TRICARE fee proposals are an important piece of the Department's approach to balanced drawdown in defense spending. The fee changes in conjunction with the governance changes in progress for the Military Health System are necessary to put the military health benefit on a path to long-term fiscal sustainability as well as to lessen the impact on readiness and modernization.

HARDENING FACILITIES

68. Senator INHOFE. General Welsh, Admiral Locklear testified to this committee that; "the United States requires a more geographically-distributed, operationally-resilient, and politically-sustainable posture that allows persistent presence and, if needed, power projection." The Air Force has proposed construction of hardened facilities on Guam to protect certain assets to provide operational resilience. Do you support the hardening of facilities on Guam to preserve a second strike capability?

General WELSH. Yes, the Air Force supports the "selective hardening" of facilities on Guam for a number of critical reasons, both unclassified and classified. Selective hardening increases our warfighting capability and demonstrates our commitment to operational resiliency to our partners and allies as well as our potential adversaries. This effort stems from the requirement to be resilient against enemy attack, ensures the availability of airpower to the Joint Force Commander, and enables the ability to generate airpower in the face of multiple attacks. The Air Force is currently working on a Pacific Airpower Resiliency study built on the premise of previous analyses that recommends the construction of two large hardened hangars to protect national assets deployed to Guam. Since the submission of the fiscal year 2012 President's budget, all major stakeholders have determined and agreed on the importance of these two structures. The NDAA for Fiscal Year 2013 provided funding for one unhardened hangar, and the Air Force requested funding in the fiscal year 2014 President's budget to harden the first hangar and construct a second hardened hangar. The Air Force will continue to pursue selective hardening, increased airfield damage repair capabilities, and a number of other efforts in concert with the other Services, including development of a new plan beyond the two proposed hangars.

69. Senator INHOFE. General Welsh, given the large numbers of Chinese missiles projected in 2020, what makes you believe that you can protect enough infrastructure to be able to launch a second strike?

General WELSH. This question cannot be adequately answered at the unclassified level. However, there are combinations of approaches that work in concert to help mitigate the threat represented by a large missile inventory. These include, but are not limited to, dispersal, selective hardening, rapid repair and other passive and active defense measures. All efforts stem from the requirement to be operationally resilient against enemy attack, guaranteeing the availability of airpower in support of the Joint Force Commander. It is not about simply preserving a second strike, rather it is about ensuring a continuous ability to generate airpower in a contested environment.

70. Senator INHOFE. General Welsh, hardening a facility approximately doubles the cost of a facility—can we afford that cost in this budget environment?

General WELSH. Yes, we have determined we can afford hardening of selective critical infrastructure on Guam and have included these requirements in our fiscal year 2014 budget request. We are only requesting to selectively harden facilities and infrastructure that are critical to ensure we can accomplish our missions in all threat scenarios. The United States has done virtually no hardening for some 30 years, and there are no hardened facilities currently on Guam.

Selective hardening is one of four distinct methods of mitigating risk in PACOM's resiliency strategy, which also includes redundancy, rapid repair, and dispersal. In

many cases, hybrid solutions will be used that incorporate two or more of the mitigation measures. Without the selective hardening of key infrastructure, our commitment to overall Defense Strategy in the Asia-Pacific theater could be called into question by our partners and allies as well as our potential adversaries.

C–130 AMP

71. Senator INHOFE. General Welsh, at last year's Air Force posture hearing, General Schwartz said that: "the Air Force C–130 Avionics Modernization Program (AMP) provides military capability equal or greater than alternative programs and at less cost than those programs." The U.S. Government performed four independent studies on the C–130 AMP solution between 1998 and 2008 and found it was the most cost-effective solution to modernize the C–130 fleet, and at the same time, consolidate the multiple configurations and increase equipment reliability and availability. It appears from the fiscal year 2014 President's proposed budget that a new start effort, the Minimize CNS/ATM option, has been identified. Could you explain the Minimize CNS/ATM option?

General WELSH. The Minimize Communications, Navigation, Surveillance/Air Traffic Management (CNS/ATM) program is a less-costly, smaller-scope program, compared to AMP. The Minimize CNS/ATM program primarily upgrades communication and navigation equipment enabling the C–130H to meet navigation mandates into the 2020s.

72. Senator INHOFE. General Welsh, what is the cost of the new approach and what will it truly save after considering the termination liability, and after other life-cycle cost savings are removed from the solution?

General WELSH. The fiscal year 2014 Presidents' budget requests $476 million for the Minimize C–130 CNS/ATM program for 184 aircraft. The Air Force expects the Institute for Defense Analyses (IDA) study directed in the NDAA for Fiscal Year 2013 to provide life cycle cost comparisons for C–130 AMP, the fiscal year 2014 Minimize C–130 CNS/ATM program, and the fiscal year 2013 Optimize Legacy C–130 CNS/ATM program. Planned delivery date of the IDA study to Congress is October 2013.

73. Senator INHOFE. General Welsh, what requirements or missions changed that would allow for a change of direction of this magnitude, specifically cancelling the program of record, AMP, and executing a new start, Minimize CNS/ATM?

General WELSH. Significant fiscal reductions to Air Force funding drove difficult strategic choices. One of these difficult choices was C–130 modernization. We were compelled to pursue a less-costly, smaller-scope modernization program that meets mission requirements and ensures the C–130H fleet remains viable into the 2020s.

74. Senator INHOFE. General Welsh, less than 2 years ago, the C–130 AMP was the best solution and at a lower cost than all other capable alternatives. How can AMP now be too expensive?

General WELSH. The constrained fiscal environment forced us to make difficult strategic choices. The decision to terminate the C–130 AMP was driven by the first phase of the 2011 Budget Control Act. Full implementation of the Budget Control Act—or sequestration—eliminated budget resources that might have been available to fund the C–130 AMP program. Acquiring the capability afforded by the C–130 AMP became untenable under these fiscal constraints, especially when compared to other more compelling investment opportunities.

75. Senator INHOFE. General Welsh, why is the Air Force choosing to end a program that is over 99 percent complete with development activities and with very little risk going forward?

General WELSH. The constrained fiscal environment forced the Air Force to make difficult strategic choices. The decision to terminate the C–130 AMP was driven by the first phase of the 2011 Budget Control Act. Full implementation of the Budget Control Act—or sequestration—eliminated budget resources that might have been available to fund the C–130 AMP program. Acquiring the capability afforded by the C–130 AMP became untenable under these fiscal constraints, especially when compared to other more compelling investment opportunities.

76. Senator INHOFE. General Welsh, as directed by the NDAA for Fiscal Year 2013, have you begun the IDA study for a cost benefit analysis, and what is the current status and projected completion date to report back to the committee?

General WELSH. DOD placed the IDA study on contract on March 1, 2013. The IDA study is currently progressing according to schedule, and IDA plans to deliver initial study results to the Air Force in August 2013. The Air Force plans to deliver the study to Congress in October 2013.

77. Senator INHOFE. General Welsh, has there been any analysis of long-term cost savings the current C–130 AMP provides versus the proposed fiscal year 2014 Minimize CNS/ATM capability?

General WELSH. The Air Force has not completed an official life-cycle cost analysis for the proposed fiscal year 2014 Minimize C–130 Communication, Navigation, Surveillance/Air Traffic Management (CNS/ATM) program. The Air Force expects the IDA study directed in the NDAA for Fiscal Year 2013 to provide life cycle cost comparisons for C–130 AMP, the fiscal year 2014 Minimize C–130 CNS/ATM program, and the fiscal year 2013 Optimize Legacy C–130 CNS/ATM program.

78. Senator INHOFE. General Welsh, the fiscal year 2013 appropriations reduced the C–130 AMP program of record in fiscal year 2012 by $118 million, leaving $90 million and identified $20 million for fiscal year 2013. What is the expenditure plan for fiscal year 2013 appropriations identified for the C–130 AMP?

General WELSH. The Air Force has not expended any of the fiscal year 2013 C–130 AMP funds, or any of the fiscal year 2012 production funds. We are continuing to conduct fiscally responsible and prudent program actions while the IDA completes the cost-benefit analysis on C–130 AMP directed by the NDAA for Fiscal Year 2013. Based on the outcome of the IDA study, the Air Force will provide a spend plan as appropriate.

79. Senator INHOFE. General Welsh, can the current C–130 AMP be scaled down and still retain its certification? If so, have you thought about doing that instead of starting over?

General WELSH. No, significantly scaling down C–130 AMP would drive a program redesign and retest.

80. Senator INHOFE. General Welsh, with a reasonable learning curve, what is the current cost of a fully installed C–130 AMP system and what would the estimated cost be for the alternative system?

General WELSH. The C–130 AMP Office currently estimates the C–130 AMP per aircraft cost to be $15.4 million. The Air Force expects the IDA study directed in the NDAA for Fiscal Year 2013 to provide life cycle cost comparisons for C–130 AMP, the fiscal year 2014 Minimize C–130 CNS/ATM program, and the fiscal year 2013 Optimize Legacy C–130 CNS/ATM program. Planned delivery date of the IDA study to Congress is October 2013.

81. Senator INHOFE. General Welsh, the current C–130 AMP eliminated the navigator position, which essentially paid for the upgrade through personnel savings. Will the Minimize CNS/ATM require a navigator, and if so, what is the impact on availability, training, and life-cycle costs?

General WELSH. The Minimize C–130 CNS/ATM program requires a navigator. While the navigator savings of approximately $500 million (then-year dollars over a 15-year life cycle) offsets the Operations and Support costs of C–130 AMP, it was never intended to recover the full cost of the AMP modification.

The Air Force expects the IDA study on C–130 AMP to analyze the impact of availability, training, and life-cycle costs of the three C–130H combat delivery fleet modification alternatives: C–130 AMP, the fiscal year 2013 Optimize Legacy C–130 CNS/ATM program, and the fiscal year 2014 Minimize C–130 CNS/ATM program.

82. Senator INHOFE. General Welsh, will the Minimize CNS/ATM new start provide more or less capability than the current program of record, the C–130 AMP?

General WELSH. The Minimize C–130 CNS/ATM new start is a less robust avionics and sustainment solution than the C–130 AMP. The legacy C–130H combat delivery fleet will continue to maintain global access and global engagement to support the Joint Warfighter regardless of which AMP is adopted.

83. Senator INHOFE. General Welsh, what other upgrades/capabilities previously included in the C–130 AMP will not be done and which of these will be addressed at some future time?

General WELSH. The C–130 AMP modernizes C–130Hs across three variants (H2, H2.5, H3) with a common avionics suite and standardized cockpit configuration. AMP provides substantial system integration to reduce crew workload, thus elimi-

nating the navigator. AMP also addresses future issues with obsolescence and diminishing manufacturing sources.

The fiscal year 2014 Minimize C–130 CNS/ATM is an airspace compliance only program to meet the Federal Aviation Administration's January 2020 CNS/ATM airspace mandate for an Automatic Dependent Surveillance-Broadcast system. Therefore, the Air Force will continue to analyze the Legacy C–130H fleet's avionics systems' reliability, maintainability, and sustainability issues, and would pursue options to address any shortfalls.

84. Senator INHOFE. General Welsh, is the current IDA study evaluating the C–130 AMP against the Minimize CNS/ATM identified in the fiscal year 2014 President's budget document?

General WELSH. Yes, the Air Force tasked the IDA to evaluate all three C–130H combat delivery fleet modification alternatives: C–130 AMP, the fiscal year 2013 Optimize Legacy C–130 CNS/ATM program, and the fiscal year 2014 Minimize C–130 CNS/ATM program.

85. Senator INHOFE. General Welsh, has an acquisition strategy been developed for the fiscal year 2014 Minimize CNS/ATM new start option?

General WELSH. The Air Force, in compliance with section 143 of the NDAA for Fiscal Year 2013, has taken no action to develop an official acquisition strategy on the fiscal year 2014 Minimize C–130 CNS/ATM program.

86. Senator INHOFE. General Welsh, is there an intention to have some level of commonality between the large platform CNS/ATM solutions for the Air Force?

General WELSH. Yes, it is our intention to maximize commonality in the CNS/ATM equipment used in the large platforms. However, every aircraft is different, which limits the extent of commonality. Since cost savings is a concern, we plan to take advantage of proven and available commercial off-the-shelf options for CNS/ATM compliance equipment when these solutions lower our cost to equip or sustain.

C–130 RE-ENGINING

87. Senator INHOFE. General Welsh, I understand that there is an upgrade for the T56 engine, the engine enhancement package (EEP), that would improve fuel efficiency of the current engines. What is the status of the modification?

General WELSH. Rolls Royce Corporation, the T56 engine manufacturer, developed a more fuel efficient upgrade to the current C–130H aircraft engines using internal company resources. This upgrade is known as the T56 Series 3.5 engine configuration.

Although the T–56 Series 3.5 engine modification is expected to provide improved fuel efficiency and reduced maintenance costs, the Air Force has not funded a program of record due to higher Air Force funding priorities in the current fiscal environment.

88. Senator INHOFE. General Welsh, has the EEP been tested, and if so, what were the results?

General WELSH. The T56 Series 3.5 has successfully passed engine qualification testing. Additionally, the prototype engine was flight tested on a C–130H at Edwards AFB, CA with all operational requirements being met during that effort.

89. Senator INHOFE. General Welsh, what is the estimated cost of the modification, and for how many aircraft?

General WELSH. A June 2011 Air Mobility Command Business Case Analysis (BCA) forecasted a requirement for 200 C–130H aircraft (184 Mobility Air Force and 16 Air Combat Command), which will require 941 engines including required spares. The study estimates the modification would require a total investment of $969 million (calculated in 2011 constant year dollars) from fiscal year 2014–fiscal year 2024, and $414 million would be required from fiscal year 2014–fiscal year 2018. This funding is based on a modification profile of 20 engines in fiscal year 2014, and 100 engines in each of the remaining years until fiscal year 2024 when the remaining 21 engines would be modified.

90. Senator INHOFE. General Welsh, how long will it take to modify the fleet?

General WELSH. For the Air Mobility Command BCA forecasted requirement of 941 engines, if the modification begins with a profile of 20 engines in the first year,

and 100 engines in each of the remaining out-years, it will take 11 years to modify the fleet.

91. Senator INHOFE. General Welsh, what is the expected fuel savings from making the modification?

General WELSH. The Air Mobility Command BCA expects $240 million in fuel savings (7.9 percent) over 25 years of operations.

92. Senator INHOFE. General Welsh, has the Air Force independently verified those savings estimates?

General WELSH. The predicted $240 million (7.9 percent) fuel consumption improvement, at the current equivalent engine power setting, was validated through Air Force ground and flight testing.

KC–46A

93. Senator INHOFE. General Welsh, February was the 2-year anniversary of the KC–X contract. Since that time, both the Air Force and Boeing have delivered on their commitments by meeting all contract milestones on or ahead of schedule. At this point in the program, to what do you attribute the success of the Air Force?

General WELSH. The keys to the program's success have been requirements and funding stability, backed by the diligent efforts of our professional acquisition workforce. The Department led a contract with well-defined requirements and both parties have held each other accountable to the agreement. Additionally, the Department has not subjected the program to budget-driven changes in schedule and content. This creates an environment where our engineers and program managers, government and contractor, can focus on executing the program on time and on schedule.

94. Senator INHOFE. General Welsh, how do you see leveraging the lessons learned in the tanker acquisition to other Air Force acquisitions?

General WELSH. The lessons learned from the tanker acquisition are being implemented in policy and in practice. Multiple components of the Air Force's Acquisition Improvement Plan and DOD's Better Buying Power (BBP) initiatives and policies have roots in the successes and failures of the broader tanker acquisition program. In practice, the source selection lessons learned are being propagated through the leadership and working levels of the Air Force Life Cycle Management Center (AFLCMC) and Space and Missile Systems Center through policy, procedures, training, directed communications, and the Air Force's Lessons Learned Program. As the Air Force approaches new acquisitions, the policies and processes that have grown out of the tanker acquisition will be implemented as appropriate with the nature, scope, and risks inherent in each new program.

LONG-RANGE STRIKE BOMBER

95. Senator INHOFE. General Welsh, DOD is pivoting to a strategy that focuses on the Western Pacific. To accomplish this, the strategy says we must maintain the ability to operate in Anti Access/Area Denial (A2/AD) environments and that the development of a new stealth bomber is, therefore, needed. How does the development and fielding of a new LRS–B help satisfy the requirement to operate at great distances in an A2/AD environment?

General WELSH. Current bombers are increasingly at risk to modern air defenses; the LRS–B will be able to penetrate modern air defenses to accomplish combatant commander objectives despite adversary A2/AD measures. The LRS–B will be usable across the spectrum of conflict, from raid to campaign levels and will provide broad geographic coverage (ability to operate deep and from long range). Additionally, it will carry a wide variety of stand-off and direct-attack munitions for increased flexibility. Once fielded, the LRS–B's long range, payload, and survivability will provide the President with the option to hold targets at risk at anywhere on the globe, as well as provide operational flexibility for Joint commanders.

96. Senator INHOFE. General Welsh, in light of the extremely high total cost of ownership numbers that have been identified with the JSF program, what steps is DOD taking to incentivizing bidding contractors to design for control of those costs?

General WELSH. With regards to the LRS–B program, the Air Force is considering an array of options for incentivizing the contractors to design the weapon system in manner that reduces total ownership costs.

97. Senator INHOFE. General Welsh, would it make sense to increase the emphasis on procurement and sustainment costs in the evaluation of competing offers?

General WELSH. Yes. The LRS–B program is considering an array of options to place an appropriate amount of emphasis on the evaluation of the projected procurement and sustainment costs of competing offers.

C–17

98. Senator INHOFE. General Welsh, the ability of the U.S. industrial base to support the production of large military aircraft is a growing concern. The U.S. educational system is producing fewer people with the requisite technical skills to build highly integrated and sophisticated weapon systems. More and more U.S. manufacturing facilities are shutting down, and U.S. corporations are depending on overseas companies to provide major assemblies and parts for U.S. products. What are you doing to maintain the U.S. industrial base and to ensure it retains its technology and capability edge in supporting and winning future wars?

General WELSH. The national budget turbulence has caused not just the Air Force, but also each organization in DOD, to carefully consider priorities and make adjustments in plans and budgets. While sustaining a robust national technology and industrial base is a concern, it is one of many subject to the realities imposed by the current fiscal situation.

Our top three modernization programs, the KC–46, the F–35, and the LRS–B, highlight the Air Force's current investments in the industrial base. Other modernization efforts such as our space programs also support the Nation's industrial base. However, the Air Force does not have resources to sustain industrial capability or capacity beyond that required for funded programs. In a key area, such as turbine engine development, the Air Force collaborates with industry on a shared-cost basis to advance the state of the art and maintain a cadre of engineering and design expertise.

The Air Force is working with the other Services and OSD to develop a deeper understanding of our mutual dependencies on the complex web of suppliers that produce and sustain our air, space, and cyber capabilities.

99. Senator INHOFE. General Welsh, what is the Air Force doing to ensure that mobility—and particularly airlift—are part of that enduring industrial base?

General WELSH. In the current fiscal environment, the Air Force has few choices beyond those to support our airmen, maintain readiness of key units, and continue our top modernizations efforts. I fully appreciate that the Air Force's air, space, and cyber capabilities are sustained by the products and services purchased from the national technology and industrial base. Without the support of both the organic and the commercial components of the industrial base, the Air Force would not be ready to respond to the needs of the Nation. The result of the difficult choices imposed by the current budget situation is that the Air Force has reduced our demands on the industrial base.

As far as the current state of industrial base supporting airlift, the C–17 along with the C–130J, remain in production and are still some of the youngest fleets in our inventory. The Air Force also benefits from the very healthy commercial aerospace sector of the economy. For example, the KC–46 is a derivative of a commercial aircraft.

100. Senator INHOFE. General Welsh, what alternatives do you see for future airlift production if the C–17 line shuts down?

General WELSH. No alternative is needed at this time since the Air Force's current airlift requirements will be met upon delivery of the final C–17 and completion of C–5 RERP modification. After the delivery of the final U.S. Air Force C–17 (third quarter of calendar year 2013), the future of the C–17 line is fully dependent on Foreign Military Sales (FMS) and/or direct commercial sales orders. As of now, the remaining firm C–17 FMS orders will keep the production line going until the fourth quarter of calendar year 2014. We remain committed to our allies and partners to help them through new FMS orders should they require additional airlift capability and capacity.

JOINT DIRECT ATTACK MUNITIONS

101. Senator INHOFE. General Welsh, in fiscal year 2012, Joint Direct Attack Munitions (JDAM) constituted over 98 percent of all air-to-ground gravity bombs employed in combat (85 percent if Hellfire is included) according to U.S. Air Force Cen-

tral (AFCENT) data. The JDAM weapon system on an annual basis drops approximately 7,000 units a year in the support of training, test, tactics development, and combat operations. What is the impact on the strategic weapons stockpile/war reserves, when training, testing, and combat operations are consuming more than the annual planned procurement?

General WELSH. The strategic weapons stockpile/war reserves inventory levels decrease when training, testing, and combat operations expenditures outpace annual procurement. Since Joint Direct Attack Munitions inventories are already short of inventory objectives, continuing to expend more weapons than we procure increases risk over time. This shortage will drive the use of secondary weapons that decrease warfighter effectiveness and result in increased time accomplishing the combatant commander's objectives.

102. Senator INHOFE. General Welsh, has DOD conducted an analysis for what levels should be maintained and the assumptions that have pushed JDAM procurements to such low rates?

General WELSH. The Air Force conducts an annual analysis to determine the required inventory levels to accomplish the combatant commanders' objectives. Annual procurement is then set in an attempt to meet those inventory objectives, but balanced against Air Force budget constraints to meet the highest priorities of the Air Force.

103. Senator INHOFE. General Welsh, there was a tremendous surge in JDAM production after September 11. As production rates drop dramatically, what are you doing to sustain the U.S. industrial base and to ensure it retains the capacity to surge again, when required?

General WELSH. This is an important issue that applies not just to the Air Force and not just to the Joint Direct Attack Munitions. The demands on that sector of the national technology and industrial base producing and sustaining munitions are very closely tied to the tempo of our combat operations. For that industrial sector, there isn't much of a middle ground. When the Nation's forces are not engaged in combat, the only demands are for training, maintaining operator proficiency, sustaining war reserves, or sales to our allies. When the Nation decides to send forces into combat, demand can rise rapidly with the potential for production surges.

The Air Force works closely with the other Services and OSD on a variety of issues concerning the munitions industrial base. For example, we have participated in reviews to help identify requirements for and development of critical energetic materials, to support development of fuzes and monitor the health of that subsector. We have looked across the industry to identify critical suppliers and capabilities. The Air Force is also looking beyond the current systems with research programs to develop technologies for future munitions.

104. Senator INHOFE. General Welsh, the Libyan conflict demonstrated that NATO inventories of JDAM are not sufficient to conduct even a small operation effectively. What is the United States doing to encourage our NATO allies to increase their JDAM inventories significantly?

General WELSH. The Air Force is working with the Offices of Defense Cooperation to stress to NATO allies the importance of keeping sufficient weapons inventories. The Air Force is also working with DOD to investigate options, such as expedited acquisition and multi-national munitions pooling.

T–X PROGRAM

105. Senator INHOFE. General Welsh, given the impacts of sequestration, what priority is the Air Force acquisition plans for the T–X program, and will the Air Force continue with recapitalization plans for the T–38 Talon, which has been in service for over 50 years?

General WELSH. Current weapon-system recapitalization efforts and operations took precedence over the T–X program in the fiscal year 2014 budget. However, the Air Force does intend to recapitalize the T–38 fleet. At this time, the objective IOC date is undefined.

106. Senator INHOFE. General Welsh, is the T–X program still planning to keep this a bundled effort, to include jet, simulator, and courseware, all tied to the Family of Systems (FoS) to save the warfighters and taxpayers by reducing the cost of flight training?

General WELSH. Yes, the Air Force still plans to acquire the T–X as a single Family of Systems rather than as separate acquisitions for the aircraft, ground training devices, and courseware. We believe this to be the most efficient course of action to provide a robust training capability at the most effective cost.

107. Senator INHOFE. General Welsh, has the Service defined T–X requirements in a manner that mandates that the T–38 replacement aircraft must accommodate the full spectrum of male and female pilot candidates (JPATS 1–7), just as you did in the T–6 Texan and other new platforms?

General WELSH. The T–X is still in an early stage of requirements development, but as the requirements are developed, the Air Force will try to ensure that they accommodate the full spectrum of male and female pilot candidates.

CIVILIAN FURLOUGHS

108. Senator INHOFE. Secretary Donley, I am concerned about the potential impact of civilian furloughs on critically important Air Force family support programs. If furloughs do take place, do you expect any cutbacks in your operating hours at commissaries, exchanges, and child development centers, or curtailment of: morale, welfare, and recreation (MWR) programs; Department of Defense Education Activity (DODEA) programs; Transition Assistance Programs (TAP); or military spouse employment programs?

Mr. DONLEY. Civilian furloughs will have a negative impact on our ability to provide, and maintain, a variety of services to our airmen and their families. Specifically, Commissaries will close one additional day per week and MWR programs are projected to experience reduced hours of operation and/or closed facilities. Additionally, budget reductions will have a negative impact on our ability to timely transform our activities to make our services more efficient.

Utilizing the 1,645 direct child care employees that have been excepted from the furlough, we will continue to provide child care operations and minimize the impact to airmen and their families. Additionally, we do not anticipate Army and Air Force Exchange Service (AAFES), TAP or Military Spouse Employment to be affected by furloughs.

109. Senator INHOFE. Secretary Donley, in response to sequestration, if civilian furloughs impact the mission of the Military Entrance Processing Stations (MEPS), what options does the Air Force have to ensure your recruit accessions are not disrupted?

Mr. DONLEY. Approximately 80 percent of Military Entrance Processing Command (MEPCOM) employees are civilian. The 11-day furlough (as announced on May 14, 2013) will have a significant impact on MEPCOM's ability to process recruits and manage military accessions testing programs. MEPCOM will reduce applicant processing from 5 days down to 4 days to accommodate the civilian furloughs.

There are no options to overcome recruit processing disruptions as a result of the MEPCOM furlough. No alternatives exist for MEPCOM processing to qualify youth for military service. MEPCOM is the sole entity for enlisted accessions. The Air Force will adjust to the reduced processing capacity by tightly managing the available processing slots. Slots will first be used to send fiscal year 2013 recruits to Basic Military Training, and then whatever slots remain will be prioritized to best meet fiscal year 2014 needs. These restrictions will force the Air Force to delay processing motivated applicants until slots become available at a later date.

INTEGRATED DISABILITY EVALUATION SYSTEM

110. Senator INHOFE. Secretary Donley, it is unconscionable that servicemembers must wait many months to receive a disability determination from the Department of Veterans Affairs (VA). While DOD and VA have made some progress in decreasing the amount of time it takes to get disability claims completed in the Integrated Disability Evaluation System (IDES), more work must be done. Do you believe the VA is doing all that it can do to decrease the amount of time for disability case reviews and claims adjudication?

Mr. DONLEY. DOD and VA have implemented several improvement strategies to improve the IDES Physical Evaluation Board (PEB) timeliness.

1. VA has added 109 personnel to reach 264 full-time equivalents for claims adjudication, and consolidated Army claims at Seattle Disability Rating Activity Site to reduce processing times.

2. VA has proactively engaged DOD to expedite adoption of Disability Benefits Questionnaires (DBQs) within the IDES Program.
3. To better support DOD and members of the Reserve components (RC), VA implemented a process to perform IDES Compensation and Pension examinations closer to the residence of RC servicemembers.
4. VA's Chief of Staff conducts bi-monthly internal Video Teleconferences (VTC) with Central Office and Field Executive staff to review IDES performance metric and discuss process improvement measures. VA also has joint monthly VTCs with both Army and Navy/Marine Corps to discuss site performance and general collaboration opportunities.
5. VA's IDES leadership conducts weekly meetings with IDES leadership from OSD, Warrior Care Policy, and the Military Services. These meetings have been occurring since July 2011.
6. VA Central Office personnel conduct periodic site visits to identify best practices and provide assistance.
7. VA and DOD routinely collaborate to improve and refine policies and procedures.

The Air Force continues to collaborate with DOD and VA to improve the overall disability evaluation process. Despite improvements, challenges still remain and all of the DOD is committed to working diligently with VA to continue streamlining and improving the overall disability process.

111. Senator INHOFE. Secretary Donley, does the VA need additional resources to hire more claims adjudicators?

Mr. DONLEY. The Air Force cannot address the resource requirements of the VA. However, our Service continues to collaborate with VA to improve the overall disability evaluation process. Despite improvements, challenges still remain, DOD and the Air Force are committed to working diligently with VA to continue streamlining and improving the overall disability process.

PROTECTING PROSPECTIVE RECRUITS

112. Senator INHOFE. Secretary Donley, a recent tragic case in Maryland appears to have been a murder/suicide involving a prospective recruit and recruiter. What guidance has the Air Force provided to ensure that prospective recruits and their parents or guardians are fully aware of the limits for relationships with recruiters?

Mr. DONLEY. Air Force Recruiting has instituted an aggressive and comprehensive program to inform and educate recruits and their parents on the subject of inappropriate behaviors, to include unprofessional relationships throughout the recruiting process. This program employs video, talking points, "Applicant Rights/Responsibilities Cards", and signed statements. The program clearly defines what constitutes an unprofessional relationship vs. professional relationship between recruits and their recruiters, and advises the recruits of their right and obligation to report suspected or actual cases. The program also outlines sources of assistance and steps to be taken to address concerns.

113. Senator INHOFE. Secretary Donley, what information does the Air Force require to be provided to prospective recruits to ensure that they have immediate access to assistance and intervention, if necessary, if they believe a recruiter is intending to take improper advantage of them?

Mr. DONLEY. Air Force Recruiting Service (AFRS) personnel are required to provide all applicants with an "Air Force Applicant Rights/Responsibilities Card" as early as practical in the application process before Military Entrance Processing Command (MEPCOM) processing. This card clearly defines professional relationships to potential applicants and provides guidance on how to report any violations. Recruiters are directed to discuss and train Delayed Entry Program (DEP) recruits on expectations.

In addition, each applicant views a video discussing professional relationships—what is professional and unprofessional, as well as expectations of recruits as Air Force members and what they can expect from their recruiter and the recruiting process. By defining what is and is not acceptable, the applicant knows what is expected and what is expected of the recruiter. This enhances the Rights/Responsibilities card—if the recruit notices unacceptable behavior, he/she can then act on it by contacting local Air Force leadership or the contacts listed on the card.

Each recruit has the opportunity to discuss potential misconduct when they visit the Military Entrance Processing Station (MEPS) for the first time. Here, away from his/her recruiter, our MEPS liaison completes a survey with each recruit and asks

if there were any instances of misconduct or action/words that made the recruit uncomfortable. If so, leadership addresses the concerns with the recruit and investigates allegations further to determine if additional action is necessary.

Applicants will also receive periodic briefings from supervisors and squadron leadership during their time in the DEP. These briefings will further emphasize rights, roles, and responsibilities of all members as well as ways to report suspected or actual cases.

The survey process completed with the MEPS liaison in the recruiting process is repeated both in basic military training (BMT) and technical training. Essentially the survey becomes a cradle to grave document within the accessions and training continuum.

DEFENSE SEXUAL ASSAULT INCIDENT DATABASE

114. Senator INHOFE. Secretary Donley, DOD has told us they have achieved full-deployment of the congressionally-mandated Defense Sexual Assault Incident Database (DSAID). Is the Air Force providing data to populate the database?

Mr. DONLEY. Yes, the Air Force was the first Service to implement the Defense Sexual Assault Incident Database (DSAID) to streamline data collection efforts and reporting.

115. Senator INHOFE. Secretary Donley, specifically, what information is this database providing Air Force leadership concerning sexual assault incidents?

Mr. DONLEY. Defense Sexual Assault Incident Database (DSAID) is a centralized, case-level database for the uniform collection of DOD Military Service data regarding incidents of sexual assaults involving persons covered by Department of Defense Instruction (DODI) 6495.02. DSAID includes information when not limited by Restricted Reporting, or otherwise prohibited by law, about the nature of the assault, the victim, the offender, and the disposition of reports associated with the assault. DSAID is available to the Sexual Assault and Response Office and the DOD to develop and implement congressional reporting requirements. Unless authorized by law, or needed for internal DOD review or analysis, disclosure of data stored in DSAID is only granted when disclosure is ordered by a military, Federal, or State judge or other officials or entities as required by a law or applicable U.S. international agreement. DSAID is a valuable tool that Air Force leaders can utilize to identify the extent and trends of reported cases either at their location or the Air Force as a whole. It helps leaders to plan strategies for combatting sexual assault.

DSAID includes the capability for entering records and interfacing data; generating predefined and ad hoc reports; and conducting case and business management. Specifically, the system is a warehouse of sexual assault case information; has the ability to run queries and reports; provides the SARC with the capability to interface and manage case-level data; includes victim, subject, and case outcomes in connection with the assault; and allows for SAPR Program Administration and Management.

SEXUAL ASSAULT

116. Senator INHOFE. Secretary Donley and General Welsh, before this committee, DOD witnesses described the recently revised DOD-wide policy on Sexual Assault Program to standardize prevention, health care, victim safety, training, and response efforts, and to clearly convey the role of servicemembers and employees in sexual assault prevention and recovery. This committee is concerned that medical care providers were not fully aware of their obligations concerning restricted reports, including the obligation to withhold disclosure to the chain of command. What actions have been taken to ensure standardization with response to protecting the sanctity of restricted reports?

Mr. DONLEY and General WELSH. DOD and the Air Force have established policy concerning restricted reporting cases as detailed in DODI 6495.02 and AFI 36–6001. Sexual assault policy pertaining to medical care is listed in AFI 44–102. If a victim first reports to a medical provider without having consulted with a SARC, the victim is referred to the SARC, after completion of immediate medical care, to ensure the victim is advised of all reporting options. Sometimes, the SARC is able to report to the medical facility to advise the victim of reporting options. If the victim elects restricted reporting then Air Force medical personnel do not report the assault to command authorities and documentation of the medical assessment is flagged to prevent unauthorized release. Although some local jurisdictions require medical personnel to report certain crimes to local law enforcement, the Air Force respects the

choices of our victims and does not pursue a military criminal investigation for those victims who elected restricting reporting. If the victim elects to file an unrestricted report, then the SARC, victim, and medical providers as a team ensure that the victim reports to the Office of Special Investigations and/or his/her chain of command.

117. Senator INHOFE. Secretary Donley and General Welsh, what additional challenges do you see in attaining the required level of standardization?

Mr. DONLEY and General WELSH. To attain a level of standardization we first need to clearly identify the root causes of sexual assault and ensure our airmen understand what behavior is acceptable and what is not. Once we have a firm grasp on those two issues we must establish a standardized SAPR training and education program throughout the Air Force. This is necessary to affect the positive cultural change we are striving to achieve. This training and education program should be firmly ingrained throughout the life cycle of our airmen, starting at basic military training and officer accession training programs through technical training and senior officer and NCO schools. A key element throughout the life cycle of training is combining the understanding of what is acceptable and what is not with the need to internalize and live by our Air Force core values. Our new SAPR office under the Vice Chief of Staff of the Air Force and led by Major General Maggie Woodward provides us the means to attain the proper level of standardization. The new SAPR office includes functional experts across the SAPR spectrum. Their expertise and the assistance we are receiving from subject matter experts from the civilian sector will help us take our Air Force SAPR program to the next level.

118. Senator INHOFE. Secretary Donley and General Welsh, what additional tools does the Air Force need in order to continue to reduce—with the goal of eliminating—sexual assault?

Mr. DONLEY and General WELSH. We appreciate your continued support for our ongoing efforts, with the understanding that results will not be immediately apparent. Over the past year, we have taken great strides to improve our prevention and response program through the development of numerous initiatives and tools. We enhanced our education and training programs, implemented a Special Victims Council (SVC) pilot program to assist victims, brought on additional SARCs to assist victims and developed a specialized Judge Advocate/Office of Special Investigations training course designed to train Special Victims investigators and prosecutors for sexual assault offenses. Additionally, we expanded the Leaders Toolkit on the Air Force Personnel Center SAPR website and created a new Chief of Staff of the Air Force and Chief Master Sergeant of the Air Force video for our airmen.

Furthermore, we recently stood up the Air Force's new SAPR directorate aligned directly under the Vice Chief of the Air Force and led by a Major General. This new SAPR office will grow the old four person office to over 30 functional experts across the SAPR spectrum. This office's mandate is to develop a comprehensive multi-pronged campaign plan to combat sexual assault and harassment in our force. Once this office has progressed in its analysis of root causes, trends, and prevention strategies the Air Force will engage with your office and other key members of Congress on our planned way ahead and additional tools we may need.

119. Senator INHOFE. General Welsh, some have suggested that it would be appropriate to incorporate standardized assessments of commanders' performance in prevention, investigation, accountability, advocacy, and assessment of sexual assault response and prevention lines of effort. What is your assessment of the feasibility of implementing commanders' performance in service-specific performance appraisals?

General WELSH. DOD is currently evaluating the methods used to assess the performance of military commanders for establishing command climates of dignity and respect and incorporating SAPR into their commands to ensure standardization across the Services.

120. Senator INHOFE. Secretary Donley, the annual report on sexual assault at the Service Academies revealed that many people who enter the armed services have experienced and reported sexual assault or unwanted sexual contact that occurred before they entered the Service Academies or the armed services. What could the Air Force be doing to improve support to men and women in the accession process, to identify whether individuals have experienced sexual assault?

Mr. DONLEY. In both officer and enlisted accession processes we identify our definition of sexual assault, provide a description of our prevention and response program, and allow the recruits to speak with SARCs should they have any concerns or questions. We have hired additional SARCs/Victim Advocates at some bases due

to increased workload driven by training requirements and caseload due to more reporting. Additionally, we are creating a voluntary course focused on prevention for those with prior victimization that includes coping methods and skills.

COMMAND CLIMATE ASSESSMENTS

121. Senator INHOFE. Secretary Donley and General Welsh, what percentage of your commands conduct command climate assessments?

Mr. DONLEY and General WELSH. All Air Force units have the opportunity and are encouraged to conduct climate assessments by the Equal Opportunity (EO) Office. EO Offices, on behalf of the commander, administer Unit Climate Assessments (UCA) on organizations that have 50 or more personnel (both military and civilian combined). For those organizations with less than 50 members, commanders are not afforded the Unit Climate Assessment; however, they are able to utilize other forms of EO climate assessment such as out and abouts, focus groups, and interviews. In addition, the Defense Equal Opportunity Climate Survey (DEOCS) is available through the Defense Equal Opportunity Management Institute (DEOMI) to gauge the climate of the organization. The difference between the UCA and the DEOCS is that contractors are permitted to be survey participants in the DEOCS.

The UCA is required every 2 years or upon commander's request. With the passage of the NDAA for Fiscal Year 2013, the new requirements necessitate annual climate assessments and they must be completed within 120 days upon assumption of command. The Air Force is currently revising Air Force regulations to reflect the new requirements.

122. Senator INHOFE. Secretary Donley and General Welsh, what is the Air Force doing to improve the regularity of command climate assessments?

Mr. DONLEY and General WELSH. The overall Air Force climate assessment is conducted annually. Current regulatory guidelines require units to conduct climate assessments in units once every 2 years and upon request by a commander. The NDAA for Fiscal Year 2013 has a requirement to conduct a climate assessment annually and within 120 days upon assumption of command by a new commander.

The Air Force is considering several courses of action on how to increase the regularity of command climate assessments with existing resources, including increasing the use of focus group interviews and various other survey assessments.

123. Senator INHOFE. Secretary Donley and General Welsh, what are you doing to evaluate the results of the command climate assessments to ensure necessary follow-up action?

Mr. DONLEY and General WELSH. The Air Force Climate Survey is conducted biennially and the results are out-briefed to the Secretary of the Air Force and released to the units. Commanders with ten or more respondents are provided survey results along with a guide developed by behavioral scientists from the Air Force Personnel Center, Directorate of Manpower containing specific recommendations and lists of resources to improve their unit climate. Leaders that use previous survey results to make improvements with the organization have yielded higher levels of agreement in all areas.

In addition to the Air Force Climate Survey, the Air Force has Equal Opportunity (EO) subject matter experts that conduct Unit Climate Assessments (UCA), analyze the results, and provide an out-brief to unit commanders. During the out-brief, EO professionals discuss recommendations and strategies for problem resolution and offer follow-up services to help resolve EO or managerial related problems. With the passage of the NDAA for Fiscal Year 2013, UCAs will be conducted annually, rather than biennially, and within 120 days upon assumption of command.

FEDERAL VOTING ASSISTANCE PROGRAM

124. Senator INHOFE. Secretary Donley, what is your assessment of the performance of the Air Force Federal Voting Assistance Program (FVAP)?

Mr. DONLEY. The Air Force FVAP is a successful program within the department at all levels of command. In 2012, the Air Force Major Command (MAJCOM) inspection teams reviewed 134 Voting Assistance Programs at squadron, group, wing and command levels with just 12 discrepancies reported. All discrepancies were classified as "minor deficiencies" by the SAF/IG. As a result, the Air Force is confident we have an effective FVAP in place and military members have the resources to exercise their right to vote.

125. Senator INHOFE. Secretary Donley, what Air Force-specific initiatives have you implemented to improve compliance with FVAP and to maximize the opportunity for servicemembers to exercise their right to vote?

Mr. DONLEY. The U.S. Air Force (USAF) Voting Assistance Program initiated several initiatives to improve compliance with FVAP and Title 42, U.S.C.

1. The USAF made a change to Air Force Policy Directive (AFPD) 36–31 which effects the requirement for an Installation Voting Assistance Office (IVAO) in the Military and Overseas Voter Empowerment (MOVE) Act, establishing the office as a voter registration agency within the installation headquarters organization reporting directly to the installation commander
2. USAF moved ahead quickly with changes to the AF Voting Action Plan in December of 2009, implementing various requirements of the MOVE Act prior to OSD and FVAP releasing any guidance (i.e., service requirements for moving members and deployers immediately implemented).
3. USAF implemented the "Core Unit Voting Assistance Officer (UVAO)" position which is authorized by the installation commander's appointment letter for the IVAO. IVAO are given the authority to appoint up to four Core UVAOs to assist in the manning and workload of the IVAO, which remains an unfunded mandate to date. Special training is required for IVAO and Core UVAO positions.
4. USAF produced an "IVAO Handbook" supplement to the "FVAP IVAO Handbook" on 30 Aug 2010. To date, seven versions have been published. In May 2013, the Handbook contents are being incorporated into the AF Voting Action Plan so that IVAOs and other IVA Office workers have a single document for the execution of the AF Voting Assistance Program.
5. USAF established an effective communication dissemination system from Service Voting Action Officer (SVAO) to IVAO to UVAO to all Squadron members and their voting age family members. Any voting news items generated by FVAP were immediately passed on to voters through this streamlined network.
6. USAF IVAOs are required to be clearly marked and advertised on base, giving voters a visible office; and UVAOs were not forgotten. 85 percent of voting assistance during the past quarter was done at the unit level by UVAOs.
7. USAF SVAO scripted a Public Service Announcement which the USAF Chief of Staff released in January 2012, encouraging military members, DOD civilians and their families to vote.
8. USAF SVAO implemented a new Staff Assistance Visit (inspection) requirement for IVAOs to perform on all assigned UVAOs between Feb and March of every even-numbered year.
9. IVAOs are instructed to partner with military and civilian personnel offices to have the IVAO included on in/out-processing checklists for Permanent Change of Station (PCS) and deployment processing as well as for address changes.
10. USAF maintains an online website that allows IVAOs and UVAOs to access all current documents and guidance; search for and submit "best practice" documents; and communicate via the forum.
11. USAF IVAOs are encouraged to work with local election officials (LEOs) during biannual Armed Forces Voters Week and Absentee Voters Week events to invite the LEOs on base to assist in the booth for local voters.
12. USAF IVAOs are provided an intuitive, stand-alone, forms-based "IVAO's Database" for easy management of UVAO manning and training requirements as well as documenting UVAO "due-outs" (tasks), voters week plans and after action reports. Reports are generated at the push of a single button.
13. The USAF Voting Action Plan provides IVAOs and UVAOs multiple tools to use in the execution of their voting assistance duties. These include instructions for ordering forms, posters, and banners online at no cost to their units; template voting assistance information forms; and a biannual chronological sequence of events.
14. Various other measures were taken following the passing of the MOVE Act: (a) IVAO voicemail and email is answered within 48 hours (24 hours if within 60 days of a Federal election); and (b) USAF SVAO hosted a webinar to train IVAOs on establishing and running IVA Offices (three webinars done to ensure time zones around the world were supported).

OPERATIONAL TEMPO OVERSIGHT

126. Senator INHOFE. Secretary Donley, what is your assessment of the Air Force's operational tempo (OPTEMPO) reporting, and how well are we meeting our OPTEMPO requirements to reduce stress on our servicemembers and their families?

Mr. DONLEY. OPTEMPO for an individual away from home on an operational deployment is managed by unit commanders and tracked through the individual's electronic personnel records. In turn, this information is transferred to the Defense Manpower Data Center in accordance with DODI 1336.07, Reporting of Personnel tempo events. We believe this process provides an accurate record for reporting.

Due to the number of operations and locations the Air Force is currently supporting, we have not seen a significant reduction in requirements. We are, however, working closely with Air Force component staffs to reduce deployed footprint and leverage reach back capability.

LANGUAGE AND CULTURE TRAINING

127. Senator INHOFE. Secretary Donley, military members with language and culture training are essential to a U.S. global force. The NDAA for Fiscal Year 2013 authorized the Secretary of Defense to transform the National Language Service Corps (NLSC) from a pilot program to a permanent program, and also to enhance the ability of our Federal agencies to hire people with strategic foreign language skills and as National Security Education Program (NSEP) awardees. What are the goals of the Air Force with respect to the capabilities represented by the NLSC?

Mr. DONLEY. The purpose of the NLSC is to have a pool of language-capable individuals available to support sudden and short-term requirements. The NLSC construct is not currently used to support the type of exercises and operations conducted by the Air Force. Rather, the Air Force meets its language needs by deliberately developing individuals to meet its requirements. The Air Force intends to encourage separating and retiring airmen who have existing language skills to join the NLSC.

MARKETING AND ADVERTISING

128. Senator INHOFE. Secretary Donley, one effect of sequestration was that the Services quickly moved to end advertising, marketing, and outreach programs that have been used to aid in recruiting. What is your assessment of the value of funding these programs, and the projected impact to recruiting if these programs are not funded?

Mr. DONLEY. The Air Force advertising, marketing and outreach programs are a critical component to our mission—to attract the best and brightest youth of America. Reduced funding for these programs will jeopardize the Air Force's ability to meet career field and DOD quality requirements. Even though the Air Force has greatly benefited from historic highs in the quality of accessions in recent years, initial indicators are signaling a potential shrinking market for high quality recruits per Joint Advertising Market Research and Studies "State of the Recruiting Market," briefing April 2013. That same study indicates that 47 percent of new recruits were undecided about a career path and were influenced within a year of joining the Service. The Air Force must continue to strategically advertise, market, and maintain outreach programs to target the highest quality recruits and to convert applicants that are less likely to serve.

INTEGRATED ELECTRONIC HEALTH RECORD

129. Senator INHOFE. Secretary Donley, DOD and VA have been working on an integrated electronic health record (EHR) for a number of years with very little progress being made towards a truly seamless transition of health information between the two Departments. In January 2013, VA decided to use VistA, its legacy system, as its core health record despite the findings of a recent study commissioned by the VA that identified many VistA deficiencies. We've been told that DOD has been evaluating existing solutions to determine the appropriate core health record to use. Has DOD coordinated its proposed EHR program with the Air Force?

Mr. DONLEY. We fully support the Secretary of Defense's decision to proceed with a Request for Proposals for a core Electronic Health Record for DOD that will enable full interoperability between DOD and VA health care. The Air Force Surgeon General's Chief Medical Information Officer has been involved in the AOA between VistA and other commercial electronic health records. Additionally, the Air Force

Deputy Surgeon General has been a regular participant in DOD and Veterans' Affairs meetings regarding validation of requirements and evaluation of solutions. The Surgeon General has kept me appropriately updated.

130. Senator INHOFE. Secretary Donley, how much will it cost for the Air Force to field a new EHR?

Mr. DONLEY. DOD's electronic health record cost estimates must be redetermined under the acquisition strategy directed by the Secretary of Defense. Prior cost estimates were based on a previous DOD and Veteran' Affairs' strategy that was determined by both Departments to be infeasible.

131. Senator INHOFE. Secretary Donley, what impact do you anticipate for Air Force medical readiness?

Mr. DONLEY. With a new electronic health record, data and documentation pertaining to individual medical readiness will be better integrated into clinical processes, enhancing our ability to provide timely health measures to sustain readiness, forecast deterioration in health status earlier, and proactively restore the health of the servicemembers under our care.

132. Senator INHOFE. Secretary Donley, do you believe the EHR must be deployable?

Mr. DONLEY. In the initial capability document approved by the Joint Requirements Oversight Council, the electronic health record should be deployable in Theater and support the mobility requirements for enroute care. The solution would eliminate the need for three separate theater electronic health record solutions and enhance continuity of care, even in "low-communication/no-communication" environments.

133. Senator INHOFE. Secretary Donley, what input has the Air Force had on the EHR program?

Mr. DONLEY. The Air Force Surgeon General's Chief Medical Information Officer has been involved in the AOA between VistA and other commercial electronic health records. Additionally, the Air Force Deputy Surgeon General has been a regular participant in DOD and Veterans' Affairs meetings regarding validation of requirements and evaluation of solutions. The Air Force Medical Service and Air Force Communications communities have provided more than 100 clinical subject matter experts for the functional and technical requirements process.

BENEFITS FOR SAME-SEX PARTNERS

134. Senator INHOFE. Secretary Donley, recently, former Secretary of Defense Panetta announced that DOD will expand benefits to unmarried same-sex domestic partners who declare a committed relationship, but will not extend those same benefits to unmarried heterosexual domestic partners. Do you agree with former Secretary Panetta that when it comes to benefits paid for by hard-working American taxpayers, that DOD should favor same-sex domestic partners over heterosexual partners?

Mr. DONLEY. As a result of the June 26, 2013 Supreme Court ruling on the Defense of Marriage Act, the Air Force is working with OSD to extend health care and other benefits to same-sex spouses of military members as quickly as possible.

135. Senator INHOFE. Secretary Donley, was the Air Force consulted to determine the cost impact of extending these benefits to same sex partners?

Mr. DONLEY. Benefit subject-matter experts were consulted during the OSD-led Joint Benefits Review working group. The Air Force provided input via this working group and various other senior leader briefings and discussions leading up to the announcement of benefits extension. From a fiscal perspective, the benefits that are being extended are of negligible cost. Some are cost neutral and self-sustaining such as Morale, Welfare and Recreation Programs, and commissary and exchange privileges.

TOTAL FORCE MIX

136. Senator INHOFE. General Welsh, in his hearing testimony, General Dempsey said that DOD needs flexibility to keep the force in balance and, that everything must be on the table, including the mix among Active, Reserve, and National Guard units. In view of the heavy wartime demand on the forces, including the Reserve

and Guard, what do you envision as a viable option to change that force mix for the Air Force?

General WELSH. For the Total Force Air Force, numerous options are on the table. To preserve the capability and capacity to win our Nation's wars, enhance readiness, and modernize our warfighting capability, the Air Force must have the flexibility to balance between all three components—Active, Guard, and Reserve. In today's fiscal environment, this is a daunting challenge, and the leaders of all three components are fully engaged to meet this challenge.

All three components are working diligently to appropriately size the Total Force Air Force mix to meet the demands of the Defense Strategic Guidance, geopolitical environment, and combatant commander requirements. The Air Force uses Force Composition Analysis (FCA) to provide senior leaders a range of force mix options, providing insight into the optimum active component/reserve component (AC/RC) mixes for various scenarios. FCAs are an enterprise-level analysis of a given weapon system or career field. These FCAs examine mission feasibility across a range of force mix options, based upon the associated outputs, costs, benefits and risks. The force mix in a specific mission area normally favors the AC when: (1) deployment must occur rapidly, or in a very short period of time, (2) steady-state demand requires rotational forces exceeding current policy, or (3) permanent (non-rotational) overseas presence is high. On the other hand, the force mix in a specific mission area normally favors the RC when: (1) deployments occur at a pace that allows the RC time to mobilize the force (normally 72 hours after notification), (2) anticipated steady-state and/or forward presence requirements do not exceed deploy-to-dwell policy, or (3) cost savings and retaining capability/capacity are sought by moving force structure to the RC.

MILITARY COMPENSATION

137. Senator INHOFE. Secretary Donley, our Nation's historical experience of pursuing cost savings by cutting military compensation has demonstrated that periods of designed reduction in overall compensation levels resulted in retention problems. Those retention problems, especially in the context of generally improving civilian employment opportunities, meant Congress was required to come back and authorize catch-up increases to help us keep the highly trained talents and skills that we need. What is your assessment of the impact of the President's proposed slowdown in military compensation on retention and recruiting in your Service?

Mr. DONLEY. At this time, the Air Force does not foresee significant challenges to our recruiting and retention efforts as a result of the proposed slowdown in military compensation. Our Force Management program is a tailored multi-year strategy focused on sizing and shaping the total force with the right balance of skills to meet current and emerging joint mission demands. The Air Force's strategy over the past few years has been aggressive, allowing us to meet congressionally mandated end strength requirements and maintain a high quality force by leveraging voluntary programs first, offering incentive programs where needed, and implementing involuntary actions when required. Due to the expected improvements in the economy and the importance our airmen place on overall compensation, our recruiting and retention will be increasingly challenged, particularly as the Air Force addresses the need for its highly technically-skilled force. These compensation challenges may require increased recruiting and retention incentives for our future force.

FAMILY SUPPORT PROGRAMS

138. Senator INHOFE. Secretary Donley, General Dempsey testified that unsustainable costs and smaller budgets require DOD to examine every warrior and family support program to make sure we are getting the best return on our investment. How do you assess the investments our Nation has already made in family support programs, and suicide prevention in particular, in moving the needle with demonstrable positive return on investment?

Mr. DONLEY. We have multiple forums that enable us to monitor the delivery of family support programs. Within our Airman and Family Readiness Centers, we have a very robust computer management system that provides us with real time data for our supported populations-service codes are used to record the type of support sought (e.g., financial management) and the system allows the provider to make notations of the visits. Additionally, the Air Force conducts biennial Community Assessments, through the Air Force Surgeon General, that provide valuable data on our ability to meet individual needs, and also collects information regarding

behaviors that may place an individual at risk. Further, the Air Force Community Action Information Board (CAIB), convened at the installations, major commands, and Headquarters Air Force, identifies community issues to emphasize the importance of taking care of airmen and their families. Since 1996, the CAIB process has focused extensively on monitoring, managing, and implementing suicide prevention best practices for use by commanders. Additionally, the CAIB provides detailed actions and discussions on sexual assault prevention, child and family maltreatment issues, and resilience. A significant outcome from the CAIB process has been the development and implementation of the Comprehensive Airman Fitness concept that concentrates exclusively on developing our airmen and families to become more resilient and better prepared to meet the unique challenges of military service.

TUITION ASSISTANCE PROGRAM

139. Senator INHOFE. Secretary Donley, I am pleased to learn that DOD has now reinstated the TAP, previously cancelled by the Army, Marine Corps, and Air Force, in response to the administration's failure to plan for sequestration. How does TAP enable your Active Duty Forces to meet the professional development requirements described by General Dempsey to establish the Profession of Arms as the foundation for the Joint Force?

Mr. DONLEY. Military tuition assistance provides the financial means for our airmen to pursue higher education. In turn, higher education provides the educational background crucial in developing the critical thinking skills needed for practitioners of the profession of arms. This means our airmen are more able to work in the dynamic climate of today's conflicts. Additionally, higher education allows airmen to develop the critical ability to make connections between seemingly unrelated events or information and develop holistic solutions quickly and accurately. Military tuition assistance will continue to be integral to the recruiting, retention and readiness of our airmen. However, competing funding requirements will necessitate changes in fiscal year 2014 and beyond to ensure the financial health of the program.

SUICIDE PREVENTION

140. Senator INHOFE. Secretary Donley and General Welsh, our force is exceptionally well-trained on suicide awareness and prevention, and yet we still experience the tragedy of suicide at an unacceptably high rate. What is your assessment on whether the current level of training and leadership engagement is sufficient or whether it has inadvertently created a climate in which some vulnerable individuals may have contemplated suicide because we talk about it so much?

Mr. DONLEY and General WELSH. The current level of training on suicide prevention and leadership engagement in the Air Force is appropriate and the Air Force has been proactive in managing its messages regarding suicide.

The Air Force has maintained emphasis in training and messaging on elements of resilience and the importance of seeking help early. Our leadership training cautions against dramatizing suicide. The AF Suicide Prevention program (AFSPP) is an effective evidenced-based, leader-led, community program that relies on 11 overlapping elements. The core of these elements is leadership involvement.

Enhancements were made to the AFSPP as part of the Air Force response to the 2010 Suicide Task Force and the RAND reports. One of the most critical enhancements was the development of a strategic communication plan to promote responsible reporting of deaths by suicide, encouraging help-seeking behaviors among all airmen, and removing barriers to seeking care. This was done to ensure that in our efforts to prevent suicide, the Air Force was not inadvertently promoting suicide. The culmination of these efforts was the development of the Air Force Public Affairs Guidance (PAG) on Suicide Prevention that is consistent with the World Health Organization media guidelines and the OSD Public Affairs media guidance. The Air Force also supports the joint VA/DOD Military Crisis line campaign.

In addition, the Air Force has ensured that this message emphasizing the importance of seeking help early is reflected in suicide prevention training courses and has worked hard to balance the amount of suicide prevention training. Current training includes annual suicide prevention training for all airmen, focusing on identifying risk factors and warning signs how to intervene using the Ask, Care, Escort (ACE) model. Supervisors of personnel in at-risk career fields receive a one-time 4-hour training session to supplement their supervisory skills with knowledge of resources and referral procedures. Leaders receive training within professional military education courses with suicide prevention messaging and information appropriate to their level of responsibility. As a result, we have achieved a balance that

ensures leadership is engaged and all airmen understand their responsibility to look out for one another, identify warning signs, and seek help.

C–27 TRANSFER

141. Senator INHOFE. General Welsh, what is the status of the transfer of 25 C–27 aircraft currently possessed by the Air Force?

General WELSH. The Air Force has purchased 21 C–27J aircraft, of which we currently possess 16. The remaining five aircraft are in various stages of production, all anticipated to be delivered to the Air Force by the end of calendar year 2013.

Currently, DOD is determining: (1) the number of C–27Js that are excess to DOD needs, and (2) the appropriate transfer priorities, in light of existing DOD policy regarding the disposition of excess defense materiel and the fiscal year 2013 Appropriations and Authorization Act requirements. Interested agencies will be notified this summer regarding allocation plans. In the end, the Air Force intends to transfer these aircraft to a new owner(s), or induct them into long-term storage at the Aerospace Maintenance and Regeneration Group G) by the end of this fiscal year.

142. Senator INHOFE. General Welsh, is the Air Force factoring in the gaining agency's ability to operate and sustain the aircraft as part of its transfer decision criteria?

General WELSH. No, the excess aircraft disposition procedures outlined in the Defense Materiel Disposition Manual (DOD 4160.21M Chapter 4) do not contain such criteria. Transfer is based on the priority for allocation of the requesting agency. The Air Force has shared with the agencies who have expressed interest in receiving C–27J aircraft our historical operations and sustainment costs in order to help them build their transitions plans to accept aircraft. The Air Force will coordinate the transfer of C–27J aircraft with each gaining organization, but the ability to operate and sustain the aircraft, post-transfer, is the concern of the gaining organizations.

143. Senator INHOFE. General Welsh, is the Air Force considering transferring all 25 C–27s to one agency to minimize cost of operating and maintaining these aircraft?

General WELSH. The Air Force has purchased 21 C–27J aircraft, not 25. Excess aircraft disposition procedures outlined in the Defense Materiel Disposition Manual (DOD 4160.21M Chapter 4) do not contain such criteria. Transfer is based solely on the priority for allocation of the requesting agency. Aircraft may be transferred to other agencies after the Secretary of Defense declares them excess to DOD needs. Section 1091 of the NDAA for Fiscal Year 2013 outlines the parameters for these transfers to include the number of aircraft a non-DOD organization (in this case, U.S. Forest Service and U.S. Coast Guard, with first priority given to the Forest Service) can receive.

QUESTIONS SUBMITTED BY SENATOR JOHN MCCAIN

C–27J

144. Senator MCCAIN. Secretary Donley, as the Air Force implements the C–27J divestiture, what is the current status of the screening procedure outlined in DOD 4160.21–M, Defense Material Disposition Manual, as amended by section 1091 of the NDAA for Fiscal Year 2013?

Mr. DONLEY. Currently DOD is determining the number of aircraft that are excess to its needs and the appropriate transfer priorities in light of existing DOD policy regarding the disposition of excess defense materiel and the fiscal year 2013 Appropriations and Authorization Acts. Interested agencies will be notified this summer regarding allocation plans.

145. Senator MCCAIN. Secretary Donley, have any C–27J been identified for allocation to: (1) another military Service; (2) another DOD agency; (3) the Forest Service; (4) the U.S. Coast Guard; (5) Federal/State law enforcement (per the NDAA for fiscal year 1997, section 1033); (6) security assistance needs; or (7) other Federal civil agencies through the General Services Administration?

Mr. DONLEY. No, not yet. Currently DOD is determining the number of aircraft that are excess to its needs and the appropriate transfer priorities in light of existing DOD policy regarding the disposition of excess defense materiel and the fiscal

year 2013 Appropriations and Authorization Acts. Interested agencies will be notified this summer regarding allocation plans.

146. Senator MCCAIN. Secretary Donley, what number of aircraft has been requested by the Forest Service or the Coast Guard at this time?

Mr. DONLEY. The Secretary of Agriculture has requested seven aircraft for the U.S. Forest Service. The Secretary of Homeland Security has requested 21 aircraft for the Coast Guard, but will accept no fewer than 14 aircraft. The Coast Guard has stated that their analysis shows that they need a minimum of 14 aircraft to make a C–27J program cost-effective.

QUESTIONS SUBMITTED BY SENATOR ROGER F. WICKER

GLOBAL HAWK SYSTEM

147. Senator WICKER. General Welsh, how much money has been invested in sustaining and modernizing the U–2 fleet over the past 5 years? Please include all sources of funding, including appropriations and reprogramming, both above and below threshold.

General WELSH. The investment in sustaining and modernizing the U–2 fleet over the last 5 years is in the table below:

	Fiscal Year					Total 5 Years
	2008	2009	2010	2011	2012	
Operating Costs (No Mods) BY	$513,546,387	$543,238,188	$513,804,668	$534,965,623	$555,256,038	$2,660,810,904
Mod Cost	31,192,000	61,360,000	34,452,000	138,340,000	61,257,801	326,601,801
Operational cost w/ Mods	$544,738,387	$604,598,188	$548,256,668	$673,305,623	$616,513,839	$2,987,412,705

$57.4 million in fiscal year 2011 procurement was invested for capability enhancements supporting combatant commander urgent operational needs, not modernization costs incurred fixing aging equipment, or solving diminishing manufacturing sources and vanishing vendor item issues.

148. Senator WICKER. General Welsh, how much funding is needed to support the U–2 until 2040? Please include all anticipated sustainment and modernization costs. Please include all costs, including pilot training, special pilot food, special food development, chase cars, aircraft upgrades, infrastructure improvements, etc.

General WELSH. Total U–2 funding for the next 27 years (2040) is approximately $16 billion, or about $600 million per year in today's dollars.

149. Senator WICKER. General Welsh, if the Global Hawk could carry every sensor carried by the U–2, would there be a need to retain the U–2?

General WELSH. Yes. The Air Force's assessment of U–2 sensor superiority is based on a number of factors. The U–2 aircraft maintains a substantial advantage in size, weight, and power, allowing for heavier payloads and more electrical power to enable a wider range of mission systems. Additionally, the U–2's operational altitude extends the maximum range of its imagery and signals intelligence sensors beyond the Global Hawk, enabling the U–2 to operate at increased standoff range. Finally, the U–2's highly capable defensive system and anti-jam data links permit the U–2 to operate more effectively in contested environments, which are increasingly prevalent in potential combat theaters.

A review of current Global Hawk Block 30 performance highlights the impact of previously assessed limitations. The Global Hawk does not have an effective capability to operate in areas of known or forecast thunderstorms or icing conditions, resulting in significant mission impact. Further, the lack of an effective capability to sense and avoid air traffic continues to drive a requirement to mitigate risk by employing other airborne assets in an overwatch role in selected AORs.

The Air Force's decision to retain the U–2 also considers future applications consistent with Defense Strategic Guidance. Operations in contested environments require ISR weapon systems able to stand off at greater distances from contested boundaries and yet still collect against targets well inside the adversary's border. This mission demands ISR platforms with defensive systems to maintain an effective presence as tensions rise and then protect the aircraft from attempts to disrupt

or defeat navigation systems and data links. In our assessment, a technical solution allowing U–2 sensors to be carried by Global Hawk still does not resolve the capability gap between platforms and thus the Air Force's intent is to retain the U–2.

150. Senator WICKER. General Welsh, how much funding could be saved over the next 20 years by retiring the U–2 in fiscal year 2014?

General WELSH. Air Force long-range plans provide approximately $13 billion funding for U–2 sustainment and operations over the next 20 years. However, divesting the U–2 in 2014 would create a significant operational and sensor capability gap. Transitioning those capabilities to another platform would require significant additional investment and time. In fact, no other current platform can match the altitude and weather capabilities of the U–2. In the current resource environment, continued investment in RQ–4 Global Hawk Block 30 operations is unaffordable given the lower total cost and proven sensor capabilities of the U–2 fleet. The most economical choice is represented in the President's fiscal year 2014 budget.

151. Senator WICKER. General Welsh, please provide the average age and remaining service life of the Global Hawk fleet and the U–2 fleet.

General WELSH. The average age of the Global Hawk fleet is 2.7 years. The best means to measure service life is in flight hours. The flight hour average of the Global Hawk fleet is 1,193 hours. The certified service life for Global Hawk is 40,000 flight hours. The fleet average of 1,193 represents 3 percent of certified service life.

The average age of the U–2 fleet is 31 years. The flight hour average of the U–2 fleet is 12,677 hours. The certified service life for the U–2 is 75,000 flight hours. The fleet average of 12,677 hours represents 16.9 percent of certified service life.

152. Senator WICKER. General Welsh, please provide the: (1) total number of U–2 aircraft; (2) number of deployable U–2 aircraft; (3) number of currently deployed U–2 aircraft; (4) number of U–2 aircraft dedicated solely for training; and (5) type and number of all U–2 sensors and their current locations.

General WELSH. (1) There are a total of 32 U–2 aircraft; (2) number of deployable aircraft is 27 U–2 model aircraft with three U–2s in depot at any given point in time; (3) there are 12 U–2 model aircraft currently deployed; (4) we have five two-seat TU–2 trainers dedicated solely for training; and (5) the types and numbers of U–2 sensors are classified and will be provided under separate cover (and will include locations).

153. Senator WICKER. General Welsh, please provide the cost of an hour on station (over target, collecting data, not training or transiting) for both the Global Hawk and the U–2 aircraft. Please consider all costs for both systems.

General WELSH. The fiscal year 2012 (last full year) cost per hour on-station (over target, collecting data, not training) or transiting for Global Hawk is $68,234. The on-station cost for U–2 is $73,206. Because the two systems have been operated in different ways, these comparisons depend on multiple complex assumptions and will vary from year to year.

154. Senator WICKER. General Welsh, please provide a thorough accounting of all missions flown by the Global Hawk fleet over the past 24 months, including hours flown, types of missions, quantification of data collected (type and quantity of intelligence data), and locations of operations. Please provide similar data for the U–2 fleet. A classified response is acceptable, but please provide an unclassified overview as well.

General WELSH. Due to the sensitive nature of the missions and complexity of the data requested we would be unable to provide an unclassified overview. We will provide information that addresses the request within 60 days.

155. Senator WICKER. General Welsh, how much has been invested in the Global Hawk enterprise to date? How much specifically for the Blocks 20, 30, and 40 aircraft?

General WELSH. The total baseline funding for the Global Hawk program through fiscal year 2013 is $10,733.5 million. The $10,733.5 million is broken down as: Research Development Test & Evaluation: $3,257.1 million; Procurement, $5,116.4 million; Military Personnel, $482.8 million; Military Construction, $122.9 million; and Operations and Maintenance: $1,754.2 million. Funding cannot be broken out by specific Blocks. Funding is based on the December 31, 2012 RQ–4, Global Hawk Selected Acquisition Report. The funding for RDT&E does not include MP–RTIP and Airborne Sense and Avoid (ABSAA) costs, nor does it include fiscal year 2013 President's budget congressional adds, rescissions, and sequestration reductions.

156. Senator WICKER. General Welsh, the Air Force Global Hawk is planned to be based jointly with the Navy Triton program. Presumably basing costs will be shared between both systems. Please provide an accounting for how basing costs are distributed between these systems and what costs would be shifted to the Navy program if the Air Force program were to go away.

General WELSH. The Navy elected to base the MQ–4C Triton at Point Mugu Naval Air Station, California. The change in strategy was based on the fiscal year 2013 President's budget proposal to divest the Global Hawk (GH) Block 30 fleet. Consequently, basing costs are not shared between the two programs. However, the Navy continues to leverage lessons learned from the GH program to incorporate system improvements and establish a system support infrastructure. The Air Force and the Navy will continue to develop joint synergy opportunities that will lead to reduced operations costs over the life cycle of the GH and Triton programs.

157. Senator WICKER. General Welsh, I understand the Global Hawk Block 40 system will be deployed to U.S. Central Command (CENTCOM) in May to provide ground-moving target-indicator support to deployed forces. I applaud the decision to deploy the Block 40 system to support the troops and hope the deployment will demonstrate the value of this uniquely capable system. I hope the Air Force is doing everything necessary to ensure the deployment is well supported and postured for success. Please provide a list of key deployment milestones and a detailed assessment of the resources necessary to facilitate a successful deployment.

General WELSH. The Air Force is postured to respond quickly to a decision to deploy the Block 40 capability. Once a fielding recommendation has been made, there are a number of factors that CENTCOM will consider before a deployment decision is finalized. Key pre-deployment milestones include:

- Mid-July: AFOTEC delivers final operational utility evaluation report describing the effectiveness, suitability, and mission capability of the system to the Commander, Air Combat Command (ACC) who will determine the final fielding recommendation
- End of July: CENTCOM provides ACC deployment decision for Global Hawk Blk 40
- Subject to Commander ACC recommendation and CENTCOM approval, a deployment is possible within weeks

GLOBAL STRIKE COMMAND

158. Senator WICKER. Secretary Donley and General Welsh, I understand you are considering a Common Support Helicopter to recap your UH–1N fleet of aircraft. I believe there are existing and affordable replacement systems available to meet Global Strike Command's nuclear missile security mission during the decades to come. Please provide the current requirements for all current UH–1N missions.

Mr. DONLEY and General WELSH. The Air Force's UH–1N is flown by five major commands, which include multiple mission sets: Air Force Global Strike Command's ICBM helicopter security support, the Air Force District of Washington's National Capital Region Mass Passenger Transport, Pacific Air Forces' Operational Support Airlift, Air Education and Training Command's Air Force Survival School, and Air Force Materiel Command's flight test support.

The current requirements for the various missions of the UH–1N are documented in the Joint Requirements Oversight Council's approved Common Vertical Lift Support Platform (CVLSP) Capability Development Document. Although these requirements are no longer tied to a specific acquisition program (i.e., the CVLSP), the requirements for the UH–1N mission set remain valid.

159. Senator WICKER. Secretary Donley and General Welsh, could you tell me whether the Air Force requirements have been reviewed and validated since these missions were separated from the Combat Rescue Helicopter program?

Mr. DONLEY and General WELSH. The current requirements for the various missions of the UH–1N are documented in the Joint Requirements Oversight Council's approved CVLSP capability development document. Although these requirements are no longer tied to a specific acquisition program (i.e., the CVLSP), the requirements for the UH–1N mission set remain valid.

Air Force Global Strike Command will continue to sustain the existing UH–1N fleet for the foreseeable future, and look for opportunities to acquire excess aircraft from other DOD organizations at low or no cost to the Air Force.

160. Senator WICKER. Secretary Donley and General Welsh, please provide the findings and recommendations of the Air Force's Request for Information (RFI) on UH–1N modernization with regard to the costs of UH–1N modification versus replacement cost.

Mr. DONLEY and General WELSH. In the case of the UH–1N, as stated in the original Request for Information, "in terms of mission capability rates the UH–1 remains one of the most reliable platforms within the U.S. Air Force inventory." The purpose of the Air Force's RFI on UH–1N Modernization was to determine the feasibility of sustaining and making modest modernization enhancements to the platform via low cost options. The Industry Day presentations reaffirmed that the robust helicopter industry and the large number of UH–1's operating globally will enable the Air Force to effectively sustain the UH–1N until such a time that it can be replaced with an aircraft that provides all required capabilities.

161. Senator WICKER. Secretary Donley and General Welsh, please provide the current operational availability of the UH–1N fleet and the Air Force assessment of any risk regarding the maintenance and adequate availability levels.

Mr. DONLEY and General WELSH. The current UH–1N average aircraft availability for fiscal year 2013 is 73.7 percent, meeting the Air Force Global Strike Command-established standard of 73.7 percent. The future aircraft availability rate is projected to continue to meet or exceed the 73.7 percent requirement. We expect to maintain adequate readiness levels for the foreseeable future.

162. Senator WICKER. Secretary Donley and General Welsh, please tell me whether the Air Force has evaluated potential replacement aircraft for any of the missions performed by the UH–1N.

Mr. DONLEY and General WELSH. The CVLSP was cancelled due to cost considerations in this constrained economic environment after determination that the Air Force could assume manageable risk in this area. Air Force Global Strike Command is no longer pursuing a Combat Rescue Helicopter option to replace the UH–1N fleet for similar reasons. Instead, Air Force Global Strike Command will continue to sustain the existing UH–1N fleet for the foreseeable future, and look for opportunities to acquire excess aircraft from other DOD organizations at low/no cost to the Air Force.

QUESTIONS SUBMITTED BY SENATOR KELLY AYOTTE

F–35 JOINT STRIKE FIGHTER PROGRAM

163. Senator AYOTTE. General Welsh, why is the F–35 one of your top acquisition programs?

General WELSH. It is a fundamental truth of the modern battlefield that to win the fight, you must "own the skies." This means protecting your own forces, while also holding the adversaries dearest targets at risk. This is a hard lesson learned during World War II, Korea, and Vietnam, and used to our advantage in Operations Desert Storm, Allied Force, Enduring Freedom and Iraqi Freedom. Without it, our troops in combat, whether in the air, on the ground, or on the seas, are put at undue risk, and our chances of ultimately achieving victory are diminished. "Owning the skies" is difficult to achieve, and requires vigilance in maintaining this advantage through continued investment and development in more capable aircraft, weapons and mission systems. This is more than something simply tasked as requirement within the Defense Planning Guidance, it is something our joint warfighter expects from their Air Force.

Our potential adversaries know this truth as well, and continue to seek ways to prevent us from achieving it. Applying lessons from our previous conflicts, they are investing in advanced technology for their planes, weapons, and air defense systems that rival our own capabilities and in some cases surpass them. We are also faced with operating a fighter fleet that is smaller and older than in any time in our Services' entire history. With the threat getting more capable, and our own fleet at its oldest and smallest, the challenges to our ability to control the skies in any future conflict continue to grow.

This is why the F–35 is one of our top acquisition programs. We are investing in a fifth generation fighter that ensures we field a fleet that supports the mission essential requirement to "own the skies." Fifth generation fighters like the F–35 have the capabilities needed to achieve unmatched levels of survivability and lethality required to maintain our air advantage against the most challenging threats. These capabilities include improved stealth, high maneuverability, ad-

vanced electronic attack and protection, fused sensors for enhanced situational awareness, advanced precision weapons, and multi-role capability. Together, they provide our airmen the best tools available to ensure they never have to face a "fair fight in the sky" against any future adversary, and will continue to own the skies in the mission to support and protect the joint warfighter.

164. Senator AYOTTE. General Welsh, what advantages does a fifth generation fighter like the F–35 provide over a fourth generation aircraft?

General WELSH. Our potential adversaries are continuing to develop and field systems to challenge our ability to "control the skies". We are seeing planes being developed and fielded that are as good as, or better than, our legacy fleet, with improved speed and agility, equipped with the latest and most advanced radars, avionics, and electronic jamming, employing highly advanced and lethal air-to-air weapons, and levels of signature reduction never seen before anywhere outside the United States. We are seeing the proliferation worldwide of air defense systems with advanced early warning and target tracking radars that are digital and agile, with better protection against jamming. These advanced air defense systems are integrated into robust and networked command and control centers that can target and engage unprecedented numbers of targets at greater ranges. We are also seeing strategic and tactical surface-to-air missiles (SAMs) with increased range, maneuverability, target tracking capability and lethality. Ultimately, we are seeing these types of systems evolve in both complexity and capability, being sold worldwide, and being used together to form integrated air defense systems that challenge our air advantage.

While our legacy fleet, such as our F–16s, secured a generation of air advantage in previous conflicts, they now offer little margin in capability against the current high end threat, and will be severely challenged in future scenarios against these evolving threats. We are at the point where our conventional legacy aircraft risk both the forces they protect and our ability to secure victory. Our legacy fleet is also rapidly approaching the point where adding new capabilities will no longer guarantee success. These advanced threat environments require signature reduction (stealth) through proper design and materials to achieve required levels of survivability, which simply can't be "added on" but must be inherently designed into the aircraft from the beginning.

While our legacy fourth generation fleet is unable to operate and survive in these high threat environments, they will remain a critical part of our inventory for many years, complementing our fifth generation fleet in reduced threat scenarios. Even these "reduced threat scenarios" need to honor advanced fourth generation threats currently being proliferated, thus requiring targeted investments to increase their lethality and survivability. This also means the Air Force is carefully choosing modernization efforts that maximize our cooperative capabilities between our fourth and fifth generation fleets in order to increase our ability to accomplish the mission.

165. Senator AYOTTE. General Welsh, in your prepared statement, you say that the "Nation will need them [F–35s] in quantity." What is the current Air Force requirement for the F–35?

General WELSH. The Air Force is planning to purchase 1,763 F–35As to meet our Defense Planning Guidance directed requirements for Air Superiority and Global Precision Attack.

166. Senator AYOTTE. General Welsh, what influence will an increased ramp rate in the coming years have on unit cost?

General WELSH. In general, increased production rate will lower the unit cost of the F–35A. For the contract awarded in fiscal year 2011, the Air Force is buying 22 F–35A aircraft at an average unit recurring flyaway (URF) cost of $120 million. For the contract scheduled to be awarded in fiscal year 2018, we plan to buy 60 F–35A aircraft at an average URF cost of $85 million.

IMPACT OF SEQUESTRATION/BUDGET CUTS ON AIR FORCE READINESS

167. Senator AYOTTE. General Welsh, what are your leading readiness concerns?

General WELSH. The Air Force is the smallest it has been since its inception in 1947. A smaller force with less capacity requires greater attention to ensuring fully adequate personnel levels, availability of aircraft, and training to support the full range of mission requirements. These factors become more critical because shortages in aircraft availability or key personnel will have a larger effect on the overall readiness of the force. With a smaller force, including all Active, Guard, and Reserve ele-

ments, there is less marginal capacity to meet operational needs. The total force must be more ready to meet near-term contingencies, including those that may involve contested operational environments.

Over the past decade the ability of combat air forces to accomplish full-spectrum training has been hampered by operational commitments focused on very specific counter-insurgency missions and air-to-ground support. Training to establish and sustain air superiority and suppress air defenses has understandably received less emphasis. As we rebuild full-spectrum readiness, adding resources for more flying hours to support training must be matched with the resources for maintenance to ensure aircraft availability, and ranges to provide appropriate training venues. Additionally, the Air Force's operations tempo must be reduced to enable units sufficient time at home station to accomplish all required training.

Critical operations and maintenance activities currently being paid with OCO funding are especially problematic. Several funding lines for remotely piloted aircraft and other platforms should be retained as part of our future force, but are not yet part of our base budget. These activities must eventually migrate from OCO funding to an adjusted base budget. If the base budget is not adjusted, these capabilities will need to be retired or, alternatively, if incorporated without increasing the total budget, they will squeeze out other forces and capabilities.

Other threats to readiness include personnel and operational costs rising faster than the budget; savings from defense cuts not being adequately reapplied into readiness-related activities; and the inability to make or implement strategic choices, like reducing force structure or installations, that would help to consolidate resources and protect a quality force.

The Air Force must not be forced to resource some units for higher levels of readiness than others. Air Force skepticism of this approach is grounded in two strategic realities. First, we support several combatant command missions that require 24/7 support, including nuclear deterrence, various space operations such as missile warning, command, control and communications, and global positioning system operations. Cyber defense and intelligence, surveillance, and reconnaissance are also 24/7 missions that provide indications and warning of critical events and threats for our national leadership. Operational readiness for these units is a continuous requirement.

Second, the range, speed, and striking power of air forces make them among the most flexible, agile, and globally responsive elements of the joint force. In support of U.S. defense strategy, air forces are inherently capable of responding quickly and can be shifted on relatively short notice between critical theaters of operation. Intentionally posturing the Air Force for lower readiness and a long build-up to full combat effectiveness would negate an essential strategic advantage of airpower.

The Air Force must modernize its weapon systems. The average age of our fighter aircraft is now 23 years, rescue helicopters 22 years, training aircraft 25 years, bombers 37 years and tankers nearly 50 years. Satellites for missile warning, navigation, secure communications and other needs are also aging and replacements must be built and launched on a schedule consistent with the life expectancy of current constellations.

America's Air Force is the most capable in the world, but modernization can't wait. We have important production lines underway and development programs now maturing that are, or will soon be, ready for production. Cancelling programs to wait for a future generation of technology would be wasteful and, in many cases, would risk the loss of critical engineering talent.

America's Air Force must remain the most capable in the world; yet it is older than it should be and the need for modernization is growing while overall defense resources are diminishing.

168. Senator AYOTTE. General Welsh, what does the Air Force need most from Congress?

General WELSH. One of the most helpful things Congress can do is to return to regular order and to approve annual defense authorization and appropriations measures in a timely way. Throughout our history, this Nation has effectively dealt with strategic challenges and fiscal constraints, but our recent track record of repeated delay and uncertainty, Continuing Resolutions that disrupt programs and budget planning, and midyear cuts that impair readiness and threaten civilian furloughs must not become the new normal. We sincerely appreciate the ongoing commitment of this committee and its professional staff to return to regular order.

169. Senator AYOTTE. General Welsh, what have been the impacts of sequestration and budget uncertainty on readiness and training, so far?

General WELSH. Sequestration has forced the Air Force to make drastic reductions in readiness accounts. Flying hour reductions have forced some combat squadrons to cease flying operations while significantly reduced flying operations in other squadrons. The reductions in flying operations have further eroded already unacceptably low readiness levels.

Almost all of our mission-ready units are already tasked to Secretary of Defense-ordered missions or forward-based, so the ability of the Air Force to provide requisite numbers of ready forces for emergent requirements is severely limited and will continue to become more difficult the longer we operate under the conditions created by sequestration. The flying hour reductions due to sequestration have caused the Air Force to adjust unit flying rates to meet deployment timelines and ensure global operational commitments are filled within fiscal constraints. Additionally, flying units which provide advanced tactical training, including all of the Air Force's Aggressor squadrons have stood down. The Thunderbirds demonstration team was also forced to cancel all of its shows after March 1, 2013.

The reductions in weapons system sustainment funding due to sequestration, while not immediately felt by operational units, will impact units potentially for years to come as aircraft are unable to receive required depot maintenance in a timely manner, which will negatively impact unit readiness.

If the Air Force does not receive sufficient funding in fiscal year 2014, we may have to rotationally stand down units, or fly them at a reduced rate, similar to the actions we've taken in fiscal year 2013. This sequester-induced readiness posture will impact our ability to fill OPLAN and Secretary of Defense-ordered missions, as well as significantly erode our training and force development efforts, creating long-term readiness shortfalls.

Fixing Air Force readiness requires additional resourcing and reduced operations tempo to recover Air Force readiness levels. Along with additional funding, full depot workload recovery is expected to take 2 to 3 years. Increased funding would be required to recover deferred maintenance backlog as depot overhaul timelines would extend to accommodate additional aircraft inductions

The Air Force can also provide a detailed assessment of unit readiness status in a classified forum as needed.

LONG-RANGE STRIKE BOMBER

170. Senator AYOTTE. General Welsh, in your posture statement, you stated that the LRS–B is one of the "Air Force's three top acquisition programs." Why is the LRS–B so important to the Air Force?

General WELSH. The LRS–B is crucial to the Air Force and joint forces because it will play a critical role in projecting power and deterring adversaries. The LRS–B's long range, payload, and survivability will provide the President with the option to hold targets at risk at any point on the globe, as well as provide operational flexibility for joint commanders.

Current bombers are increasingly at risk to modern air defenses, while the LRS–B will be able to penetrate modern air defenses to accomplish objectives despite adversary anti-access and area denial (A2/AD) measures. The LRS–B will provide broad geographic coverage (ability to operate deep and from long range) and will carry a wide mix of stand-off and direct-attack munitions for increased flexibility. Additionally, the LRS–B will be built with features and components necessary for the nuclear mission to ensure the nuclear certification effort completes within 2 years after IOC. The current bomber fleet will continue to provide a robust nuclear deterrent until LRS–B is fielded and certified.

The need for the LRS–B was reaffirmed in the Strategic Guidance for a 21st Century Defense as well as directed by the Secretary of Defense in January 2012 when he stated, "Accordingly, the U.S. military will invest as required to ensure its ability to operate effectively in anti-access and area denial environments. This will include developing a new stealth bomber."

171. Senator AYOTTE. General Welsh, in terms of our Nation's nuclear deterrent, what value does the bomber leg of the triad provide?

General WELSH. As recently demonstrated by the B–52 and B–2 flights to the Korean peninsula, bombers provide great flexibility in force posturing, signaling intentions and recall-ability. Additionally, these assets provide the President with the ability to hold at risk virtually any target on the globe. On a daily basis, this highly valuable, Air Force-unique capability, forces adversaries who consider threatening our national interests and those of our allies to confront the potential costs of losing what they hold most dear. Combined with the other two legs of the Triad, they com-

prise a robust deterrent capability that complicates a potential adversary's offensive and defensive planning and are a synergistic force that provides protection against the failure of any single leg of the Triad.

QUESTIONS SUBMITTED BY SENATOR DEB FISCHER

DE-ALERTING INTERCONTINENTAL BALLISTIC MISSILES

172. Senator FISCHER. General Welsh, some observers have suggested the Air Force de-alert its fleet of Minuteman III ICBMs and remove the warheads from the missiles. Does the Air Force have the capacity to store hundreds of warheads at its ICBM bases, or would such a policy require significant infrastructure changes?

General WELSH. No, the Air Force does not have the capacity to store hundreds of warheads at its ICBM bases without significant infrastructure changes. Due to limited storage facilities at the wing level, the warheads would have to be disassembled and transported to another storage facility located elsewhere for long-term storage.

173. Senator FISCHER. General Welsh, I understand that it requires a substantial amount of time to install a warhead on top of an ICBM and that, due to safety and security requirements, as well as limited maintenance crew availability, returning a de-alerted missile wing to alert status could take as long as 18 months. Is that correct?

General WELSH. Due to multiple operational variables involved, re-turning a de-alerted missile wing to alert status could take up to 36 months.

174. Senator FISCHER. General Welsh, separating warheads from missiles would appear to undermine the principle attribute provided by the ICBMs—their ability to instantly launch on the President's command. Do you agree?

General WELSH. Yes, the 2010 Nuclear Posture Review concluded that the current alert posture of U.S. strategic forces—heavy bombers off full-time alert, ICBMs on alert with "open-ocean targeting" and a significant number of SSBNs at sea at any given time should be maintained. As the most responsive leg of the Triad, ICBM alert forces underpin day-to-day stability and support America's leadership role in the international security environment. Nuclear alert forces also provide a highly visible commitment of assurance to support U.S. extended deterrence for our allies.

175. Senator FISCHER. Secretary Donley and General Welsh, do you believe it is important that the President still have this responsive option?

Mr. DONLEY and General WELSH. Yes, nuclear alert forces underpin day-to-day stability and support America's leadership role in the international security environment. These forces are key elements of our national security policies of assurance, deterrence and dissuasion. They demonstrate visible U.S. commitments to maintaining strategic equivalency, deterring coercion and maintaining world order and their presence removes incentives for a first-strike by a potential aggressor while imposing a difficult and costly decision calculus on potential enemy planners.

CURRENT ARMS REDUCTIONS

176. Senator FISCHER. Secretary Donley and General Welsh, as you note in your prepared statement, the United States will have to reduce its nuclear forces to comply with the New Strategic Arms Reduction Treaty (START). Do you believe it is important that the United States retain the ability to reconstitute its nuclear forces in the event of technological surprise or significant geopolitical change?

Mr. DONLEY and General WELSH. Yes, any course of action should preserve the capability to reconstitute nuclear forces, as a hedge against unexpected threats and geopolitical changes in our strategic security situation over the next 10–20 years.

177. Senator FISCHER. Secretary Donley and General Welsh, would distributing any reductions in ICBM forces across the missile wings and keeping empty missile silos in warm status help preserve the ability of the ICBM force to resume its strength, if necessary?

Mr. DONLEY and General WELSH. Yes, keeping the silos warm would allow us to increase the number of deployed ICBMs if there was a need to do. Eliminating silos that are currently operational to achieve New START treaty limits would eliminate this option. The cost of eliminating a silo is more than keeping the silo "warm" but empty over time. Silo destruction carries a significant cost and is permanent.

178. Senator FISCHER. Secretary Donley and General Welsh, are there are other benefits, such as in the maintenance of silos, which would be achieved by keeping empty Minuteman III silos in warm status?

Mr. DONLEY and General WELSH. Yes, keeping Minuteman III silos in warm status does have additional benefits. The Air Force plans on using any warm, nondeployed launchers to support ongoing test, evaluation, and sustainment operations. Additionally, the Air Force will allocate the nondeployed "warm" silos as necessary to support major maintenance at each unit creating an added benefit of spreading the workload on our maintenance forces.

READINESS OF NUCLEAR FORCES

179. Senator FISCHER. Secretary Donley and General Welsh, your prepared statement reads: "The Nation's nuclear expertise must not be allowed to atrophy." I understand that the readiness of our nuclear-capable bombers and ICBM forces have been largely preserved. How long can the Air Force protect our nuclear forces from the same readiness crisis building across its fleet?

Mr. DONLEY and General WELSH. In the near-term, the Air Force has been successful at managing the impact of sequestration on nuclear deterrence operations—ensuring that our strategic forces remain safe, secure, and effective day-to-day. While challenging, we are confident in our ability to mitigate the remainder of the required reductions in fiscal year 2013 with negligible mission impacts. However, sequestration will put Minuteman III readiness in direct competition with modernization required to keep the capability viable beyond 2030. Beyond fiscal year 2013, the unknown effects of sequestration to the enterprise are cause for concern. Significant investment will be required within the Future Years Defense Program (FYDP) for propulsion, guidance, reentry vehicles and ground systems to continue providing a ground based leg of the triad. Over the FYDP, continued effects of sequestration will impact replacement of aging equipment used to maintain Minuteman III reentry vehicles and warheads, equipment used to periodically launch and test the Minuteman III weapon system to collect critical reliability and accuracy data, and equipment used to transport and protect reentry vehicles, warheads, guidance and booster stages. Since the risks of underinvestment are cumulative and have a compounding adverse effect on readiness over time, the magnitude of the impact will ultimately depend on the duration of the sequester.

Under sequestration, Air Force Global Strike Command has incurred a 10 percent reduction across its operations and maintenance accounts. While Air Force guidance implementing the reductions expressly prioritized flying hours directly supporting nuclear operations, the cuts are having tangible impacts elsewhere. Of particular note, the deferment of non-emergency facility, sustainment, maintenance, restoration, and modernization (FSRM) projects at missile alert/launch facilities, weapons storage areas, and aircraft hangars is exacerbating the existing backlog of critical capital improvements, raising safety and security risks that over time, may erode the ability of these facilities to meet mission requirements. Also, cancellation of most temporary duty assignments is limiting professional development within the nuclear career field. Additionally, the furlough of civilian employees is negatively impacting productivity and mission continuity. Should these and other sequestration-related impacts persist into future years, their combined effect will eventually lead to the deterioration of core readiness within our nuclear forces.

QUESTIONS SUBMITTED BY SENATOR MIKE LEE

F–35 PROGRAM

180. Senator LEE. General Welsh, as we recently discussed, the Environmental Impact Statement (EIS) Record of Decision (ROD) for candidate bases to host the first operational wings of the Air Force F–35 was delayed again until this fall. The Air Force has stated, and you have assured me, that this delay will not have an effect on the scheduled delivery of these aircraft in 2015. I hope that this will be the last delay in the delivery of this decision, as we are shrinking the schedule margin for construction of facilities to house these aircraft when they are delivered to the wings. I believe the F–35 is of great importance to our national security; however, delays and cost-overruns continue to be a problem. A GAO report in March stated that the current outlook for the F–35 is improving, but long-term affordability remains a major concern. Have you identified places where the Air Force can improve efficiency and cut costs to increase the long-term affordability of this program?

General WELSH. The Air Force is proactively engaging with the JPO, OSD, and the Department of the Navy on multiple initiatives to improve efficiency and cut costs to increase the long-term affordability of the F–35 program.

Over the last couple years, the Air Force has supported the JPO on several affordability initiatives that have the potential to reduce program costs by a program office estimated $2.3 billion (CY12$). The Air Force will continue to partner with the JPO on these types of initiatives, to help make the aircraft more affordable.

The Air Force is also participating in the JPO-led BCA which is examining key sustainment functions such as supply chain management (SCM), sustaining engineering, fleet management, and field ops support to optimize contractor and organic mix. Analysis so far has found significant opportunities to reduce costs, while maintaining performance and mitigating risks. The final report is expected March 2014. Out of this study, the Air Force and Department of Navy have formed a Joint Organic SCM Team to develop potential options and an implementation proposal should the BCA recommend a full or partial organic solution.

The Air Force is also working with the Department of Navy on a Level of Repair Analysis. The purpose of this effort is to maximize cost effectiveness and fully exploit existing maintenance infrastructure by exploring potential to expand current F–35 program of record (2-level maintenance concept (operational/depot)) to include intermediate level.

Finally, the Air Force is participating in the development of the OSD McKinsey report. The goal of this project is to identify potential opportunities to reduce total F–35 operational and sustainment cost. Everything is on the table that contributes to generating F–35 sorties. The final report is expected September 2013.

181. Senator LEE. Secretary Donley and General Welsh, are there any reasons for you to believe at this time that the arrival date for the first operational wings of F–35s will be delayed beyond 2015?

Mr. DONLEY and General WELSH. The Air Force is moderately confident, based on the F–35 JPO schedule, that F–35 aircraft will be delivered to the first operational wings on schedule.

Based on the current production profile, the forecasted delivery date of F–35A aircraft to the first operational site starts in 2015. These aircraft will be from low-rate initial production (LRIP) Lot 7. The baseline delivery dates will not be finalized until the LRIP 7 production contract is definitized. We expect that contract to be signed this summer.

PRESIDENT'S BUDGET AND READINESS

182. Senator LEE. Secretary Donley and General Welsh, I am very worried about the Air Force's state of readiness under sequestration. Unfortunately, the President's proposed budget for the Air Force and DOD does not take sequestration into account for 2014, despite the fact that it is current law. Can you comment on how the Air Force is preparing for the real possibility of sequestration in fiscal year 2014 and beyond?

Mr. DONLEY and General WELSH. Sequestration not only presents additional undue risk in our readiness posture, it also creates an unprecedented disruption to our planning process. While we remain hopeful that impacts of sequestration will be mitigated by legislative actions, we are engaged in planning efforts to best balance our ends, ways and means during this period of very intense fiscal uncertainty. The Air Force is employing a deliberative process to prioritize our ongoing and future initiatives and ensure a best effort at achieving full-spectrum readiness in a post-sequestration environment. We look forward to working with members of Congress to address any questions necessary to lead to a budget deal that eliminates sequestration and its damaging impacts. A return to regular order and timely enactment of appropriations and authorization bills will also help the Air Force to plan for whatever levels of resources are provided.

RELIGIOUS FREEDOM IN THE AIR FORCE

183. Senator LEE. Secretary Donley and General Welsh, recent reports appeared in the media last week regarding religious freedom in the Air Force and DOD. I appreciate statements from DOD and Air Force representatives last week attempting to clarify these reports and stating that servicemembers can share their faith, or evangelize, but cannot proselytize, or force unwanted, intrusive attempts to convert others of faith or no faith to one's beliefs. My concern, however, is how the military is defining and drawing the line between evangelizing and proselytizing, and

communicating this to servicemembers. The First Amendment guarantees freedom of religion and freedom of speech. For many of our men and women in uniform, their faith is what sustains them through the enormous pressures and stresses of the battlefield, the months away from loved ones with little communication, the life-changing injuries, and the loss of close friends. If an environment is created where those servicemembers feel that expressing their religion, sharing their faith, or showing outward representation of their beliefs could be found in violation of military policy and grounds for reprimand, it will have an unsettlingly negative effect on military morale and undermine recruitment, retention, and cohesiveness efforts. Can you both describe how the Air Force defines the difference between evangelizing and proselytizing, and how these standards are communicated and explained to airmen?

Mr. DONLEY and General WELSH. The Air Force does not have a formal definition for "evangelizing" or "proselytizing."

Standards regarding Government neutrality towards religion, free exercise of religion and religious accommodation are set out in AFI 1–1, Air Force Standards. AFI 1–1 was published on 7 August 2012. While the majority of AFIs are only available electronically on the Air Force e-Publishing website, CSAF directed that AFI 1–1 be made available both on-line and in a hardcopy booklet format. The booklet is referred to as "The Little Blue Book," and is being distributed throughout the Air Force. A booklet is being provided to every uniformed airman, who can reference the booklet any time they have a question or concern. Collectively, commanders, first sergeants and judge advocates communicate the standards set out in AFI 1–1 to airmen assigned to their organization.

With regards to Government neutrality towards religion, AFI 1–1 states:

> "Leaders at all levels must balance constitutional protections for an individual's free exercise of religion or other personal beliefs and the constitutional prohibition against governmental establishment of religion. For example, they must avoid the actual or apparent use of their position to promote their personal religious beliefs to their subordinates or to extend preferential treatment for any religion. Commanders or supervisors who engage in such behavior may cause members to doubt their impartiality and objectivity. The potential result is a degradation of the unit's morale, good order, and discipline. Airmen, especially commanders and supervisors, must ensure that in exercising their right of religious free expression, they do not degrade morale, good order, and discipline in the Air Force or degrade the trust and confidence that the public has in the U.S. Air Force."

With regards to free exercise of religion and religious accommodation AFI 1–1 states:

> "Supporting the right of free exercise of religion relates directly to the Air Force core values and the ability to maintain an effective team. All airmen are able to choose to practice their particular religion, or subscribe to no religious belief at all. You should confidently practice your own beliefs while respecting others whose viewpoints differ from your own. Your right to practice your religious beliefs does not excuse you from complying with directives, instructions, and lawful orders; however, you may request religious accommodation. Requests can be denied based on military necessity. Commanders and supervisors at all levels are expected to ensure that requests for religious accommodation are dealt with fairly."

184. Senator LEE. Secretary Donley and General Welsh, how is the Air Force working to comply with section 533 of the NDAA of 2013 (Public Law 112–239)?

Mr. DONLEY and General WELSH. The Air Force is complying through the adherence of Air Force Instruction 1–1, Line 2.12, "Supporting the right of free exercise of religion" Additionally, the Air Force is updating the Free Exercise of Religion Course (ZZ133109) in Advanced Distributed Learning Service.

[Whereupon, at 12:35 p.m., the committee adjourned.]

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