

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2016

WEDNESDAY, MARCH 11, 2015

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:30 a.m. in room SD-192, Dirksen Senate Office Building, Hon. Thad Cochran (chairman) presiding.

Present: Senators Cochran, Shelby, Murkowski, Graham, Blunt, Moran, Durbin, Leahy, Murray, and Schatz.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE ARMY

OFFICE OF THE SECRETARY

STATEMENT OF HON. JOHN M. MCHUGH, SECRETARY

OPENING STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. The committee will please come to order.

Today the Subcommittee on Defense Appropriations will begin its hearing on the fiscal year 2016 budget request submitted by the United States Army.

We are very pleased to welcome the Honorable John McHugh, Secretary of the Army; and General Raymond Odierno, Army Chief of Staff.

As we meet today, the Army remains heavily engaged in operations around the world, with more than 143,000 soldiers forward deployed and 19,000 Reserve soldiers mobilized, and soldiers continue to train at home for future deployments.

We are very sorry to hear this morning about the Black Hawk helicopter that went down off the Florida coast last night on a training mission, which was carrying seven marines and four soldiers. Our thoughts are with the families, and our prayers as well, as the search and rescue efforts are under way.

This past year has been one of many challenges and successes for our Armed Forces and the U.S. Army in particular. Men and women in uniform and their families are performing remarkably well, and our Nation owes them a debt of gratitude for their service. The fiscal year 2016 budget request proposes a number of significant changes and important budgetary issues for the Army that will receive our careful attention. We look forward to working with you during this year's appropriations process to ensure the support

of needs of the Department of the Army and its important role in protecting our national security interests.

This subcommittee also recognizes the uncertainty of the current fiscal environment and the impact it has on the Army. If the Department of Defense has to live with the statutory Budget Control Act caps in fiscal year 2016, the Army has already indicated that its ability to fulfill national security requirements and meet obligations under the current defense strategy would be put at significant risk. We appreciate the complexity of the fiscal year 2016 budget and look forward to your comments on the impact of sequestration on Department of the Army operations, readiness, and modernization efforts.

We appreciate and commend you for your distinguished service to our Nation, as well as the dedication and sacrifices by all the men and women of the U.S. Army. Your full statements have been received—we appreciate that—and they will be printed in the record.

We are pleased to thank the distinguished ranking member of the subcommittee and the Senator from Illinois, Mr. Durbin, and we recognize him now for any opening remarks he would like to make.

STATEMENT OF SENATOR RICHARD J. DURBIN

Senator DURBIN. Thanks, Mr. Chairman. In the interest of time, I'm going to ask my opening statement be made part of the record.

I had the opportunity to sit down with General Odierno and Secretary McHugh and their staff yesterday and go through a lot of specific items in detail, and I'll save some questions and turn it back to you, Mr. Chairman, to proceed.

[The statement follows:]

PREPARED STATEMENT OF SENATOR RICHARD J. DURBIN

Mr. Chairman, I am pleased to join you in welcoming Secretary McHugh and General Odierno to our hearing to review the Army's budget request for fiscal year 2016.

Secretary McHugh, I wanted to thank you for your visit to Rock Island Arsenal last fall. I'm pleased to report that the Joint Manufacturing and Technology Center that we toured is still going strong. I'm sure you'll agree, the JMTC is the critical manufacturing backstop for our Army and our military. But I'm also happy to report, according to information I received earlier this week, that they are actually returning money to Army Program Managers because they are manufacturing the required material for less than the Army estimated. That's a good return on investment for the taxpayer in tough fiscal times. Thank you for your continued support.

General Odierno, this may be your last hearing in front of this committee as Chief of Staff. Thank you for your service to our Army and our Nation during some challenging times.

As you both know intimately, the Army is going through its most fundamental transformation since the end of the Cold War. First, the Army is getting smaller: more than 80,000 Active Army soldiers, 8,000 National Guardsmen, and 7,000 Army Reservists have been reduced since the height of the surges in Iraq and Afghanistan.

Second, the Army is continuing efforts to modernize its equipment in several large acquisition programs. The AMPV ground combat vehicle, the Apache modernization effort, the Future Vertical Lift helicopter program, and the Joint Light Tactical Vehicle—each of these programs will cost billions, if not tens of billions, over the next decade. This modernization is underway, although it is not yet clear what will happen to sequestration in the next year.

Secretary McHugh, General Odierno, you have also been vocal about your concerns with sequestration, particularly the ways it could harm readiness and waste

acquisition dollars through unavoidably inefficient management of procurement programs.

Finally, even though this hearing will have plenty of discussion about budget levels and weapons programs, we cannot overlook the well-being of the women and men who serve in our Nation's uniform.

We are all committed to the quality of life for those who may be called to stand in harm's way. Sometimes that means investing in improving servicemember housing, or repairing failing schools that educate the children of our Soldiers. At other times, it means taking stronger action to preserve the health and welfare of our servicemembers.

The defense appropriations bill signed into law in December eliminates the 5 percent discount that military exchanges provided on cigarettes and other tobacco products. This is a small step, but not enough. Studies have shown that tobacco use costs the Department of Defense at least \$1.6 million each year in tobacco-related medical care, increased hospitalization, and lost days of work in the active duty component alone.

This means the higher rates of use for cigarettes and smokeless tobacco isn't just a quality of life issue for servicemembers. It is also a budgetary issue. I have spoken with Secretary McHugh and General Odierno about this issue before, as I have with the leadership of the other Services, and I hope we can work together to find other ways to tackle this serious problem.

Mr. Chairman, I join you in thanking the witnesses for their service, and I look forward to their testimony.

Senator COCHRAN. Thank you very much. The Senator of the Day Award goes to our distinguished friend.

Senator Shelby.

Senator SHELBY. I will forgo an opening statement. I look forward to the testimony and questions. Thank you, Mr. Chairman.

Senator COCHRAN. Senator Leahy.

Senator LEAHY. I do just want to mention the terrible tragedy that happened yesterday. I can only imagine how those families feel in the Army.

Senator COCHRAN. Thank you.

The distinguished Senator from Kansas.

Senator MORAN. I extend my condolences to the Army for the loss of life. I reserve the rest of my remarks.

Senator COCHRAN. Thank you.

The Senator from Missouri, opening comments?

Senator BLUNT. Well, thank you, Chairman, for holding this hearing. I want to join my colleagues in expressing our commitment to the families and all those who serve and the unfortunate loss of people in training. I'm certainly pleased to have Secretary McHugh and General Odierno here today with us.

Senator COCHRAN. Thank you, Senator.

Secretary, you may proceed.

SUMMARY STATEMENT OF HON. JOHN M. MCHUGH

Secretary MCHUGH. Before I begin, Mr. Chairman, if I may, with your indulgence, I want to thank you and all the committee members for your very gracious comments about the training tragedy overnight and the specter of loss to families. We tend to, I think, understandably think of danger in military service in those times when our military men and women are forward deployed and in kinetic environments. As I said, that's natural. But what happened last night I think underscores the very real circumstances that men and women who put that uniform on face each and every day, and we are enormously in their debt.

In this case, as you and your members have noted, our thoughts and prayers are with the families. As an Army family, we will stand together. So, thank you for your comments.

It is amazing how much can change in a year. Over the last 12 months, we've seen the geopolitical landscape morph really at an astonishing pace, from renewed aggression by Russia and increased threats from North Korea, to gains by radical terrorists in Iraq, Syria, and Yemen, not to mention the fight against Ebola. The demand for the Army to tackle contingencies around the world has grown at an alarming rate.

Far from being foreseeable, our requirements have been more unexpected, our enemies more unpredictable, and our ability to handle multiple simultaneous operations more uncertain. And yet, with such volatility and instability around the world, America's Army is faced yet again with an enemy here at home, the return of sequestration, unprepared units, unmaintained equipment, untrained soldiers.

Ladies and gentlemen, our Army, your Army, faces a dark and dangerous future unless this Congress acts now to end these ill-conceived and inflexible budget cuts. Moreover—and I want to be clear here—every installation, every component, and nearly every program will feel the brunt of these cuts.

Under sequestration, by 2019, we will reduce our end strength to unconscionable levels, likely losing another six BCTs (brigade combat teams) and potentially a division headquarters, not to mention the impacts to associated enablers, contracts, facilities and civilian personnel. It is our shared responsibility to jealously preserve the gains in readiness, modernization and training that we've achieved through your critically important support.

And in that regard, let me share with you some of the accomplishments of America's Army this past year.

As Russian-backed forces rolled into Ukraine and axed Crimea and threatened regional stability, our soldiers rapidly deployed to Eastern Europe in a demonstration of U.S. commitment and resolve. From Latvia and Lithuania to Poland and Estonia, soldiers from the 173rd Airborne and the 1st Cavalry showed the world that America would stand with our NATO (North Atlantic Treaty Organization) allies and respond to unbridled aggression.

In West Africa, as thousands suffered from the scourge of Ebola, your Army acted. Elements of several units, led by the 101st Airborne, provided command and control, equipment and expertise to support efforts to stop this deadly and destabilizing disease.

In response to rapid gains by ISIL (Islamic State of Iraq and the Levant), your soldiers quickly returned to Iraq to advise and assist security forces in turning the tide on this barbaric group of radical terrorists.

In the Pacific, thousands of soldiers and civilians supported operations to strengthen our partnerships and increase our substantial presence.

Today, the headquarters of nine Active Army and two Guard divisions are committed to combatant commands; and some, as you noted, Mr. Chairman, 144,000 soldiers are deployed, forward-stationed or committed, including, as you noted, 19,000 mobilized Reservists.

Moreover, we've done all this while continuing to transform our formations, making them leaner, more agile, and far more lethal.

As all of you know so well, such extraordinary success comes at a price, for in the end, the young lieutenant leading his or her platoon on the battlefield, the sergeants training and mentoring their soldiers, the invaluable civilian workforce laboring countless hours to support them, and the young family waiting patiently at home are all human. The stress of war, multiple deployments and unpredictable requirements doesn't change in the face of indiscriminate funding cuts.

Through it all, we have and we will remain committed to supporting the needs of our warriors, from programs to increase resilience and improve behavioral health to the prevention of sexual assault and the protection of victims from retaliation. We'll keep faith with our soldiers.

Rest assured, the return of sequestration will directly impact critical installation and family programs Army-wide.

Members, simply put, we need the President's budget. Our \$126.5 billion request is some \$6 billion over the potential sequester level, and it's specifically designed to preserve our modest gains in readiness over the last year and take care of your soldiers. If approved, we will invest \$3.4 billion above the fiscal year 2015 funding levels in training, sustainment and installation programs that directly support combat readiness, and \$2.6 billion in research, development and acquisition to equip soldiers, to protect key parts of the industrial base and support new innovations.

Moreover, this request seeks vital reforms to compensation and force structure that will ensure the funding needed to support near-term readiness and help place the Army on a predictable path to balance. From modest changes to pay and allowances to our aviation restructuring initiative, our reforms are both necessary and prudent to sustain the readiness of our forces and move the Army toward eventual balance.

I cannot emphasize enough how these critical reforms and funds are necessary to ensuring that your Army has sufficiently trained and ready soldiers to protect our Nation.

Ladies and gentlemen of the committee, this is an historic moment. We need to stop talking and start acting. We need wisdom, not words. We need results, not rhetoric. And as I said last year, we need predictability, not politics.

PREPARED STATEMENT

As we face extreme instability around the world, we must have certainty here at home. Your soldiers—and I know you agree—deserve no less. We must have an end to sequestration this year, and we must have this budget.

In closing, on behalf of the nearly 1.3 million men and women of America's Army, Active Guard, Reserve and civilian, thank you, each of you, for your continued oversight, partnership, leadership, and support.

Thank you, Mr. Chairman. I look forward to your questions.
[The statement follows:]

PREPARED STATEMENT OF HON. JOHN M. McHUGH AND
GENERAL RAYMOND T. ODIERNO

EXECUTIVE SUMMARY

Now more than ever, in today's uncertain and dynamic security environment, we must be prepared to meet multiple, wide-ranging requirements across the globe simultaneously while retaining the ability to react to the unknown. The velocity of instability around the world has increased, and the Army is now operating on multiple continents simultaneously in ways unforeseen a year ago. In short, our Army is busy. We are fully engaged and our operational tempo will not subside for the foreseeable future. In the wake of Russia's intervention in Ukraine, the Army deployed forces to Eastern Europe in a demonstration of U.S. commitment and resolve. In West Africa, the Army provided support for the U.S. Agency for International Development's humanitarian mission to stem the tide of the Ebola virus. In response to regional instability in the Middle East, Army forces have recommitted to advise and assist Iraqi government forces and the Kurdish Peshmerga. Across the Pacific, thousands of Army forces are supporting operations to strengthen our partnerships and alliances as part of Pacific Pathways in places like Thailand, the Philippines, Malaysia, Australia, Indonesia and the Republic of Korea. We remain committed to protecting the enduring Armistice on the Korean Peninsula. Our Soldiers remain on point in Afghanistan, even as we draw down our forces there. Currently, nine of ten Regular Army and two Army National Guard division headquarters are committed in support of Combatant Commands, with more than 143,000 Soldiers deployed, forward stationed, or committed and 19,000 Reserve Soldiers mobilized.

Last year, we testified that the minimum force necessary to execute the defense strategy was a force floor of 450,000 in the Regular Army, 335,000 in the Army National Guard and 195,000 in the Army Reserve—a total of 980,000 Soldiers. That assessment has not changed and is based on certain planning assumptions regarding the duration, number and size of future missions. When determining these assessed force levels, we also made clear that risks at this level would grow if our underlying assumptions proved inaccurate. Although we still believe we can meet the primary missions of the Defense Strategic Guidance (DSG) today, our ability to do so has become tenuous. There is a growing divide between the Budget Control Act's (BCA) arbitrary funding mechanism—that has seen the Army budget drop in nominal terms every year since enacted in 2011—and the emerging geopolitical realities confronting us now across Europe, the Middle East, Africa and the Pacific, along with the growing threats to our homeland. Risk thereby increases to our force, our national security and our Nation. As the Army approaches a Total Army end strength of 980,000 Soldiers by fiscal year 2018, we must constantly assess the operational tempo and its impacts on the health and viability of the force. We must ensure we have both the capability to respond to unforeseen demands and the capacity to sustain high levels of readiness.

So, as the Army looks to the future and continues to downsize, we have developed a new Army Operating Concept, "Win in a Complex World." The foundation of the Army Operating Concept is our ability to conduct joint combined arms maneuver. The Army Operating Concept endeavors to build a force operating alongside multiple partners able to create multiple dilemmas for our adversaries, while giving commanders multiple options and synchronizing and integrating effects from multiple domains onto and from land. Recognizing the changing world around us, the Army Operating Concept envisions an Army that is expeditionary, tailorable, scalable and prepared to meet the challenges of the global environment. The Army Operating Concept sets the foundation upon which our leaders can focus our efforts and resources to maintain strategic and operational flexibility to deter and operate in multiple regions simultaneously—in all phases of military operations—to prevent conflict, shape the security environment and win wars now and in the future.

Nevertheless, fiscal challenges brought on by the BCA strain our ability to bring into balance readiness, modernization and end strength. The BCA puts at significant risk the Army's ability to meet the Army's obligations within the DSG and fulfill its national security requirements. Even as demand for Army forces is growing, budget cuts are forcing us to reduce end strength to dangerously low levels. We face an "ends" and "means" mismatch between requirements and resources available.

The BCA and sequestration have already had a detrimental impact on readiness and modernization. Budget constraints have significantly impacted every Army modernization program, forcing the delay of critical investments in next generation capabilities, to include training support and power projection capabilities across Army installations. Although the Bipartisan Budget Agreement (BBA) provided fiscal relief to the Army in fiscal year 2014, in fiscal year 2015 the Army budget de-

creased by \$6 billion. We now face a fiscal year 2016 defense spending cap insufficient for operating in an unstable global security environment that presents the Army with a number of urgent, complex and challenging missions. The fiscal year 2016 spending cap—set almost 4 years ago—has not kept pace with the geopolitical reality unfolding around the world.

We know we must strike a balance between resources and capacity. The Army fully supports fiscal responsibility and has worked diligently and consistently to be a good steward of taxpayer dollars. In that regard, we have made many tough choices. There are critical cost-saving measures that allow the Army to further reallocate scarce resources to ensure Army forces remain as trained and ready as possible. These include compensation reform, sustainable energy and resource initiatives, a new round of Base Realignment and Closure (BRAC) and the Aviation Restructure Initiative (ARI). We ask Congress to support these initiatives because without the flexibility to manage our budgets to achieve the greatest capability possible, we will be forced to make reductions to manpower, modernization and training that are larger, less efficient and longer-standing in the damage they inflict on the Army.

We also need consistent and predictable funding. The use of Continuing Resolutions wreaks havoc with Army readiness, modernization and end strength. It makes long term planning difficult, especially with the uncertainties that exist if we return to sequestration in fiscal year 2016. As a result, we are forced to train intermittently and the materiel and equipment we buy costs more and takes longer to acquire. This ongoing budgetary unpredictability is neither militarily nor fiscally responsible. To maintain an appropriate level of readiness, the Army must receive consistent funding for training each year. Unless Congress eases the BCA defense caps, the Army will experience degraded readiness coupled with increased risk, making it more difficult for us to provide for the common defense. Each passing year, the BCA increases risk for sending insufficiently trained and equipped Soldiers into harm's way, and that is not a risk our Nation should accept.

Lastly, our profession is built on trust. In holding true to that trust, our Nation expects our competence, commitment and character to reflect our Army values. To that end, we are working to reduce and, in the future, eliminate sexual assault and sexual harassment, which destroys good order and discipline and is contrary to our core values. We are also increasing opportunities for women and opening positions based on standards free on any gender bias. Finally, our programs like Soldier for Life and the Ready and Resilient Campaign are demonstrating our sacred commitment to care for our Soldiers, our Civilians and their Families who selflessly sacrifice so much. These are actions we have taken because it is the right thing to do.

INTRODUCTION

Last year, we testified before Congress that the minimum end strength the Army requires to execute the 2012 Defense Strategic Guidance is 980,000 Soldiers—450,000 in the Regular Army, 335,000 in the Army National Guard and 195,000 in the Army Reserve. We described how the Army moved to implement the 2014 Quadrennial Defense Review (QDR) guidance by shaping the force while supporting the fight in Afghanistan and deploying forces to address several unexpected challenges around the world. In contrast to the projections outlined in the defense strategy, the regional security and stability in Europe, Africa, the Middle East and the Pacific have deteriorated over the past 12–24 months in ways we did not anticipate. These growing and emerging threats to the global security environment compel us to rethink our assessment of the drawdown. For the next 3 years, as we restructure to operate as a smaller force, the Army faces readiness challenges and extensive modernization delays. Under the President's Budget, we will begin to regain balance between end strength, modernization and readiness beyond fiscal year 2017. Although we still believe we can meet the fundamental requirements of the DSG at 980,000 Regular, Guard and Reserve Soldiers, it is a tenuous balance. The risk to our national security and our force itself continues to increase with rising instability and uncertainty across Europe, the Middle East, Africa and the Pacific, along with a growing threat to the homeland. Any force reductions below 980,000 Soldiers will render our Army unable to meet all elements of the DSG, and we will not be able to meet the multiple challenges to U.S. national interests without incurring an imprudent level of risk to our Nation's security.

INCREASING VELOCITY OF GLOBAL INSTABILITY

The accelerating insecurity and instability across Europe, the Middle East, Africa and the Pacific, coupled with the continued threat to the homeland and our ongoing operations in Afghanistan, remain a significant concern to the Army. The Islamic

State in Iraq and the Levant's (ISIL) unforeseen expansion and the rapid disintegration of order in Iraq and Syria have dramatically escalated conflict in the region. Order within Yemen is splintering; the al Qaeda insurgency and Houthi expansion continues there; and the country is quickly approaching a civil war. In North and West Africa, anarchy, extremism and terrorism continue to threaten the interests of the United States, as well as our allies and partners. In Europe, Russia's intervention in Ukraine challenges the resolve of the European Union. Across the Asia-Pacific, China's lack of transparency regarding its military modernization efforts raise concerns with the United States and our allies, and the continuing development of North Korea's nuclear and missile programs contributes to instability. The rate of humanitarian and disaster relief missions, such as the recent threat of Ebola, heightens the level of uncertainty we face around the world, along with constantly evolving threats to the homeland. With the velocity of instability increasing around the world, continuing unrest in the Middle East, and the threat of terrorism growing rather than receding—witness the recent tragedies in Paris and Nigeria—now is not the time to drastically reduce capability and capacity.

The Army, as part of the Joint Force, operates globally in environments characterized by growing urbanization, the potential for the proliferation of weapons of mass destruction, malicious cyber and information operations, humanitarian crises and the deleterious effects of climate change. Sectarian violence exploited by state and non-state actors, irredentism and terrorist activities are driving conflict around the world. The corrosive effects of drug and human trafficking by transnational criminal organizations undermine state authority and trigger a destabilizing level of violence in places such as Central and South America. These combined factors lead to vulnerable populations and threats that appear across multiple domains, the sum of which will continue to challenge global security and cooperation in ways that are difficult to anticipate.

No single strategic challenger is likely to gain overall superiority over U.S. military capabilities in the near future. Even so, competitors of the U.S. seek to negate our strengths, exploit our vulnerabilities and gain temporary or local superiority in one or more capability areas. It is unlikely any of these challengers will choose traditional force-on-force confrontation with American forces. Instead, potential adversaries are likely to pursue and emphasize indirect and asymmetric techniques. Their strategies may include employing anti-access/area denial capabilities, using surrogates, subverting our allies, using cyber and information operations, staying under our threshold for combat or simply prolonging conflict to test our resolve.

One of the most important global security bulwarks is the U.S. network of security alliances and partners. This valuable asset to U.S. national security and global stability is entering a period of transition. Traditional allies in Europe face significant economic and demographic burdens that exert downward pressure on defense budgets. As a consequence, allies and partners who have joined us in past coalition operations may be less apt to do so in the future. Building the security capacity necessary for regional stability requires sustained and focused engagement. Active engagement with allies, friends and partners is resource-intensive, but will be essential to sustaining global multilateral security. This combination of threats and conditions creates an increasingly dangerous and unpredictable operational environment and underscores the need for a U.S. Army that is agile, responsive and regionally engaged.

DEMAND FOR A GLOBALLY RESPONSIVE AND REGIONALLY ENGAGED ARMY

It is imperative we maintain strategic and operational flexibility to deter and operate in multiple regions simultaneously—in all phases of military operations—to prevent conflicts, shape the security environment and, when necessary, win in support of U.S. policy objectives. The Army is and will continue to be the backbone of the Joint Force, providing fundamental capabilities to each of the Combatant Commanders such as command and control, logistics, intelligence and communications support to set the theater, as well as providing ground combat forces, Special Operations Forces and Joint Task Force headquarters. Demand for Army capabilities and presence continues to increase across Combatant Commands in response to emerging contingencies. The Army has sent rotational forces to Europe, Kuwait and the Republic of Korea, and established JTF Headquarters in Iraq, Afghanistan, Honduras, the Horn of Africa and Jordan. In multiple Areas of Responsibility, the Army is meeting simultaneous requirements based on our ten primary DSG missions. As part of the Joint Force, we support Combatant Commanders and work with inter-agency partners and our allies to enhance security cooperation, provide foreign humanitarian assistance, build partner capacity and participate in multi-lateral exercises.

We are making the Army more agile, adaptable and expeditionary than ever before. For example, there is an infantry battalion forward-deployed in Djibouti, and units in Kuwait positioned to quickly respond anywhere in the Middle East. Even as we reduce our presence in Afghanistan, the global demand for Brigade Combat Teams (BCTs), the Army's basic warfighting units, is projected to decrease by only one before 2016. Combatant Commanders' demand for Patriot missile battalions and Terminal High Altitude Air Defense (THAAD) batteries exceeds our capacity, significantly limiting options in emerging crises, and exceeding the Army's ability to meet Department of Defense (DOD) deployment-to-dwell rotation goals for these units. In fiscal year 2016, we expect Combatant Command and Interagency demand for Army forces will increase further in areas such as logistics, intelligence, cyber, space, air and missile defense, signal, aviation, Special Operations Forces and mission command.

Demand for Army division headquarters is already high and we expect this trend to continue. Combatant Commanders rely upon the proven mission-command capabilities of our division headquarters and the essential shaping effects of Army enabler units including Intelligence, Surveillance and Reconnaissance (ISR) platforms. In the last year, we deployed the 1st Infantry Division headquarters to U.S. Central Command in support of the multinational effort to defeat ISIL, and we delivered the 101st Airborne Division (Air Assault) headquarters to synchronize national and international efforts to counter the Ebola virus in West Africa.

Additionally, 1st Armored Division Headquarters conducts operations in Jordan; 2nd Infantry Division protects the Republic of Korea; 3rd Infantry Division advises and assists in Afghanistan; and 4th Infantry Division assures our allies in Europe. All told, elements of nine out of ten Regular Army division headquarters and two Army National Guard division headquarters, including the Global Response Force, are currently deployed or prepared to deploy around the globe supporting commitments to the Pacific Theater and the Republic of Korea; Afghanistan, Jordan, Iraq and Kuwait; Africa; Eastern Europe; and the homeland.

Consequently, we must size and shape the Army for the world in which we live. First, through the Army, and the presence it provides, we will fulfill our collective security obligations, defend our citizens and protect our national interests when the Nation calls upon us. Second, a robust Army provides Combatant Commanders with essential capacity to more fully engage allies and shape the security environment across their areas of responsibility. Finally, appropriate Army force levels reduce the risk of being "too wrong" in our assumptions about the future.

Unlike previous eras and conflicts, today's fast-paced world simply does not allow us the time to regenerate capabilities after a crisis erupts. Faced with a national crisis, we will fight with the Army we have, but there will be consequences. Generating the Army is a complex endeavor that requires policy decisions, dollars, Soldiers, infrastructure and, most importantly, time. It takes approximately 30 months to generate a fully manned and trained Regular Army BCT once the Army decides to expand the force. Senior command and control headquarters, such as divisions and corps, take even longer to generate and train to be effective given the skill sets and training required of Soldiers manning these formations. Overall, we must acknowledge that today's highly-technological, All-Volunteer Force is much different than the industrial age armies of the past.

Finally, with flexibility to balance structure, modernization and readiness within budgetary authority, we can best mitigate the risk imposed by budget reductions and end strength reductions to adapt to a rapidly-changing operating environment. Achieving this balance will enhance our ability to redesign the force for the future, experiment with new, innovative operational concepts and rebuild critical collective skills, all while taking care of our Soldiers and their Families in a manner consistent with their service and sacrifice.

ARMY OPERATING CONCEPT: WIN IN A COMPLEX WORLD

Even as the Army confronts the many challenges wrought by sequestration, we continue to seek efficiencies while adapting to the complexities of an evolving and unstable security environment. It is imperative that our Army adapts to the future joint operating environment, one that consists of diverse enemies that employ traditional, irregular and hybrid strategies which threaten U.S. security and vital interests. In October of last year, we introduced the new Army Operating Concept, "Win in a Complex World." The foundation of this concept is our ability to conduct joint combined arms maneuver. It endeavors to build a force operating alongside multiple partners able to create multiple dilemmas for our adversaries, while giving commanders multiple options and synchronizing and integrating effects from multiple domains onto and from land. Recognizing the changing world around us, the Army

Operating Concept envisions an Army that is expeditionary, tailorable, scalable and prepared to meet the challenges of the global environment. The Army Operating Concept reinforces our five strategic priorities:

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

The Army Operating Concept also describes the Army's contribution to globally integrated operations. Army forces provide foundational capabilities required by the Combat Commanders to synchronize and integrate effects across land and from land into the air, maritime, space and cyberspace domains. The Army Operating Concept ensures that we are prepared to lead Joint, interorganizational and multinational teams in complex security environments.

Through a dedicated "Campaign of Learning" under Force 2025 Maneuvers, we will assess new capabilities, design and doctrine. This enables future innovation of our expeditionary capabilities and enhanced agility. We are assessing key capabilities such as manned-unmanned teaming, operational energy and expeditionary command posts. We are focusing our innovation efforts in this Campaign of Learning to ensure we address the 20 Army Warfighting Challenges. The Army Warfighting Challenges are the enduring first-order problems, and solving them will improve combat effectiveness. These challenges range from shaping the Security Environment, to countering Weapons of Mass Destruction, to conducting Space and Cyber Operations, to Integrating and Delivering Fires to Exercising Mission Command. The Army Operating Concept represents a long-term, cost-effective way to enhance readiness, improve interoperability and modernize the force. It is also a cost-effective way to assess and demonstrate Joint and multinational interoperability and readiness. We must continue to learn and apply what we learn as we rethink how the Army operates to "Win in a Complex World."

PRESIDENT'S BUDGET REQUEST

This year, the President's Budget requests \$126.5 billion for the Army base budget. This budget request is about \$5.4 billion above what the Congress enacted in fiscal year 2015. The President's Budget requests \$6 billion more than an expected sequester-level budget. This additional \$6 billion will be invested in readiness and procurement:

- \$3.4 billion for training, sustainment and installation programs directly supporting combat readiness; and,
- \$2.6 billion for Research and Development, and Acquisition accounts in order to equip Soldiers across the Regular, Guard and Reserve forces, sustain critical parts of the industrial base and invest in innovation supporting the Army Operating Concept.

These increases are critical to achieving sustainable readiness needed to meet the demands of today's complex environment, while preserving manpower needed to prevent hollowness in our formations.

As Congress reviews our budget for this year, we ask that you compare our funding levels to what we asked for and executed in fiscal year 2013 and fiscal year 2014, rather than to the near-sequestration level funding enacted in fiscal year 2015. With the support of Congress, the Army executed \$125 billion in fiscal year 2014 to begin rebuilding readiness lost in fiscal year 2013 due to sequestration. The fiscal year 2015-enacted level of \$121 billion is challenging commanders across the Army to sustain readiness while reorganizing formations to operate as smaller forces. In fiscal year 2015, we are significantly reducing key installation and family services, individual training events and modernization to such an extent as to jeopardize future readiness and quality of life. The Army's budget request for fiscal year 2016 continues to focus on building near term readiness through predictability and continuity in funding levels.

One critical assumption in the President's Budget request is that Congress will enact necessary compensation and force restructuring. We fully support modest reforms to pay raises, healthcare and other benefits that have been proposed. Without these reforms, savings assumptions we have included in our planning will not be realized, placing increasing pressure on further end strength reductions and reducing funding needed to sustain readiness. The President is proposing over \$25 billion in compensation reforms including slowing the growth of Basic Allowance for Housing, changing TRICARE, reducing the commissary subsidy and slowing the growth in basic pay. Should Congress fail to enact these reforms, the effects of budget shortfalls in programs and services throughout the force will wreak havoc on our forma-

tions. We will have to make decisions at every Army installation that will impact the quality of life, morale and readiness of our Soldiers. Without appropriate compensation reform, the Army would need an additional \$10.4 billion across the program years to meet our basic requirements. To the extent Congress does not approve the extra topline or the reforms, we would have to find another \$2-3 billion per year in reductions, thereby further diminishing the size and capability of our fighting force. None of these reforms are easy, but all are necessary.

One of our most important reforms is the Aviation Restructuring Initiative (ARI), which we continued in fiscal year 2015. Our current aviation structure is unaffordable, so the Army's plan avoids \$12 billion in costs and saves an additional \$1 billion annually if we fully implement ARI. We simply cannot afford to maintain our current aviation structure and sustain modernization while providing trained and ready aviation units across all three components. Our comprehensive approach through ARI will ultimately allow us to eliminate obsolete airframes, sustain a modernized fleet, and reduce sustainment costs.

Through ARI, we will eliminate nearly 700 aircraft and three Combat Aviation Brigades from the Active Component, while only reducing 111 airframes from the Reserve Component. ARI eliminates and reorganizes structure, while increasing capabilities in order to minimize risk to meeting operational requirements within the capacity of remaining aviation units across all components. If the Army does not execute ARI, we will incur additional costs associated with buying additional aircraft and structure at the expense of modernizing current and future aviation systems in the total force.

Although we disagree with the need for a Commission on the Future of the Army, as directed in the National Defense Authorization Act, we will fully support the Commission as it examines and assesses the force structure and force mix decisions the Army has proposed for Active and Reserve Components.

IMPACTS OF SEQUESTRATION

In support of the President's fiscal year 2015 budget request, which reflected the outcomes of the Secretary of Defense's 2013 Strategic Choices and Management Review (SCMR) and the 2014 QDR, we emphasized that the updated defense strategy, combined with reduced Army force levels, had increased the risk level to "significant," and would become manageable only after the Army achieved balance between end strength, readiness and modernization. At force levels driven by affordability under full sequestration, the Army cannot fully implement its role in the defense strategy. Sequestration would require the Army to further reduce our Total Army end strength to at least 920,000, or 60,000 below the 980,000 currently reflected in the President's Budget request.

Global demands for the Army are increasing, but end strength, readiness and modernization cuts greatly reduce our ability to respond at a time when the instability is accelerating worldwide. As a result, we are faced with an ends and means disparity between what is required of us and what we are resourced to accomplish. This has real impacts for our national security. Long-term fiscal predictability will allow the Army to balance force structure, end strength, modernization and readiness, while providing the Nation a trained and ready force prepared to win in a complex world. Without this investment, we will see immediate degradations in recruiting, manning, training, equipping and sustaining Army readiness during a time of great uncertainty and growing worldwide instability.

Although we are already expecting a decline in the overall readiness of our forces in fiscal year 2015, it pales in comparison to the decrease of readiness under expected sequester levels in fiscal year 2016. Sequestration measures will not only dissipate the modest gains we achieved, but will leave the Army in a hollow and precarious state. The impact of sequestration on the Army's fiscal year 2016 funding levels would cause an abrupt and immediate degradation of training, readiness and modernization. Relief from full sequester-levels in fiscal year 2014 provided some predictability and allowed for partial recovery from fiscal year 2013's low readiness levels. However, the Army demonstrated a need for funding above the enacted \$121 billion topline in fiscal year 2015, as savings from drawing down end strength are manifesting as rapidly as possible. Current funding levels afforded just over a third of our BCTs the training necessary to conduct decisive action. This year, we face significant challenges to sustain even that level of readiness in our dynamic operating environment.

If sequestration remains unchanged, the consequences for our Army will be dramatic. Another round of cuts will render our force unable to meet all elements of the DSG without creating additional risk to our soldiers. Reductions in end strength brought on by sequestration will limit our ability to provide strategic options to the

President and pose unacceptable risk by placing into question our capacity to execute even one prolonged, multi-phased major contingency operation. We will experience significant degradations in readiness and modernization, which will extend adverse impacts well into the next decade, exacerbating the time the Army requires to regain full readiness. The Nation cannot afford the impacts of sequestration. Our national security is at stake.

ACHIEVING END STRENGTH REDUCTIONS

By the end of fiscal year 2015, we will have reduced the Regular Army by over 80,000 Soldiers, 8,000 in the Army National Guard and 7,000 in the Army Reserve. Commensurate with these reductions, the Army will achieve an end strength by the end of fiscal year 2015 of 490,000 Regular Army, 350,000 Army National Guard and 202,000 Army Reserve. Consistent with available budget resources, the 2014 Quadrennial Defense Review and the DSG, the Army will continue to reduce its end strength in fiscal year 2016 as follows: the Regular Army will shrink by 15,000 (3.1 percent) to 475,000; the Army National Guard will shrink by 8,000 (2.3 percent) to 342,000; and the Army Reserve will shrink by 4,000 (2 percent) to 198,000.

To achieve required end strength reductions, we will need to separate Soldiers who have served their nation honorably. Cumulatively, we will have reduced our Regular Army end strength from a wartime high of 570,000 to 475,000 by the end of 2016 (17 percent reduction), while our Army National Guard will have reduced its end strength from a wartime high of 358,000 to 342,000 (4.5 percent reduction) and the Army Reserve will have reduced its end strength from a wartime high of 205,000 to 198,000 (3.4 percent reduction). These reductions put the Army on a glide path to meet the targeted force of 980,000 in fiscal year 2018. For all components of the Army, this end strength is smaller than the pre-2001 force structure.

Although we are making reductions in the overall end strength of the Army National Guard and U.S. Army Reserve, we have continued to invest in higher Full Time Support levels, including Active Guard and Reserve, Military Technicians and Civilians. This budget supports 82,720 Full Time Support positions in fiscal year 2016 as compared to 68,000 in fiscal year 2001. This level of Full Time Support constitutes a 20 percent increase since 2001.

In the Army Civilian workforce, we have reduced Department of the Army Civilians from the wartime high levels of 285,000 and will continue to reduce appropriately over the coming years. While necessary, these reductions in the Civilian workforce have and will continue to adversely impact capabilities such as medical treatment, training, depot and range maintenance, installation emergency services, physical security and select intelligence functions. In all of the reductions across the Total Army, we are taking prudent measures to ensure we balance requirements and capacity.

To achieve planned end strength reductions, the Army expects to use various types of separation authorities across all elements of the Total Force. The fiscal year 2012 and fiscal year 2013 National Defense Authorization Acts provided several authorities to help the Army shape the force over the drawdown period, along with the flexibility to apply them to meet specific grade and skill requirements. Under normal loss rates, we would not be able to reach our end strength goal during the fiscal year 2015–fiscal year 2017 period. There is no single force-shaping method among the choices of accession, retention and separation that allows the Army to achieve its end strength goals; inevitably, we will have to involuntarily separate quality Soldiers. Closely managing accession levels, selectively promoting and following more stringent retention standards will help shape the force over time.

Although the Army expects to lose combat-seasoned Soldiers and leaders, throughout this process, our focus will be on retaining individuals with the greatest potential for future service in the right grades and skills. As Soldiers depart the Regular Army, we are committed to assisting them and their Families as they reintegrate into civilian communities. Leaders across the Army are engaged in “Soldier for Life,” a continuum of service concept that facilitates transition to civilian employment, educational opportunities and service in the Reserve Components.

ENSURING A READY ARMY

During this period of drawdown, the Army is reorganizing, realigning and restructuring forces. The Brigade Combat Team reorganization enhances brigade combat power by adding a third maneuver battalion to 38 BCTs by the end of fiscal year 2015 and reducing the total number of BCTs to 60 (32 Regular Army and 28 Army National Guard) in the Total Force.

Since May 2014, we have been developing a sustainable force generation and readiness model to account for the new, volatile, strategic operating environment;

the need to remain regionally-engaged and budgetary and force sizing realities. The Sustainable Readiness Model will provide force generation policies and processes that optimize the readiness of the force and balance the Army's steady state missions, contingency response capability and available resources. We cannot predict the specific events that will cause the next demand for Army forces, but history suggests it will come sooner than we expect. All components of the Army must remain sized and postured as essential members of the Joint Force to protect the Nation and its interests.

Even with funding relief from sequestration in fiscal year 2014, in fiscal year 2015 we returned to near- sequestration level funding, resulting in just a third of our BCTs trained in their core mission capabilities in decisive action. The President's Budget request increases readiness funding above fiscal year 2015 levels, which is critical to sustaining and improving readiness of the force. In fiscal year 2014, the Army completed 19 rotations at the Combat Training Centers (CTCs), including six rotations for deploying BCTs and 13 decisive action training rotations (12 Regular Army and one Army National Guard). Fiscal year 2015 funding levels challenge Army commanders to sustain continuity in readiness across the force; however, we remain committed to CTC rotations to build leader and unit readiness. fiscal year 2015 plans fund 19 CTC rotations, with 15 Regular Army and two Army National Guard decisive action rotations, with fiscal year 2016 continuing this level of CTC exercises. We are improving Training Support Systems to enable more realistic home station training, increase collective training proficiency and enhance operational readiness for contingencies across the globe; however, funding constraints in fiscal year 2015 impede our ability to maximize home station training goals. The President's Budget request for fiscal year 2016 allows the Army to increase training readiness to battalion-level across the Active Component force and to platoon-level in the Reserves. Lower funding levels will not allow us to achieve this balanced readiness.

Although the Army attempts to mitigate the impacts on training readiness, we must continue to implement the Contingency Force model of fiscal year 2015 in order to maintain readiness for the 24 of 60 BCTs that will receive sufficient funding to conduct training at CTCs and home station. Funding shortages will limit the remaining 36 BCTs to minimum Individual/Crew/Squad resourcing levels through sufficient Training Support Systems (TSS). In short, sequestration forces the Army to ration readiness. Regardless of funding levels, we are committed to keeping CTCs a priority.

Our aim is to provide tough, realistic multi-echelon home station training using a mix of live, virtual and constructive methods that efficiently and effectively build Soldier, leader and unit competency over time, contributing to the effectiveness of the current and future forces. Training will integrate the unique capabilities of the Light, Medium and Heavy forces, as well as the capabilities of Conventional and Special Operations Forces. Furthermore, we are optimizing the use of existing training capacity and leveraging other opportunities such as CTCs, exercises and operational deployments to maximize the training benefits of fixed overhead and operational costs. Training centers such as Joint Multinational Readiness Center will increase our interoperability with Allies. Our goal is to increase readiness from 33 percent to 70 percent of our Regular Army BCTs, allowing the Army to balance Combatant Command force requirements while maintaining surge capability—but we need consistent resources to get there. We are also increasing funding for our individual and institutional training. Funding increases focus on leader development, entry-level training and flight training. This allows the Army to develop its future leaders, prepare its Soldiers to operate in today's dynamic combat environment and provide trained and ready Soldiers to meet Combatant Commanders' requirements.

The Army continues to make progress in integrating the unique capabilities of each of its components to support the needs of the Combatant Commanders. As part of the Army's Total Force Policy, the U.S. Army Forces Command is leading the way by partnering every Guard and Reserve division and brigade with a Regular Army peer unit. The Army is also piloting a program to assign Guard and Reserve personnel directly to each Regular Army corps and division headquarters. For example, the Reserve Component rapidly provided support capabilities in support of Operation United Assistance in Liberia to augment and replace elements of the initial Active Component response.

As we transition from combat operations in Afghanistan, our Army is focused on our ability to rapidly deploy forces around the world in order to meet the needs of our Combatant Commanders. To do this, we enhanced prepositioned equipment sets and created activity sets to support operations in Europe, the Pacific and around the world. Activity sets are prepositioned sets of equipment that enable U.S. region-

ally-aligned forces and multinational partners in Europe to train and operate. We have also reinvigorated our Emergency Deployment Readiness Exercise program and enhanced the en route mission command capability of our Global Response Force. The President's Budget request provides sufficient capability to respond in each Geographical Combatant Command's area of responsibility.

The Army continues to be a good steward of the resources appropriated for replacement, recapitalization and repair of materiel returning from operations conducted in Afghanistan. In 2014, the Army efficiently synchronized equipment retrograde out of theater. Redeployment and retrograde operations remain on schedule; however, the Army continues to forecast a need for reset funding for 3 years after redeployment of the last piece of equipment from theater. A steady, responsible drawdown of personnel and equipment demonstrates good stewardship of resources while facilitating transition to the post-2014 Resolute Support Mission in Afghanistan. In addition, we identified almost \$2 billion of potential requirement reductions in Contractor Logistics and Training Support, and took advantage of our wartime reset program to reduce Depot Maintenance by over \$1.3 billion over 5 years. These changes allowed the Army to increase the capability of its prepositioned stocks program without an increase in the associated costs.

The proliferation of information and communications technologies increases the momentum of human interaction, creating a constantly shifting geopolitical landscape. An Army that is globally engaged and regionally aligned requires access at the point of need, robust network capacity and capability that is tailorable and scalable. The Army's strategy is to effectively leverage joint networks, transition to cloud-based solutions and services, reduce the culture of controlling network resources and divest legacy systems to make way for resources to build network modernization. Over time, this will significantly boost information technology operational efficiency, improve mission effectiveness and posture the Army to more quickly adapt and innovate.

The Army continually seeks incremental improvements to its institutional organizations, processes and business systems in order to provide ready forces in the most fiscally responsible way for the Nation. The Army is expanding its efforts to control the cost of business operations by reducing the size of headquarters units, which we view as a fiscal imperative. Progressive fielding of Enterprise Resource Planning systems is enhancing accountability, changing business processes and enabling the retirement of legacy systems that will ultimately reduce our overall costs. Our workforce is adapting to new systems and processes inherent in increased internal controls and enterprise connectivity across business domains. Army leaders are actively engaged in change management and committed to meeting audit readiness goals and the September 2017 audit assertion of our financial statements. We continue to challenge the status quo, enabling the institutional Army to perform its activities smarter, faster and at reduced cost to provide more resources for readiness.

ENSURING A MODERN ARMY

Modernization

Decreases to the Army budget over the past several years have had significant impacts on Army modernization and threaten our ability to retain overmatch through the next decade. Since 2011, the Army has ended 20 programs, delayed 125 and restructured 124. Between 2011 and 2015, Research and Development and Acquisition accounts plunged 35 percent from \$31 billion to \$20 billion. Procurement alone dropped from \$21.3 billion to \$13.9 billion. We estimate sequestration will affect over 80 Army programs. Major impacts include delays in equipping to support expeditionary forces, delays in combat vehicle and aviation modernization, increases in sustainment costs to fix older equipment and increases in capability gaps.

Our intent is to modernize and equip Soldiers with effective, affordable and sustainable equipment that is ready and tailorable to support the full range of Combatant Command requirements. The President's Budget request would provide over \$2 billion to address the growing gaps in our modernization accounts. Even with this additional funding, modernization remains more than \$3 billion short of the historical average as a percentage of the Army's budget.

The Army will continue to protect Science and Technology (S&T) investments critical to identifying, developing and demonstrating technology options that inform and enable affordable capabilities for the Soldier. S&T efforts will foster innovation, maturation and demonstration of technology-enabled capabilities, maximizing the potential of emergent game-changing landpower technologies. Key investments include Joint Multi-Role Helicopter, the foundation for the Army's Future Vertical Lift capability; combat vehicle prototyping; assured Position, Navigation and Timing and enhancing cyber operations and network protections. We continue to explore the

possibilities of cyber, high-energy laser, materials, human performance and quantum science technologies for a variety of applications.

The centerpiece of the Army's Modernization Strategy continues to be the Soldier and the squad. The Army's objective is to rapidly integrate technologies and applications that empower, protect and unburden the Soldier and our formations, thus providing the Soldier with the right equipment, at the right time, to accomplish the assigned mission. The Army will support this priority by investing in technologies that provide the Soldier and squad with advanced war fighting capabilities such as enhanced weapon effects, next generation optics and night vision devices, advanced body armor and individual protective equipment, unmanned aerial systems, ground based robots and Soldier power systems.

Improvements to mission command will facilitate the decisionmaking of leaders and Soldiers across all tactical echelons for Unified Land Operations in support of the Joint Force and allies. The Army will develop and field a robust, integrated tactical mission command network linking command posts, and extending out to the tactical edge and across platforms. We will build enhanced mission command capabilities and platform integration by fielding software applications for the Common Operating Environment, while working to converge operations and intelligence networks. Based on the current and projected demands for ISR, the Army adjusted the Gray Eagle unmanned aerial system program's fielding schedule to make more assets available to strategic and operational commanders this year. The Army also expanded the Aerial Intelligence Brigade with an additional 18 Gray Eagles for a total of 36 aircraft, and an increase from 48 to 165 soldiers per company.

With respect to combat platforms, and those desired to enable greater protected mobility, the Army's objective is to consider the most stressing contingency operations and make its fleets more capable. In addition to the Apache AH-64E and Blackhawk UH-60M investments, which support the Army's Aviation Restructure Initiative, the Army will continue development of the Armored Multi-Purpose Vehicle to replace the obsolete M113 family of vehicles and begin to produce the Joint Light Tactical family of vehicles. The Army will also continue to make improvements to the survivability, lethality, mobility and protection of the Abrams tank, Bradley Infantry Fighting Vehicle and Paladin self-propelled howitzer fleets. While resource constraints will force the Army to delay new system development and investment in the next generation of capabilities, we will execute incremental upgrades to increase capabilities and modernize existing systems.

Few choices remain if modernization accounts continue to bear the brunt of sequestration. Most programs are already at minimum economic sustaining levels, and further reductions will rapidly increase the number of cancellations. Those programs remaining will have higher unit costs and extended acquisition schedules. Sequestration will create severe reductions in buying power and further delays filling capability gaps, forcing the Army to tier modernization—creating a situation of “haves and have nots” in the force. Rapid regeneration to fill modernization gaps and the ability to ensure interoperable, networked formations will come at a premium in cost and time. Most complex systems in production now take 24–36 months to deliver once Congress appropriates funding, while new starts or re-starts take even longer. To address the steep reductions in modernization accounts, the Army emphasizes early affordability reviews, establishing cost caps (funding and procurement objectives), synchronizing multiple processes and divesting older equipment quickly.

Organic and Commercial Industrial Base

The Army's Industrial Base consists of Government-owned (organic) and commercial industrial capability and capacity that must be readily available to manufacture and repair items during both peacetime and national emergencies. We are concerned that we will not be able to retain an Army Industrial Base that provides unique capabilities, sustains the capacity for reversibility and meets the manufacturing and repair materiel demands of the Joint Force. In the Commercial Industrial Base, prime suppliers have increased their role as integrators, and delegated key innovation and development roles to a vast and complex network of sub-tier suppliers. Sub-tier suppliers have responded with their own complex network of suppliers, some of which are small, highly skilled and defense dependent firms—these small and specialized firms serve as the warning indicator that gauges the health of the overall industrial base. In fiscal year 2014, the Army identified those commercial sector industrial capabilities vital to our national defense and sustainment of a credible and capable smaller force. We must continue to protect these capabilities.

Cyber

Network dominance and defense is an integral part of our national security, and the Army is focused on proactively providing increased capability to the Joint Force. With the evolving cyber environment, the Army has been proactively adapting to cyber threats and vulnerabilities by transforming processes, organizations and operating practices. As the Army restructures LandWarNet to support operations worldwide, it is imperative we rapidly innovate and fund network and cyber infrastructure, services, security and capabilities.

A number of institutional transformations are in place or ongoing to build and sustain the Army's future cyberspace force requirements. To be more agile and responsive, while improving unity of command and synchronization of cyberspace operations, we have consolidated Army Cyber Command (ARCYBER), 2nd Army and the Joint Force Headquarters-Cyber under one commander. The Army has established the Cyber Center of Excellence at Fort Gordon, GA, and will serve as our focal point to drive change across the Army. The proponent lead for cyberspace operations shifted from ARCYBER to the Cyber Center of Excellence under the U.S. Army's Training and Doctrine Command (TRADOC). Additionally, we established an Army Cyber Institute at West Point to collaborate with government partners, industry and other higher education institutions to develop cyber solutions. The creation of a cyber network defender enlisted specialty and the Cyber Branch within the officer corps was an effort to help focus and manage the Army's cyber talent.

In terms of new and emerging initiatives, ARCYBER and the acquisition community are pursuing ways to bring capabilities, including big data analytics, to Army operations in order to improve our cyber defense capability. We play a vital role in cyber operations across the DOD and the Joint Force by providing Cyber Protection Teams and Cyber Support Teams. Recent DOD decisions have resulted in the pursuit of a defense-wide global implementation of network modernization, including the Joint Regional Security Stacks, to enhance the security of our networks. We continually conduct assessments to better understand cyber vulnerabilities in our combat platforms and communications systems. We must make prudent investments in our cyber infrastructure, including facilities, networks and equipment to ensure a capable force. The Army is currently reviewing cyber training range capabilities and capacities to better assess future requirements. All these efforts will generate resourcing requirements, which will have to compete against other equally urgent priorities within the Army.

Installations, Water and Energy

Since 2012, as the Army implemented several rounds of budget reductions, our installation programs have seen dramatically reduced services and sustainment. Although we have survived for 2 years at these reduced funding levels by deferring critical facility maintenance and cutting back on services, should the increases proposed by the President not materialize, we will seriously impair our facilities and have to permanently reduce important programs and services. Even with these increased funds, facilities maintenance is funded at only 79 percent in fiscal year 2016, which translates to higher future repair and renovation costs.

As stated in previous testimony, we need another round of Base Realignment and Closures (BRAC). We simply have too much surplus infrastructure and will have even more as we downsize. We are already in the process of separating nearly 152,000 Soldiers, and sequestration would force us to separate another 60,000—for a total reduction of 212,000. In addition, we have reduced over 50,000 Civilians from these same installations. Without a BRAC and the realized cost savings, the only alternative is to make additional cuts in training, manpower and modernization to make up for shortages in installation funding. These are not cuts we can afford to make. To date, we have been able to mitigate the adverse impact by focusing reductions on Europe and eliminating facilities not associated with U.S. installations. Through analysis and evaluation, we continue to examine other ways to reduce infrastructure within our authorities around the world. We are now reducing personnel at U.S. installations and we expect excess facility capacity will be about 18 percent Army-wide when we reach the end strength ramp of 490,000 for the Regular Army in fiscal year 2015.

To improve the resilience and efficiency of our remaining infrastructure today and in future years, the Army will continue its efforts to increase energy efficiency, expand the use of on-site renewable energy, reduce water consumption and reduce waste generation. This year, we will issue an Energy and Sustainability Strategy that focuses on building resiliency. Implementation of this strategy will facilitate continuity of operations and improve the Army's energy, water and sustainability posture. These actions will also enhance the Army's ability to mitigate and adapt to the deleterious effects of climate change.

SOLDIERS AND CIVILIANS COMMITTED TO OUR ARMY AND PROFESSION

We must never forget our Soldiers will bear the burden of our decisions with their lives and health. As Army professionals, we must do everything possible to maintain the trust of our Soldiers, Civilians and Families who selflessly sacrifice so much. Today, they trust that we properly prepare them with the right tools and resources necessary to accomplish the missions that take them into harm's way. To ensure the Army maintains the trust of the American people we serve, the Army is evaluating ways to further develop our military and civilian professionals, and ensure an uncompromising culture of accountability exists at every level of command. As the Army prepares for the environment that lies ahead, we must anticipate the unique ethical and moral challenges the future may present, and remain committed to developing Army Professionals of Competence, Commitment and Character.

The Army Ethic defines the moral principles that guide us in the conduct of our missions, performance of duty and all aspects of life. Our ethic is reflected in law, Army Values, creeds, oaths, ethos and shared beliefs embedded within Army culture. It inspires and motivates all of us to make right decisions and to take right actions at all times. The Army Ethic is the heart of our shared professional identity, our sense of who we are, our purpose in life and why and how we serve the American people. To violate the Army Ethic is to break our sacred bond of trust with each other and with those whom we serve. Army Professionals must fulfill distinctive roles as honorable servants, military experts and stewards of our profession.

Adaptive Army Leaders for a Complex World

The Army Operating Concept will require evolutionary change as we deal with the growing complexity of the operational environment, and this change begins by changing mindsets. The Army's competitive advantage, today and into the future, will always be our Soldiers and Civilians. Our top priority is to develop agile and adaptive leaders at the tactical, operational and strategic levels. Today and into the future, the Army must provide well-led and highly trained Soldiers organized into tailorable and scalable organizations that provide our Nation's leaders an array of options, both lethal and nonlethal, across the entire range of missions. The Army Leader Development Strategy calls for the development of leaders through a career-long synthesis of training, education and experiences acquired through opportunities in institutional, operational, broadening and self-development learning formats, supported by peer and developmental relationships. Leader development and optimized Soldier performance are directly linked to the Army's ability to operate in the future. We must develop multidimensional, adaptive and innovative leaders who thrive in decentralized, dynamic and interconnected environments.

Leader development is the deliberate, continuous and progressive process—built on a foundation of trust and founded in Army values—that grows Soldiers and Civilians into competent, committed professional leaders of character. As an institution transitioning from extended combat rotations, we must regain our expertise as trainers and improve the support and delivery of realistic training. Home station and centralized training must leverage both current and emergent technologies and integrate the latest capabilities, such as cyber; hybrid threats and Joint, inter-organizational and multinational organizations.

Today's combat environment requires dynamic leaders and Soldiers. To ensure all Soldiers are adequately prepared, entry-level Soldier training focuses on fostering individual resiliency, battlefield skills, Army values and developing the credentials to succeed in the Army and excel afterward. The NCO development model is a deliberate, analytical and data-driven process that constantly evaluates and adjusts to ensure all leaders have the right tools to lead and mentor others in today's and tomorrow's dynamic worlds. This model is collectively known as NCO 2020, which looks at training from the operational, institutional and self-development domains to ensure a career of lifelong learning and of harnessing experience and proficiency at all levels. This includes a revamping of the NCO education system and a renewed emphasis on individual and collective task training to help mitigate the effects of a reduction in Combat Training Center rotations.

Today, the Army is expanding broadening opportunities for its NCOs, Warrant Officers and Officers with programs like Training with Industry, Strategic Broadening Seminars and the Congressional Fellowship Program. Broadening and educational experiences for senior field grade through general officers is also an area that must not be overlooked. Developing well-rounded senior leaders who are capable of effectively communicating the needs and capabilities of the profession to Civilian leaders within the larger context of national concerns is critical to the Nation.

It is imperative that our leaders and organizations are capable of thriving in Joint interorganizational and multinational teams, and that they seamlessly integrate

multi-domain effects from air, sea, space, cyber or land. This places a premium on innovation—on leveraging current and emerging concepts and technologies both today and going forward. Encouraging innovation and empowering all leaders with the skills required to win in a complex world, manage complex institutional processes and influence strategic decisionmaking within a broader operating environment is paramount to the Army's future.

More than 250,000 people working in nearly 500 unique job series—about 20 percent of the Total Army Force—comprise the Army Civilian corps. Given the size, complexity, impact and importance of the Civilian cohort to the Army, we established the Army Civilian Workforce Transformation (CWT). CWT is the Army's strategic campaign to transform the Army's Civilian cohort for the future and develop a more adaptable, capable and technically proficient Army Civilian who is well grounded as a leader.

Soldier 2020 and Increased Opportunities for Women

In 2012, the Army initiated a deliberate Service-wide effort—Soldier 2020—to ensure our units are filled with the best qualified Soldiers. This effort includes opening previously closed positions and occupational specialties to women, while maintaining our combat effectiveness. The Soldier 2020 initiative seeks to remove as many barriers as possible and allow talented people—regardless of gender—to serve in any position in which they are capable of performing to standard.

Over the past 27 months, we have opened six previously closed Military Occupational Specialties and over 55,000 positions across all Army components to women. This includes opening 1,562 positions in United States Army Special Operations Command, including the 160th Special Operations Aviation Regiment. The Army is validating gender-neutral physical standards and completing a gender integration study, work that will inform decisions on opening the 14 remaining Military Occupational Specialties currently closed to women. Once the study is completed, we will make a recommendation to the Secretary of Defense on opening as many as 166,000 positions across the Active and Reserve Components to our women in uniform. As part of the Soldier 2020 initiative, the Army Ranger School assessment program will begin this spring to assess female Soldiers and Officers into Army Ranger School. The Army continues to proceed in an incremental and scientific-based approach to integrating women into previously closed units, positions and occupations while preserving unit readiness, cohesion, discipline and morale. The Army will complete all actions to meet Office of the Secretary of Defense requirements prior to January 1, 2016.

Sexual Harassment/Assault Response and Prevention (SHARP) Program

From the Secretary and Chief of Staff of the Army down to our newest Soldiers, we continue to attack the complex challenges of Sexual Assault. While we have made progress, much work remains. Sexual assault is a crime that violates the core values on which the Army functions, and sexual harassment shatters good order and discipline. Sexual harassment and sexual assault must be stamped out, and doing so remains a top priority throughout the Army. Commanders, the Chain of Command, and the Uniform Code of Military Justice provide the vital tools needed to prosecute offenders and hold all Soldiers and leaders appropriately responsible.

Across the Army, we are committed to maintaining momentum in Army SHARP and making further advances along our five lines of efforts: Prevention, Investigation, Accountability, Advocacy and Assessment. In the last year, our efforts along the Prevention Line of Effort resulted in actions such as consolidating SHARP training under TRADOC and Initial Entry Training and Professional Military Education to increase the quality and accessibility of our prevention tools. Our Investigation Line of Effort showed advances in Special Victim capabilities and Trial Counsel Assistance Programs. The Accountability Line of Effort had successes through our Special Victim Investigation and Prosecution capability and through tools such as Command Climate Surveys and Commander 360 degree assessments. Our Advocacy Line of Effort resulted in initial indicators of progress in establishing SHARP resource centers in over 12 installations. We continue to see interim progress along our Assessment Line of Effort as noted in the President's report and we continue to closely monitor the established metrics to measure compliance.

In sum, we have seen some progress as evident in the recent statistics outlined in the 2014 "Department of Defense Report to the President of the United States on Sexual Assault Prevention and Response" that indicate a decrease in unwanted sexual contact in fiscal year 2014 compared to fiscal year 2012. Within the Army, survey-estimated rates of unwanted sexual contact for the past year decreased significantly for active duty women (4.6 percent), compared to fiscal year 2012 (7.1 percent). In addition, reporting data demonstrates more victims are coming forward to

report sexual harassment and sexual assault. In fiscal year 2014, sexual assault reporting in the Army increased by 12 percent over the previous year. We view this as a vote of confidence and a sign of increased trust in our leaders, in our response services and in changing Army culture. The decline in prevalence of unwanted sexual contact, combined with the increase in reports received, suggests the Army's efforts to prevent sexual assault and build victim confidence in our response system are making progress. Nevertheless, we must continue to work on fostering a climate where individuals are not afraid of retaliation or stigma for reporting a crime by ensuring individuals, units, organizations and specifically commanders and leaders understand their responsibilities. Retaliation takes many forms and originates from many sources—leaders, family, friends and, most pervasively, peer to peer. Retaliation in its simplest form is bullying. It is intimidation that deters people from acting. It enables offenders, threatens survivors, pushes bystanders to shy from action, and breeds a culture of complacency. Retaliation has no place in the Army and we must stamp it out.

Sexual Assault Response Coordinators and Sexual Assault Prevention and Response Victim Advocates are now credentialed through the DOD Sexual Assault Advocate Certification Program, and the Army's SHARP Academy is expanding their knowledge, skills and abilities. Based on national experts' guidance, the Army's Sexual Assault Medical Forensic Examiner's course now surpasses Department of Justice requirements and establishes a best practice for all DOD to follow.

The chain of command is at the center of any solution to combat sexual assault and harassment, and we must ensure it remains fully engaged, involved and vigilant. Toward this end, we enhanced the Officer and Enlisted Evaluation Reporting Systems to assess how officers and NCOs are meeting their commitments—holding them accountable through mandatory comments on how those leaders are acting to foster a climate of dignity and respect and their adherence to our SHARP program. With commanders at the center of our efforts, we will continue to decrease the prevalence of sexual assault through prevention and encourage greater reporting of the crime. We expect to see reporting numbers to continue to rise. As our efforts to enforce discipline, prosecute offenders and eliminate criminal behavior mature, we expect the number of sexual assaults occurring within the Army to eventually decrease. There is no place for sexual harassment or sexual assault in our Army or our society.

The problems of sexual assault and sexual harassment will only be solved when every Soldier, Civilian and Family Member stands up and unequivocally acts to stamp it out. Together, we have an obligation to do all we can to safeguard America's sons and daughters, as well as maintain trust between Soldiers, Civilians, Families and the Nation. Army leaders, at every level of the chain of command, are doing this through prevention, investigation, accountability, advocacy and assessments.

MAINTAINING THE PREMIER ALL VOLUNTEER ARMY

As we shape the force of the future, we must enhance force readiness, while taking care of the men and women who serve. This means, while providing Combatant Commanders with versatile and trained forces, we also have an obligation to support our Soldiers, Families and Civilians while they serve in the Army, and as they transition back to civilian life. Those who make up the Total Army—Soldiers, Families and Civilians; Regular Army, Army National Guard and Army Reserve—represent its strength. "Total Army Strong" expresses our enduring commitment to Soldiers, Families and Civilians, and to sustain a system of programs and services to mitigate the unique demands of military life, foster life skills, strengthen resilience and promote a strong and ready Army. "Total Army Strong" provides commanders flexibility to prioritize and adjust programs and services, regardless of geographic location.

We recognize that attracting and retaining highly-qualified individuals in all three components is critical to readiness. However, the stronger economy, including lower unemployment, poses challenges to recruiting and retention in fiscal year 2016. Due to obesity, medical conditions and other reasons, less than one-third of otherwise-eligible Americans would even qualify for military service. Though we face recruiting challenges in fiscal year 2016, we will man our formations with highly-qualified and diverse Soldiers by continuing and strengthening those recruitment and retention programs that best enhance and sustain the All-Volunteer Army.

Ready and Resilient Campaign

We must support and appropriately resource the Army's Ready and Resilient Campaign. This campaign provides holistic, evidence-based tools, training and resources to our commands and leaders who care for our Soldiers, Civilians and Fam-

ily members so they can strengthen their resilience and achieve and sustain personal readiness. The Army's Ready and Resilient capabilities improve the physical, emotional and psychological resilience of the entire force, attack the foundation of acts of indiscipline and prevent negative behaviors from escalating to damaging events such as suicide or sexual assault. We must ensure the overall readiness and resilience of the Total Army Family through optimal sleep, activity and nutrition—the Performance Triad. The Performance Triad strengthens individual and unit readiness through a comprehensive approach that promotes leadership and behavior change strategies to improve personal and unit readiness and resilience, as well as physical, emotional, and cognitive dominance through optimized sleep, physical activity, and nutrition. The Performance Triad empowers leaders to coach and mentor health readiness using technology to actuate behaviors that support lasting cultural change as a mandate of the Army profession.

Soldier for Life

Soldier for Life is not just a program; it is a change in mindset. One way we encourage this frame of mind is through senior leader and installation engagements, as well as changes in training curriculum. We want Soldiers to understand and believe from the time they come into the Army and for the rest of their lives, that they deserve our utmost care and attention throughout the Soldier lifecycle—"Once a Soldier, always a Soldier . . . a Soldier for Life!" As Soldiers return to civilian life, they will continue to influence young people to join the Army and, along with retired Soldiers, will connect communities across the Nation with its Army.

As we reduce the Army's end strength, we owe it to our Soldiers and their Families to facilitate their transition to civilian life. The Army supports continuum of service initiatives to help in this effort by communicating the benefits of continued service in the Reserve Components. Additionally, the "Soldier for Life" Program connects Army, governmental and community efforts to facilitate the successful reintegration of our Soldiers and Families back into communities across the Nation through networks in employment, education and health. Our pre- and post-retirement services ensure those who served become and remain leaders in their community. For example, we have developed strong relationships with government, non-government and private sector entities to include direct collaboration with the Departments of Veterans Affairs, Labor, and the Chamber of Commerce to bring employment summits to installations worldwide.

CLOSING

We face a period of critical decisions that will impact the Army's capability and capacity for the next decade. It is important that we make the right decisions now. The operational and fiscal environments are straining the Army as we attempt to balance end strength, readiness and modernization to meet current demands while building the foundations of a force that can meet future challenges. The velocity of instability continues to increase worldwide, whether of ISIL and terrorism in Iraq, Syria and Yemen; anarchy and extremism in North Africa; Russian belligerence; provocation by North Korea; or complex humanitarian assistance requirements and the unpredictable nature of disaster relief missions. But despite all of this, we continue to reduce our military capabilities, degrade readiness and erode trust with the specter of sequestration. We ask the help of Congress to eliminate sequestration and provide our Soldiers with greater predictability in these uncertain times. We must not reduce the Army below 980,000 Soldiers and leave the Army unprepared to meet Defense Strategic Guidance or respond to some unforeseen event.

Our strategic partnership with Congress is absolutely critical to the Army's success. Simply put, our Soldiers and Civilians could not do what they do each day without your support. Our Army needs Congressional support now more than ever. The decisions we make this year and next on our fiscal policy, and related end strength, readiness and modernization will directly impact the security of the United States and the world for decades to come. Today, we have the most capable and professional Army in the world. Our Soldiers have gained invaluable experience and expertise; built relationships among interagency partners, allies and each other and developed an intimate understanding of the world we live in. As we reduce the size of our Army, each Soldier leaving the ranks takes with him or her invaluable experiences and a deep understanding that has come at great cost and is impossible to replace in short order.

We look forward to working with Congress to ensure the Army is capable of fulfilling its many missions, while continuing to be good stewards of the taxpayers' money. Despite ongoing fiscal uncertainties, we are pleased to report professionalism and morale within the Army remains strong. Whether advising and assisting in Afghanistan and Iraq, supporting allies in Europe and the Republic of

Korea, serving in the homeland or engaging our partners around the world, the indomitable spirit of our greatest assets, our Soldiers—our Nation's Trusted Professionals—stands ready: Ready to safeguard our Nation's liberty, deter aggression and protect our national interests at home and abroad. With your assistance, we will continue to resource the best-trained, best-equipped and best-led fighting force in the world: the U.S. Army.

Senator COCHRAN. Thank you very much, Mr. Secretary.

General Odierno, would you like to make an opening statement?

STATEMENT OF GENERAL RAYMOND T. ODIERNO, CHIEF OF STAFF

General ODIERNO. Thank you, Chairman, and Vice Chairman Durbin. I also want to send my prayers to the families of our soldiers and marines that we lost today. I believe that this is a reminder of the sacrifices and commitment that so many of our young men and women are providing every single day to our country, and it's important for us to ensure they are resourced properly.

Chairman, today the international security environment continues to be challenged by transnational extremist organizations, as well as by the aggressive actions of several nation states. We face the ruthless behavior of ISIL in Iraq and Syria and persistent threats in Yemen and Libya and other parts of North and Central Africa. Russian aggression pressures the resolve of both the European Union and NATO; while in the Pacific, China and North Korea alarm our allies and concern our regional interests. We also continue to have ever-evolving threats to our homeland.

This is not the time to be divesting of our military capabilities and capacities. But over the last 3 years, we have done just that, decreasing the Active component end-strength by 80,000, and our National Guard and Reserves by 18,000. We have deactivated 13 Active-Duty brigade combat teams, and we are in the process of eliminating three active component combat aviation brigades. We are reducing the total aviation force by 800 aircraft, with almost 700 coming out of the Active component. We have slashed our investments in modernization by 25 percent. We have purged our most needed infantry fighting vehicle modernization and Scout helicopter developmental programs.

The unrelenting budget impasse has also compelled us to degrade readiness to historically low levels. Today, only 33 percent of our brigades are ready, when our sustained readiness rates should be closer to 70 percent.

The compromises we have made to modernization and readiness, combined with reductions to our force size and capabilities, translates into strategic risk. We are unable to generate residual readiness to respond to unknown contingencies or to reinforce ongoing operations. We have fewer soldiers, the majority of whom are in units who are not ready, and they are manning aging equipment at a time when demand for Army forces is much higher than anticipated.

The President's fiscal year 2016 budget submission recognizes these challenges. But even the President's budget represents the bare minimum needed for us to carry out our missions and execute and meet the requirements of our defense strategy.

In order for this budget to work, all of our proposed reforms in pay and compensation must be approved. All of our force structure reforms must be supported to include the aviation restructuring

initiative. And we must be allowed to eliminate a half billion per year of excess infrastructure capacity that is currently in the Army.

We can undertake the proposed reforms or we can accept increased risk. If these reforms and force structure reductions are not approved, this equates to a potential \$12 billion shortfall in our budget, comprised of \$6 billion in reforms and \$6 billion in costs that are masked in OCO (overseas contingency operations) funding that must ultimately transfer into our base budget.

If BCA (Budget Control Act) caps come back, I want to emphasize again that it would render us unable to meet the defense strategy. Sequestration would compel us to reduce even further the Army end strength, forcing out another 70,000 over the next 5 years from the Active component, 35,000 from the National Guard, and 10,000 from the Army Reserves. We would cut out 10 to 12 additional combat brigades. Modernization would come to a standstill, training would go unfunded, and readiness rates, both unit and individual, would fall to very low levels.

Anything below the President's budget compromises our strategic flexibility. It inadequately funds our readiness. It further degrades an already underfunded modernization program. It impacts our ability to conduct simultaneous operations and shape regional security environments. It puts into question our capacity to deter and compel multiple adversaries.

But even as the Army confronts a fragile budget and looming BCA caps, we do continue to seek efficiencies while adapting to an unstable world. We have taken advantage of a war-time reset program to reduce depot maintenance by \$3.2 billion. We are reducing our reliance on contract logistic support, which will result in nearly \$2 billion in cost savings. We have identified and are avoiding costs in excess of \$12 billion through our aviation restructuring initiative. We have eliminated 12,000 positions by reducing all two-star and above headquarters by 25 percent. We have reorganized our brigade combat teams, eliminating overhead and maximizing our combat capacity. And we continue to achieve individual and collective training efficiency as we move forward.

Our sexual harassment and sexual assault prevention remains our top priority. While recent reports are clear that we have made some initial progress on sexual harassment and assault prevention, we still have much work to do. Our men and women deserve to be treated with dignity and respect and should expect a work environment that is free of harassment, assault, and retribution. A culture of inclusion and of mutual and shared trust is essential.

Chairman, I continue to be inspired by the unparalleled experience and professionalism of the men and women of the United States Army. They demonstrate unwavering dedication and commitment to the mission, to the Army, and to our Nation. We have units engaged in Afghanistan, Iraq, Jordan, Kosovo, and across the African continent. We have rotational forces in Europe, Kuwait, and throughout the Pacific to include Korea. We owe it to them to ensure they have the right equipment, the best training, and the appropriate family programs, healthcare, and compensation packages commensurate with their sacrifices.

The decisions we make today and in the near future will impact our soldiers, our Army, and our Nation for the next 10 years. The

burden of miscalculation and under-investment will directly fall on the shoulders of our men and women who we will ask to defend this nation. We simply cannot allow this to happen.

I look forward to working with you to solve these difficult problems, and I look forward to your questions. Thank you very much, Chairman.

Senator COCHRAN. Thank you, General. We appreciate your comments.

I'm going to yield to other Senators in order of their position on the committee and attendance to the hearing.

With that, I'm going to yield to the distinguished Senator from Illinois, Mr. Durbin.

Senator DURBIN. Thank you, Senator Cochran.

I have two questions. I'll pose both of them. Each of you can decide who will answer.

The first question is this: Sequestration is an awful alternative, and it is not only harmful when it comes to our national defense, it has equally onerous impact on our non-defense spending as well. So I hope we don't lapse or fall into this mindless strategy of following sequestration. I'm glad the President's budget did not, and we should not. I hope we have the leadership to overcome it.

Speaking of saving money, I've asked questions for many years around here, the Sampson Bowles Commission and other places, of the Department of Defense. Tell me about the contractors that are working for you. How many people are working as contractors, and what do they cost, and how many of them are being reevaluated or reduced?

It turns out most of the professional estimates say that a contractor employee costs almost three times as much as a civilian employee for the Department of Defense. The reports from the GAO (Government Accountability Office) suggest that the data coming out of the Department of Defense in general—and I'm not specifying the Army, Mr. Secretary, but in general—are not very specific in terms of keeping an eye on the costs there and reducing those costs where necessary.

So I'd like you to address what you're doing when it comes to contractors.

The second area is more specific, and it's a result of my sitting on a lot of airplanes reading a lot of magazines, and in this case reading Atlantic magazine and an article written by Robert Scales. It was entitled, "Gun Trouble," and I'll summarize it with this heading.

He says, "The rifle that today's infantry uses is little changed since the 1960s and it's badly flawed. Military lives depend on these cheap composites of metal and plastic, so why can't the richest country in the world give its soldiers better ones?"

So I'd like to ask you to address both of those questions, please.

CONTRACTOR EMPLOYMENT COSTS

Secretary MCHUGH. Well, if I may, Senator, I'll start on the contractor issue, and the data points that you referenced I think we all generally agree with as to a unit-for-unit cost, and we're doing everything we can to respond to that reality and to save money by reducing contractor reliance.

I would tell you, frankly, and I can't speak for the other services, the Army finds contractors in the right time and place is absolutely essential. What they do bring to the table is a necessary expertise, hopefully within not a prolonged state of time, the ability to bring them on and off-board them much more efficiently than we can a full-time civilian equivalent within the Army. So we will be using them.

But to your larger question, we measure contractors and full-time equivalents, FTEs, and over the last several years we've reduced and in-sourced contractor positions by more than 10,000. So that's a straight reduction of our contracting utilization, in no small measure because we're coming down in Afghanistan in numbers, but that's come down by nearly 13 percent. There's about 5,000 Army contractors left in Afghanistan at this moment.

So as part of our restructure initiative—and the Chief mentioned what we're doing at headquarters and up levels, taking 25 percent of the administrative staff—is trying to ensure that where we do use contractors, it's justifiable both in terms of the mission and in terms of dollars. Certainly, the Chief could add some more comments if he chooses to on contractor logistic support. As he mentioned, we're saving significant money there as well.

General ODIERNO. Chairman, two comments. We're absolutely aware of this issue of contractors, and what's important is over the last 10 or 12 years we became more reliant on contractors as we were burdened by two wars at the same time. So we're very conscious of the problem.

There are two things that I would suggest we are doing specifically. One is contractor logistic support. We took much of the work out of the hands of our soldiers and put it in the hands of contractors in order to meet the increased demand. We are in the process of significantly reducing that.

We have saved \$2 billion already in contractor costs by training our soldiers and giving them back the expertise that is necessary to sustain our equipment, and I expect that will double in the next several years as we continue to transition these responsibilities back to our soldiers, who I want to be experts in sustaining our equipment. Some of that had to do with the purchase of new systems as we were still at war.

The second part is at our installations. We have over-relied on contractors to do tasks at our installations that I believe can be done in many different ways to include using soldiers, because I think in some cases our soldiers—it's part of their training in order to be used in some areas. For example, guarding our installations. For us, they do that while they're deployed. It's an important task. It's a leadership task.

So we can reduce contractor costs by using our soldiers to do some of these tasks which we think are military related. So we are in the process of reviewing all of that.

We still have to take a look at where we have some contractors that are doing some things that I believe should be done either by Department of the Army civilians or by uniformed military, and we are continuing to look at that. So we understand and are working very hard to continue to work those efficiencies.

On our rifle, I would disagree with the comment that we do not have a good weapon system. We have made approximately—I think it's 96 modifications to our rifle over the last 10 or 12 years. We have done that by lightening the system, by giving it better sights, by giving it better ammunition, by continuing to make ease of use more reliable, and I'm very confident in the system that we have now, and I believe it still is performing extremely well, whether it be in Afghanistan, whether it was in Iraq or anywhere where we use it around the world.

Senator DURBIN. If you have not seen this article in the Atlantic, I wish you'd take a look at it and comment separately.

General ODIERNO. Thank you.

Senator DURBIN. Thank you.

Senator COCHRAN. Senator Shelby.

Senator SHELBY. Thank you.

ISLAMIC STATE OF IRAQ AND SYRIA

General Odierno, on November 7, 2014, President Obama authorized a further 1,500 troops, in addition to the 3,100 American troops already deployed to Iraq. That's my understanding. It's also my understanding that these troops have not been called up for deployment yet.

Given President Obama's recent request to Congress for an authorization for the use of military force, what role do you see, General, American ground forces playing in the battle against ISIS (Islamic State of Iraq and Syria)?

General ODIERNO. Senator, if you don't mind, first we do actually have 3,100 or about 3,000 in Iraq now. About 2,400 of those are U.S. Army soldiers, and they are there now.

Senator SHELBY. Okay.

General ODIERNO. Their role in Iraq right now is to train and advise Iraqi security forces, provide them the expertise and necessary competence in order to take the fight to ISIS. We are doing that on several fronts in Baghdad, up in Irbil with the Peshmerga, and out west in Al Asad Airbase.

Senator SHELBY. What can you tell us as to the progress that you feel has been made, if there is progress, on training a lot of these troops who we saw cut and run on the battlefield just a few months ago?

General ODIERNO. What I would say, Senator, is that my opinion is that the reason we saw them cut and run a year ago or 10 months ago has more to do with leadership than it has to do with training. I believe that the leaders that had been replaced were ineffective and inefficient, and I think that drove the young men and women to decide not to fight.

I also think a lack of confidence in their own government caused that. So an important part of the strategy is rebuilding the confidence in the government, and also us rebuilding the confidence of their soldiers in order to fight as we move forward.

Senator SHELBY. Will that be tested soon on the battlefield there?

General ODIERNO. It has begun to be tested. We've seen some success as we operated out west, and we'll continue to see it tested on the battlefield.

CYBERSECURITY

Senator SHELBY. General, I want to shift to another area, cybersecurity, which we have talked about before. Secretary Carter's testimony during his confirmation hearing last month, he affirmed that a cyber equivalent of Pearl Harbor is a threat that we face for which as a nation we're basically unprepared. I find that possibility to be disconcerting and worrisome. I'm sure you do as well.

I think we all agree that it's essential that we protect our nation against cybersecurity attacks. I understand that the President's budget request increases cybersecurity, or would increase the funding to \$5.5 billion.

Could you discuss just for a few minutes here the greatest cybersecurity threat to the U.S. stems from where, and what can we do about it, to combat this?

General ODIERNO. I believe that we're seeing the development, not only in certain nation states—Russia, China, Iran—but also in non-nation states, the ability to potentially conduct attacks on the United States, and I think it's important for us to understand that, in some ways, that's a very inexpensive way to try to disrupt the United States. I think it's something that we have to be very, very aware of, and it could be done on several fronts, whether it's attacking our governmental structure, our military structure, or it could be attacking our civilian infrastructure.

For me, I think it's something that is very, very important, and we are investing in that quite heavily right now.

Senator SHELBY. It's essential for our future security, is it not?

General ODIERNO. It is. It's absolutely a central part of our national security.

SPACE AND MISSILE DEFENSE

Senator SHELBY. General, I want to get into, with the few minutes I have here, the space and missile defense. I was pleased to see this year that the President's budget request—and we know it's just a request—\$8.1 billion for the Missile Defense Agency, which is an 8-percent increase over last year's budget request.

Could you discuss just for a minute or two the importance of adequately funding missile defense and how important it is for national security?

General ODIERNO. We're seeing a growing proliferation of ballistic missile capability, whether it be the testing we see in North Korea, whether we see the fact that the Russians seem to be reinvesting in their nuclear program as well. I think it's important for us to have the ability to protect our nation from these threats. It's important that we not only ensure that we have high readiness to all our ballistic missile forces but that we continue to look at more efficient and effective ways for us to protect our Nation and our forces that are forward deployed.

I would be remiss if I didn't talk about the ballistic missile threat that is faced by our soldiers that are operating in the Middle East as well. So we have a large portion of the Army ballistic missile force deployed around the world not only to protect our homeland

but also to protect our soldiers and citizens that are operating, as well as our allies, around the world.

Senator COCHRAN. Thank you, Senator.
The Senator from Vermont, Mr. Leahy.

HELICOPTER MAINTENANCE

Senator LEAHY. Thank you, Mr. Chairman. And again, I think all Americans—I just read more breaking news on the helicopter crash and the recovery of bodies. I can only imagine how awful both of you gentlemen must feel, and your colleagues, because you got the news first. Again, our thoughts and prayers go to the families of soldiers and Marines who were involved.

I would hope and maybe just ask a general question. We always see news when a helicopter goes down. It's one thing if it goes down in a combat area, if it was shot down. This went down in training. Is this something that is constantly reviewed by the Department of Defense, both the training and the readiness and maintenance of these helicopters?

General ODIERNO. Senator, absolutely. We review this constantly. We have monthly reviews of readiness. We also have a safety organization specifically responsible for understanding safety throughout the Army, but it spends a lot of its time specifically on aviation safety for the Army, and rotary wing safety. So we spend a lot of time and effort on this, making sure that we look at it thoroughly across the total force and that we pass lessons learned as we see mishaps occur throughout the force.

Senator LEAHY. We all know the training is necessary, and the training is often going to be under less-than-ideal weather conditions because you're training for combat and you don't know what the weather conditions are going to be, and we understand that. I have great confidence in both of you in maintaining the readiness and the review. Once the review has been done, I'd be pleased to have your staff let me know just what happened.

READINESS

I'm probably going to be parochial a bit. The Vermont National Guard's 86th Infantry Brigade combat team was the only National Guard brigade to attend the joint readiness training center last year. They've spent this year ready to deploy if called upon. It was the first brigade to go through this force generation cycle without then deploying to Iraq or to Afghanistan.

Are there additional resources and experiences that can help keep readiness level up in Guard brigades in their 1 year when they're not deploying?

General ODIERNO. So we have actually, over the last several years, our percentage of the budget that we're spending on the Guard has gone up, and it's because we understand that we have a challenge in sustaining the readiness levels. So what we're trying to do is we have a cycle, a sustainable readiness cycle that we're in the process of developing that will help us to sustain a higher level, or at least try to sustain an appropriate level of readiness in the Guard. But there are challenges. I would not be honest with you if I didn't tell you there are challenges with that because of the

budget that we have, because we relied a lot on our OCO budget to sustain a higher level of readiness in our Guard.

So what we're trying to do is take portions of the Guard and invest in them, and then we adjust it year to year. So, for example, as you mentioned, this year we gave more money to the Vermont National Guard, the 86th, to prepare for their rotation, and then go to the rotation. Now they are available if we need them. So if we have something that comes up, we will now use them over the next year or two, and we then provide them funds to try to sustain that after they come out of the rotation.

Senator LEAHY. And you were very forthright and candid about these problems, and I agreed with you on the problems on the budget when you and I met privately. I just would like to make sure that, whether it's the Vermont Guard or any other Guard, once they've gone through that training to get that degree of readiness, that we'd be able to utilize it in other things. None of us are saying let's go to war somewhere so we can utilize it, but that they'd be utilized in areas where they could be helpful to you and the Army.

I don't think Americans have an interest in becoming involved in another long war like Iraq or Afghanistan or Vietnam, but if assumptions about the duration of future conflict are again wrong, what additional risk would a total Army of 980,000 soldiers incur, and what strain would they have with a Reserve of just about half million soldiers?

General ODIERNO. If I could just comment, Senator. At the height of the wars in Iraq and Afghanistan, we had over 200,000 National Guard and Reservists on full-time active duty. So although the Active Duty was 500,000, we actually had almost 775,000 actually full-time Active Duty in order to meet the requirements.

So the assumptions that we've made are that our wars will be short duration and we will not conduct Phase 4 operations, which is a follow-up to any wartime, and I believe the risk is there. If the assumption is about 6 months to a year, frankly, if we get into a conflict, they last longer than that. So that will put a significant strain on our military, a significant strain on our Reserve and National Guard forces, because they provide the depth in order for us to sustain this over a long period of time, and I believe that we will be challenged to meet that at a 980,000 end strength if those assumptions are wrong.

Senator COCHRAN. The time of the Senator has expired.

Senator LEAHY. I have questions that I'll submit to the record for the Secretary on Apache helicopters. I would like an answer on that.

Senator COCHRAN. Without objection, the request is granted.

The Senator from Kansas, Mr. Moran.

Senator MORAN. Mr. Chairman, thank you very much.

Mr. Secretary, General, thank you for joining us.

Mr. Secretary, I appreciate your comments with regard to sequestration, the Budget Control Act. I didn't vote for the Budget Control Act for a number of reasons. The two primary of importance today is a belief that across-the-board cuts don't establish priorities. It suggests that every program has equal value and that therefore they all should be treated the same, and in my view we

should spend more money on some things, spend less money on some things, perhaps spend no money on others, and to defer to an across-the-board cut in my view demonstrates an irresponsibility on our part.

Secondly, I think the primary function and responsibility of the Federal Government is to defend our Nation, and defense cuts, while it was described as half the cuts coming from defense and half the cuts coming from domestic spending, the outcome is something significantly different from that, and I continue to pledge my efforts to work with my colleagues, many of them in this room today, as we try to find a solution.

You indicate that words are no longer sufficient, so I'm sorry that mine are just words at the moment, but I can tell you, Mr. Secretary, that many of us are actively pursuing a legislative fix to the issue of sequestration and the Budget Control Act, and I hope that we are successful for the sake of the defense of our Nation. I'm sorry that you have the difficult responsibilities the two of you have should we fail in that regard, but we want to give you the flexibility to make decisions that are based upon the best interests of defending our country. So, thank you in that regard for your service, and we look forward to working with you.

Mr. Secretary, I've asked for an appointment to see you. I hope that at some point in time we can accomplish that. I'm a new member of this subcommittee and I'd like to utilize your expertise to find out how I can do my job well based upon your experiences in the House and now as the Secretary.

Secretary MCHUGH. I absolutely commit to that meeting. I wasn't aware of that, but I look forward to it at your convenience. Thank you for your vote, some of that old House of Representatives wisdom no doubt.

FORT RILEY

Senator MORAN. When I was in the House, I despised the Senate. When I'm in the Senate, we despise the House. We ought to find the best of both bodies.

Secretary MCHUGH. And some despise—no, I won't say that.

Senator MORAN. I'm not sure I need your advice, Mr. Secretary.

You wouldn't be surprised for me to highlight a topic at Fort Riley, Kansas in our conversation this morning. Fort Riley is the home of the Army's 1st Infantry Division, known as the Big Red One, centered between Junction City and Manhattan, Kansas. We had a recent visit by a brigadier general, General Cloutier, part of the listening tour across the country. I thought that the General was very observant and very appropriate in the way he conducted himself in listening to Kansans, as well as viewing the great attributes that Fort Riley offers the Army and the country.

A couple of things that were said that day that I want to highlight to you, that Fort Riley is often overlooked at the Pentagon. Not everyone has served there, and it has great qualities that sometimes are not known by those here in Washington, DC.

One of the things that happened just yesterday that I wanted to highlight for you, Kansas became the first State ever to receive Statewide certification of authorization by the FAA (Federal Aviation Administration) for Statewide use of drones or unmanned aer-

ial vehicles (UAVs), and highlight to you that there are 100,000 acres of Fort Riley but 35,000 acres of Guard property, both land and air, now available to the Army, in part for purposes of unmanned aerial vehicle training, again something that is brand new to the ability to train and utilize that new mechanism by which we can hopefully win many wars without significant loss of life.

I was at Fort Riley on Saturday, saw the new Irwin Army Hospital. One of the things that was said at the listening post was how much infrastructure investment has occurred at Fort Riley, \$1.8 billion, including a new hospital to open this year of nearly \$350 million.

FUTURE AND STRENGTH REDUCTION

Here's the question I want to highlight for you and get your thoughts on today, you or General Odierno. How will the future end strength reduction affect the Army's force structure and the total number of brigade combat teams?

Secretary MCHUGH. If I can start off, I would just note, Senator, I can't speak for the Pentagon but Fort Riley is certainly well known and deeply appreciated in the Army portion of that building, and it is, as it has been, one of our most important facilities.

That really brings us back to the challenge that we're facing, the cuts that we're highlighting here and in our other hearings. They're not something we chose to do, but it's really an inescapable outcome of the budget realities that we're facing.

As to your specific question, we had a height in BCT and the active component of about 45 to 47. We're down to 32, with a 450K force, and the Active component will be down to 30. And as I mentioned in my opening statement, should sequestration return in 2016, although it's a back-of-the-envelope calculation, we'd be looking at another six BCTs, four of which are likely to be Active.

So just the major fighting components that we have, our BCTs, are greatly diminished from recent numbers, and obviously it places significant limits on our capacity to go out and do other things.

I'm going to put in what I know will be a very unpopular comment here. Another part of the challenge and one of the reasons, again as I mentioned in my opening comments, that we're looking at having to make reductions across the entire structure of the United States Army, every post, camp and station should sequestration return, is that we don't have BRAC (base realignment and closure) authority.

I went through three BRACs when I was a member of the House, and I know how hard they are, and I lost a base, and it was one of the more painful things I've had to deal with in many, many years. But absent the authority to truly take out excess infrastructure, we have to again distribute the cuts and distribute where we're taking forces across the broader range. So it ends up that it actually helps more bases to actually authorize a BRAC than hurt it.

Right now, we're paying about \$500 million a year, roughly, just to maintain empty infrastructure, unused infrastructure. That's a \$½ billion that we'd like to put into training and into readiness, into family programs, into any number of good areas. That's one of

the reasons, at about 20 percent excess capacity in the Army, just a rough estimate, we think a BRAC would help us to alleviate a significant part of the cuts that we're all looking at and that, understandably, the folks at Fort Riley and just about every other post, camp and station are understandably concerned about.

Senator COCHRAN. The time of the Senator has expired.
The Senator from Hawaii, Mr. Schatz.

U.S. ARMY PACIFIC

Senator SCHATZ. Thank you, Mr. Chairman. Thank you, Ranking Member Durbin.

Thank you, Secretary McHugh and General Odierno. I appreciate you being here today.

I share the concerns of every member of this committee, and certainly the two of you, about the effects of sequester on the Army. These arbitrary spending limits will force you to make hard choices, almost impossible choices, about how to invest in the Army's future, assuming risks that would have consequences for our soldiers, their families, and the national security interests.

That's why Vice Chairman Durbin and I introduced the Sequestration Relief Act, and I know there are other members working on other legislative solutions. But our bill provides breathing room for both defense and non-defense budgets this year, and I hope my colleagues will embrace common-sense alternatives. We've got to repeal sequester.

General Odierno, I'd like to discuss with you the SPEA (Supplemental Programmatic Environmental Assessment) and the potential consequences for soldiers and civilians at Schofield Barracks and at Fort Shafter in Hawaii. The USARPAC (U.S. Army Pacific) is doing such incredible work in Hawaii and throughout the Asia Pacific region, General Brooks and his excellent leadership throughout the region, but also specifically in PACOM (U.S. Pacific Command) and on the island of Oahu. He's been doing excellent work in positioning Hawaii as we pivot and rebalance to the Asia Pacific region.

So my first question for you, General, is do you believe it is the right strategic choice to cut soldiers from Hawaii given our priority on the Asia Pacific rebalance?

General ODIERNO. Thank you, Senator. As you might know, I was just there. I visited recently. So for us it's important because of distance and having them available there in Hawaii, that they are prepared to conduct operations in the Pacific. So they're very valuable for us, both U.S. Army Pacific—we've actually invested a new four-star position there, as you mentioned, and our forward-deployed combat teams, as well as our sustainment and other capabilities there are critical to the region.

So for us, they are an important part of the strategy. It is a place that we deem to be incredibly important. But as the Secretary said, unfortunately, no matter how important we deem it, these cuts based on sequestration will touch everywhere, even though they are forces that are so important to our national security.

But as I've said publicly, the forces that are in Hawaii are very important to our strategy as we rebalance.

PACIFIC PATHWAYS INITIATIVE

Senator SCHATZ. Thank you, General.

I want to talk a little bit about the Pacific Pathways initiative, which is designed to develop relationships and elevate the Army's commitment to the region. I'm glad to see these efforts are backed up with the Army assigning more soldiers to PACOM. But obviously, cutting soldiers from Schofield and Shafter would walk that back.

Could you talk a little bit about the Pacific Pathways initiative, what you've been able to accomplish, and how sequester would threaten that progress?

General ODIERNO. So the important part for us is that many people don't realize that eight out of the ten largest land armies in the world are in the Pacific. The majority of the influential services in each one of them are actually Army forces. So what Pacific Pathways has allowed us to do is engage in a much more systematic and capable way with our force.

For example, we did an exercise this year where we had units deployed to Indonesia, Malaysia, and Japan to do joint training with those forces. That enables us to build partnerships, to build relationships, and to gain access to very important parts of the Pacific region as we look to execute our national security and regional security issues. It's starting to open doors for us in places like Vietnam, and other places as well. So for us, it's essential to our strategy of the future.

If sequestration occurs, it's going to do two things. First, it will make it more difficult for us to fund exercises and training exercises like Pacific Pathways, and it could reduce the volume of capability that we have in order to conduct exercises and reach out to these very important countries as we try to develop mutual understanding and security relationships across the Pacific.

ASIA PACIFIC REBALANCE

Senator SCHATZ. And just a final question. I have just about 40 seconds left. Could you talk about the signals that might be sent under the sequester in terms of whether or not both our friends and our allies believe that we're really committed to the Asia Pacific rebalance in the case that we have to pare back our presence in the Pacific?

General ODIERNO. I think our ability to deter and compel are very important aspects of what we do. I think Admiral Locklear is very succinct when he talks about this. Our job in the military is to prevent war, and our job is to shape the environment that makes it a better place for our country. And I believe the potential, if we have to reduce our capacity and capabilities there, affects that, our ability to shape a very important region for us, which is the Pacific region.

Senator SCHATZ. Thank you, General.

Thank you, Chairman.

Senator COCHRAN. Thank you, Senator.

The time of the Senator has expired.

The Senator from Missouri, Mr. Blunt.

MEDICAL FACILITIES

Senator BLUNT. Thank you, Chairman.

I wouldn't want to be the only person on the panel that didn't mention bases in our State. I know you both visited Fort Leonard Wood within the last year or so, and I would suggest again that's one of the locations we have, and there are a few others, but there's no energy problem, there's no water availability problem, there's no environmental problem, there's no encroachment problem.

We did have a hearing, as Senator Moran mentioned, that they had of the SPEA (Supplemental Programmatic Environmental Assessment) group. The Governor was there. I was there. Senator McCaskill, who serves on the Armed Services Committee, was there. Congresswoman Hartzler, who serves on Armed Services in the House, was there. In addition, there were 2,000 people at Nutter Field House, and they had an overflow facility that they put people in who could listen to that hearing. You have both been there. You know the incredible community support for that facility. I'm not sure there's a turnout that compares to that.

I was told by the person who conducted that session that there had been 11,000 emails regarding these various sessions, and over 4,000 of them came from the Fort Leonard Wood community, and having been there, you wouldn't be surprised by that.

General, there's one question I do have that relates specifically to the Fort. I don't think we've told you that question was coming, so you may want to take it for the record. But the Surgeon General last year, when I was serving on the Armed Services Committee, said that the number-one medical priority for the military was on MILCON (Military Construction), was the hospital at Fort Leonard Wood. It then went off the FYDP (Future Years Defense Program) for 2015. It's not on the FYDP for 2016. It serves that facility. It also serves quite a bit of the community.

The last upgrade there was about 40 years ago. At least a year ago, the Surgeon General for the Army was still saying this was the number-one priority for medical facilities. Do you want to respond to that?

General ODIERNO. I would just say it remains very high on our priority list. The bottom line is our MILCON (Military Construction) budget. Because of the reduced dollars, we had to take risks. So that is one of the areas we have taken risk.

It is still a priority for us to get an upgraded medical facility at Fort Leonard Wood. The problem is we simply don't have the dollars to do that right now, and we understand the fact that it is in great need. So as the Surgeon General has stated, it's clearly her top priority. So as we go forward, we had to choose where we took risk, and that was one of the places we decided to take risk. Frankly, it's one of those very difficult decisions we have to make.

Secretary McHUGH. It was precisely that, as the Chief said, Senator. It's a MILCON, a MEDCOM (U.S. Army Medical Command)/MILCON cut that caused us to have to realign not just that facility but a number of others. It's not a place where we particularly enjoy taking risk, for obvious reasons. But if you talk to some of your colleagues, we have other hospital projects that have been similarly

delayed that we want to get to as soon as we can. But as I know you understand, it's a product of money available.

Senator BLUNT. While we're talking about medical, I will say something. I know both of you were supportive of, and I've been really active in that same hearing. I asked the Surgeon General of the Army, based on the NIH (National Institutes of Health) view that one out of four adult Americans has a mental health issue, diagnosable and almost always treatable, would that be different in the military? And her answer was no.

She said we recruit from the general population. We don't have any reason to believe that that same impact is not in the military, and whatever we can do to continue to move, as we are moving, mental health into the area of all other physical health so it's treated the same way, expensed the same way, available to dependents and retirees the same way, and I know you're both supportive of that.

Secretary MCHUGH. We are dedicating significant resources, particularly in hiring behavioral health specialists. When I first came to this job nearly 6 years ago, our stated requirement for those professionals was about 2,300. It's now over 5,500. We're about 85 percent of that filled.

The reason for that growth is that we have begun to recognize, as we should, that the need for these kinds of providers is absolutely essential. So we've embedded behavioral health specialists at the brigade level. We've tried to get the care delivery system further disposed out through our ranks, and I would say as well another part of it is the de-stigmatizing, the reaching out for help. There is a certain attitude in the military that you just pull yourself up by the bootstraps, number one. And number two, if you do get help, somehow that will hurt your career.

We have worked hard to make it easier for soldiers to reach out for mental healthcare, and if you look at the number of help-seeking activities that have occurred, they have grown astronomically, as they should. That's what we want. I think we're getting there, but it's been a long fight, and it will be a long fight yet to go given, as the Surgeon General and you noted in your data, the very widespread nature of these challenges.

Senator COCHRAN. The Chair has to advise the Senator that his time has expired.

Senator BLUNT. Thank you, Chairman.

Senator COCHRAN. The Senator from Washington, Ms. Murray.

ASIA PACIFIC REBALANCE

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

Mr. Secretary, General, it's good to see you. Thank you for being here.

General Odierno, during the brigade combat team realignment a few years ago, the Army cut units from bases across the country. And if the Army is forced into further reductions, I want to be sure that it will be a well-balanced, strategy-based approach. The units and bases in my home State of Washington are really critical to our national security strategy, including the rebalance to Asia and the threat of instability on the Korean Peninsula.

We need more investments in Washington State, certainly not more cuts, and I just wanted to say I really hope that you will really protect those critical assets.

General ODIERNO. Ma'am, Senator, as we move forward, we'll take into consideration not only strategy. We'll take and consider the mix of heavy, Stryker, light. We've got to make sure we sustain the right mix of capabilities, and that's part of the assessment that we'll do. It will be based on strategy and need, and that will be the underlying, the most important factor as we look at where we need to go.

SEQUESTRATION

Senator MURRAY. Okay. And I also wanted to thank you for your focus on helping soldiers transition successfully when they leave the Army. And I especially want to thank you for standing up the Soldier for Life Office and all the focus you've brought to improving the transition programming.

If the Army is forced to make serious cuts to force structure under sequestration, I wanted to ask you how will the Army make sure those critical transition programs have the resources to support the number of soldiers that will be separated?

General ODIERNO. There's two things that we've learned. First, we are absolutely dedicated to this because, as you mentioned, the Soldier for Life program, we want those who leave to understand that they gained from being in the Army, and that helps us in the long run.

Secondly, it's a combination of our resources and using the private sector resources that are out there. What we have found is there are so many organizations that want to work with us. We've had some great programs, as you know, out of Fort Lewis that have helped us to do this. So we want to invest in where we use our resources to help us find the private resources that can help us to transition. You have my word that we will continue to dedicate ourselves to that as we transition.

JOINT BASE LEWIS-MC CHORD

Senator MURRAY. Okay. I think that everybody wants to participate in that, and we want to make sure that that's ongoing.

And finally, I know you absolutely share my view that soldiers deploying in harm's way should have what they need to get their jobs done safely and effectively. My office has been working with the Army for the last several months to speed the consideration of an operational needs statement for a unit from Joint Base Lewis-McChord. I understand the need to carefully consider these requests, but this unit is already deployed, and we're told this process is still going to take a few more months, and I'm concerned about how long this is taking.

I really believe, General, that this issue needs your personal attention. Can you give me your commitment on that?

General ODIERNO. It's been approved.

Senator MURRAY. It's been approved. When will they be notified?

General ODIERNO. They should have been notified already, in the last couple of days.

Senator MURRAY. Okay. I appreciate it.

General ODIERNO. This process we've been working through, it's a process that took a little bit too long.

Senator MURRAY. Yes.

General ODIERNO. But it has been approved.

Senator MURRAY. Okay. Thank you very much. I appreciate that. Thank you, Mr. Chairman.

Senator COCHRAN. Thank you, Senator.

The Senator from South Carolina.

SEQUESTRATION

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

Thank you both.

We have Army bases, Fort Jackson in South Carolina, and we're very proud of what Fort Jackson does for the Army. So rather than asking you about Fort Jackson, I think, Mr. Secretary, you expressed very well that if the Army continues to have to implement sequestration numbers, the Army is going to be much smaller, and if you don't have a BRAC, we're really putting the Army in a bad spot.

Secretary MCHUGH. Certainly a much more difficult spot.

Senator GRAHAM. So at the end of the day, as much as we all love our bases, we're going to have to address this problem. And if we want to insist upon sequestration, then we'd better be willing to go back home and tell people you can't get there from here, and everybody that's open today is not going to survive. Does that make sense?

Secretary MCHUGH. It does.

Senator GRAHAM. Okay.

General Odierno, how many years have you been deployed since 9/11?

General ODIERNO. Approximately 6 years, sir.

Senator GRAHAM. Your son lost his arm. Is that correct?

General ODIERNO. Yes, sir.

Senator GRAHAM. You're a pretty typical military family in that regard, aren't you?

General ODIERNO. Yes, sir.

Senator GRAHAM. You're a four-star general, but there are other people under your command who have been deployed for 6 years or longer. Is that correct?

General ODIERNO. Yes, sir.

Senator GRAHAM. And they've lost friends and been injured themselves. Would you say this has been a long war?

General ODIERNO. Yes, sir.

Senator GRAHAM. Do you think the war is remotely over?

General ODIERNO. No, sir.

Senator GRAHAM. If we are smart, once we clear ISIL out of Iraq, if we can ever do that and not give the place to Iran, would you recommend a residual force to maintain the gains we've—

General ODIERNO. I think one of the things that we have not done a very good job with is consolidating our gains, and I think it's important that we come up with a way to do that.

Senator GRAHAM. Well, General, this is an important moment because we've got to figure out what kind of military needs we're going to have. So, from a commander's point of view, it would be

very wise to leave a residual force behind this time so the same thing doesn't happen again.

General ODIERNO. I would say we should take it under real consideration. I think it does make a difference.

Senator GRAHAM. Do you agree that if you don't leave any American forces behind, it's likely to happen again?

General ODIERNO. I think what it does, it keeps us engaged and reduces the possibility of it happening.

Senator GRAHAM. Yes, and that makes us safer.

General ODIERNO. It does, absolutely.

ISLAMIC STATE OF IRAQ AND THE LEVANT

Senator GRAHAM. We're at risk by ISIL, right? ISIL is just not a regional problem. It's a threat to the homeland?

General ODIERNO. It is growing. It is growing across the region. I think over time, it's going to become a threat regionally and internationally.

Senator GRAHAM. Gotcha. Would you recommend that we look at our force structure in Afghanistan based on conditions, not just an arbitrary date?

General ODIERNO. I always believe we should do a conditions-based strategy.

Senator GRAHAM. If we can find a force to go in and destroy ISIL in Syria, if we can ever find one, would we be smart to make sure Syria doesn't go bad again?

General ODIERNO. That would be in our best interest, Senator.

Senator GRAHAM. Okay. Would you agree with me, when you look down the road, the Army is going to be fighting terrorism over there for a long time to come, if we're smart?

General ODIERNO. I think we'll be fighting terrorism, and I also think there will be some other regional instability that we're going to have to deal with.

Senator GRAHAM. Okay. So is this a generational struggle?

General ODIERNO. I think it's—yes, I do. I absolutely agree with that.

Senator GRAHAM. So from a planning point of view, the likelihood of us being deployed forward to deal with what is a growing threat is high.

General ODIERNO. Yes.

Senator GRAHAM. And there are other problems just beyond terrorist organizations. Is that correct?

General ODIERNO. That's correct, Senator.

Senator GRAHAM. We want to have a deterrent effect against rogue nations.

General ODIERNO. That's correct.

SEQUESTRATION

Senator GRAHAM. If that's the case, then why would we even consider going down the sequestration road? Can you give me a good reason why we would do that?

General ODIERNO. No, I cannot. In fact, if I could just make a quick comment on what you just said, one of the things that we're really having a problem with, as you bring combatant commanders

in to testify, they're going to tell you that they need more forward station capability.

Senator GRAHAM. Which protects us.

General ODIERNO. Which protects us. And the problem we have is as we reduce our force structure, it makes it more and more difficult for us to provide forward stationed forces, which puts us more at risk. That's one of the problems we're having.

Senator GRAHAM. Obviously, it makes it more difficult to modernize.

General ODIERNO. Right.

Senator GRAHAM. Are you looking for a fair fight in the future with the enemy?

General ODIERNO. No, sir.

Senator GRAHAM. I'm looking for an overwhelming, decisive advantage over the enemy, and that will be lost if we don't modernize our forces, because wars change.

In terms of morale, how is morale given the uncertain nature of the budget?

General ODIERNO. So, for the Army, I would say as I go around and I see our soldiers and they're preparing, they inspire me. They continue to do what they're asked. That said, there's a lot of pressure on our soldiers right now, especially in the Army, because of the massive reductions that we've already gone through and the massive reductions that we're facing. There's uncertainty. And then on top of that, there's lots of discussion about pay and benefits. There's lots of discussion about retirement. There's lots of discussion about other things. And all of this is putting pressure on them and their families.

And so although we have not seen the breaking point yet, I worry when that will occur in the future.

Senator GRAHAM. One quick question. I know my time is up.

Senator COCHRAN. Your time has expired.

Senator GRAHAM. Could I just have 30 seconds, Chairman?

Senator COCHRAN. The Senator from South Carolina.

Senator GRAHAM. Thank you.

Great Britain is having an argument among itself about how much to spend on their forces. Is that correct?

General ODIERNO. That is correct.

Senator GRAHAM. Is it a fair statement that the free world is reducing its military capability across the board as radical Islam and rogue nations increase their capability?

General ODIERNO. My assessment is the majority of our allies are in the process of reducing their capabilities today at a significant rate.

Senator COCHRAN. The Senator from Alaska, Ms. Murkowski.

Senator MURKOWSKI. Thank you, Mr. Chairman.

RUSSIAN ACTIVITY IN THE ARCTIC

General, Secretary, welcome. Thank you for all that you do, your leadership.

I want to move from questions about the hot spots to colder places and hopefully keeping colder places from becoming hot spots.

Last week in testimony before the Senate Armed Services Committee, Chairman Dempsey made mention that the Russians are

standing up six new brigades, four of them to be placed in the Arctic. The Secretary followed up that the Russians are, in fact, very active in the Arctic. That prompted a letter to both of you from the full Alaska delegation, suggesting that instead of drawing down the Army presence in Alaska, which was the subject of the listening sessions up there last week, that perhaps the Army should be doing exactly the opposite; in fact, growing its presence in Alaska.

So to you, General, can you expand on the statement that the Chairman made last week, and the Secretary, about Russian activity in the Arctic? What is Mr. Putin up to here?

General ODIERNO. So we have seen over the last several years an obviously increased interest in the Russians in the Arctic. There are clear indications, as the Chairman mentioned, that they are increasing their presence and building bases so in the future they will be able to increase their presence and have an impact in the Arctic region, and it's one that clearly has gotten our attention.

Senator MURKOWSKI. And given that it has gotten your attention, what are you doing to adjust your plans within Army going forward?

General ODIERNO. So first off, what I'm waiting for is we need a strategy of how we're going to deal with the Arctic from NORTHCOM (Northern Command), who is responsible for that. And as they develop that strategy, we will then work to see what our contributions are to that strategy. I have talked to the commander of Army Alaska who has some thoughts on this. So we have taken that from him and we are looking at that internally to the Army now to see what that means to us in the future. So we are taking a look at that.

But we have to rely on NORTHCOM in order to develop a strategy that would allow us, then, to understand what our commitments need to be.

Senator MURKOWSKI. We've had discussion over the past several years, talking about whether it's prudent to reduce Army's presence given the pivot to the Pacific, the realignment there, and you've responded several times that the Army didn't view it as prudent to reduce its presence in the Pacific because Alaska sits at the top of the Pacific there.

So I'm taking from our conversation here this morning that you would agree that it is not wise for a change in view or change in perspective as it relates to the Pacific and Alaska's role.

General ODIERNO. Senator, I have not. I believe it's an important piece of what we do in the Pacific. That's the problem we have now. There's lots of areas I could make that same comment, and that's the problem. We now have to make difficult decisions that impact our security, and that's somewhat distressing, frankly.

SMALL UNIT SUPPORT VEHICLE

Senator MURKOWSKI. Distressing for all of us.

I understand that you were back home in Alaska, my home, in Alaska in February to observe our U.S. Army Alaska troops in training. You got to go out to Black Rapids. I think they treated you well. I'm told that the weather was about 40 below zero, which is a good sense of what it means to be Army strong, Arctic tough, because it really does develop a toughness out there.

But just in terms of our preparation as an Army in dealing with interests in high altitudes and cold places, you've got some pretty exceptional training grounds right there. But I think we also need to recognize that perhaps we have some of the requirements, the assets that are perhaps not sufficient or not ready for Arctic climate, specifically the SUSV (Small Unit Support Vehicle). Can you speak very quickly to the Arctic focus here?

General ODIERNO. So, first off, the ability to conduct training and the necessity for us to be able to have that capability is important. So I would say, first of all, the overall training is unmatched anywhere. I also believe we can actually use it for other things beyond just Arctic training. I think the capability, the training areas up there could help the Army in many different environments because of the terrain, because of the elevation, and because of other things. So I think it has broader application as well, and I've asked us to take a look at the broader application in how we can use that.

In terms of SUSV, it is problematic. It is a program, as you know, we have not invested in. We're maintaining what we have, but we have not invested in any improvements. I think that's something that as we look to the future, we have to take a look at how we want to operate in a very cold weather environment, what our capabilities are.

The problem we have is we simply don't have the budget right now and the modernization capability to do it as it falls on our current priority list. That does not mean we don't think it's essential or important. It's just not high enough right now for us to invest in that.

Senator MURKOWSKI. Thank you.

Thank you, Mr. Chairman.

Senator COCHRAN. Thank you, Senator.

Senator Shelby has asked for recognition.

Senator SHELBY. Thank you.

Secretary McHugh, we see from our testimony and our basic knowledge of what's going on in the world, you do and the General does, we've discussed here. As we reduce our forces because of sequestration and other things and we're living in a dangerous world with a resurgent Russia, a looming threat from China down the road, turmoil in the Middle East which is probably going to be with us a long time, it just defies logic that we would not fund our military, our Army, our Navy, our Marines, our Air Force, realizing the threat now and the threat in the future to the security of this country. That's been well said. Do you agree with that?

Secretary MCHUGH. Absolutely, Senator. I want to acknowledge, however, the challenge that lies before all of you. If sequestration were easy to fix, I believe with all my heart you would have fixed it already. The political challenge, small P, of getting 435 members of the House and 100 members of the Senate to agree, at least a majority of each, on a way forward and to get it to the President, who hopefully will sign it, is, I understand, a high mountain.

But the challenges that you describe, Senator, and that many of your colleagues have spoken about on this day are absolutely real. And again, as the Chief noted in his opening comments, if we go to sequestration with 420,000 in the active component, we cannot

meet the Defense Strategic Guidance, which I think is a very dangerous place to put this country.

Senator SHELBY. Do you believe it's incumbent upon you and the General, as well as us, the Members of the Congress, and the President, to tell the American people the truth of the threats in the world over and over? Because we can't fund defense on the cheap and expect to be the number-one military power in the world and protect our interests in the world, as I see it. Do you disagree?

Secretary MCHUGH. I fully agree with what you say, and that's why we appreciate opportunities such as this.

Senator SHELBY. Absolutely.

Secretary MCHUGH. Because it gives us the very important chance, through your questions, to put a fine point on exactly the risks that we'll be taking and to better describe them, because most Americans in their lives, thankfully, have other things that gain their attention rather than the threats that all of you deal with, and obviously we're dealing with as well. We need to help them get a better picture of that.

SUPERSONIC WEAPONS

Senator SHELBY. Secretary McHugh, moving into some specifics here, reports indicate that China completed a third flight test of its hypersonic weapon in December of last year. Shouldn't we complete a third flight test of our own supersonic weapon? And what do you expect to be the timeline, if there is one, and I hope it would be, for operational deployment of the advanced hypersonic weapon, should the need arise? And how important ultimately is the advanced hypersonic weapon to deterring this hypersonic weapons threat from hostile nations, or would-be hostile nations like China and Russia, and wherever else?

Secretary MCHUGH. As you noted very accurately, Senator, our potential adversaries continue to show great interest in and develop that hyper technology. We believe that we have to advance a similar effort. As I know you're aware, the Army did a test in I believe it was 2014 to test the current level of technology of our hypersonic weapons platforms. That was successful. We did have some launch problems in a scheduled follow-up test. My understanding is now the Defense Department has scheduled a Navy-led test. I believe it's in fiscal year 2017.

And as it is with all things, particularly in these kinds of high-tech, S&T-centric developments, funding is absolutely essential.

FORT RUCKER

Senator SHELBY. I'm going to shift to another area, to Fort Rucker, Alabama. It's my understanding that the Army has conducted or is conducting a feasibility analysis of moving two warrant officer courses from Fort Rucker to Fort Leavenworth. According to the data—and I don't have all the data—that I've received, there would be no savings there.

Do you want to speak to that, or can you furnish the committee the analysis you're coming up with where we can look at that?

Secretary MCHUGH. I can certainly do both. You're correct, we are conducting a cost benefit analysis (CBA) of our warrant officer training program writ large. Part of that would be the efforts and

the training aspects that you've mentioned. That CBA has not yet been finished. I believe we have, through letters, made a commitment to you, to come and to brief you on the results of that analysis.

Senator SHELBY. Absolutely.

Secretary MCHUGH. But the entire initiative is progressing. I don't want to mislead you or other members of the committee, but we have not yet completed the study that you mentioned.

Senator SHELBY. You mentioned some excess capacity earlier in our forces and probably a need down the road for a BRAC, which none of us particularly like and often fear.

Secretary MCHUGH. I understand.

Senator SHELBY. But I was thinking about Fort Rucker as the helicopter training, basic training for the Army and the Air Force, and so many other things. But it's not the basic training for the Navy and the Marines. We've been down that road before. But haven't there been some studies that would show great savings if we did that, if we did the basic training at Fort Rucker of all the military? I'm not talking about specific, the Marine's specific missions, and the Navy has. I'm talking about the basics.

Do you want to address that, or do you want the General to?

Secretary MCHUGH. I'll defer to General Odierno. Of course, that would be a Defense Department-level decision.

Senator SHELBY. There's some inner-service rivalry there. I understand that. And we probably can't solve it here today. But it's something, if we're starting to say we need to save money, and we do, and we've got to have money to have the number-one security forces in the world, we've got to look everywhere. But, go ahead.

WARRANT OFFICER TRAINING

General ODIERNO. Senator, I'm not aware of a study we've done on this, but certainly it's something we can take a look at, and I think it's worth taking a look at, working with the other services.

If I can just comment on the warrant officer, I am not happy with our warrant officer training. I just want to make sure you understand that. And it's not just in Fort Rucker. In very general terms, I believe we have to do much better in training our new warrant officers and our senior warrant officers, and we are in the process of revamping this program so it is a combination of cost benefit analysis as well as providing a place where we can do the right training with the right access to our educational institutions.

So, we owe you an answer on that, but it's something that's very important to me, sir.

Senator SHELBY. Well, it's very important to have the best training. It's also important to have the best savings. Both, right?

Thank you, Mr. Chairman.

Senator COCHRAN. Thank you, Senator.

The Senator from Missouri.

Senator MORAN. From Kansas, Mr. Chairman.

Senator COCHRAN. From Kansas.

Senator MORAN. Thank you very much. Although I would follow up on the comments from the Senator from Missouri, the listening tour that involved General Cloutier in Kansas was very well received. The general indicated that the Army knew the square foot-

age of Fort Riley, knew he had all the facts and figures, but came to learn about the heart of Fort Riley, and 4,300 Kansans showed up at Fort Riley, at Junction City, Kansas, to demonstrate their love and care, compassion for the soldiers who serve at Fort Riley, who are deployed from Fort Riley, and their families.

I wanted to compliment the Army. I was, as I said earlier, at Irwin Army Hospital on Saturday last, and a major improvement in the facilities, a great opportunity for us to care for soldiers and their families. We understand that we are one of a few that have that new facility in the works, and we appreciate the Army's decision to proceed with that hospital.

I also want to ask a couple of questions, perhaps for the record. But I wanted to ask you, General, the division headquarters from Fort Riley is now in Iraq. General Funk is leading our operations in Iraq. We are expecting his return to Kansas, to Fort Riley, later this year. We would invite and welcome you both to be there to welcome General Funk and his mission, the division headquarters, home.

ISLAMIC STATE OF IRAQ AND THE LEVANT

What do you see happening next in Iraq and the war on ISIL?

General ODIERNO. This is something we see going on for some time. The 1st Infantry Division will be replaced by another headquarters that will go in and do that. We have not yet announced that, but we will soon. So I can see this continuing for some time. The President has said 3 years. I would say it will be that minimally, and we'll have to look to see. We'll go back to the President if we need longer than that. But I see this going on for some time.

The other comment I would make, by the way, and you mentioned UAVs earlier, we just made the first appointment of our Gray Eagle UAV that came out of the 1st Infantry Division, and they are now in Kuwait, and they will stand up and really conduct the first combat operations of our Gray Eagle capability under Division control. That's a very important step for us in our investment, and it goes back to the comments you made about the ability to train with that at home station is very valuable to us. It's going to be an integral part of our ability to conduct future warfare. So I think this is a very important milestone for us as they are now deployed in Kuwait to support this operation.

Senator MORAN. General, thank you for saying that. I wasn't very articulate in my comments, but the point I was attempting to make was that while there are 100,000 acres at Fort Riley, there's another 35,000 acres at Great Plains Training Center located near Salina, home of Kansas State University—Salina, and Kansas State University has received the Certificate of Authorization from the FAA this week for the use of unmanned systems statewide. And that we see in Kansas as a significant development not only militarily but commercially. It's a significant development.

Let me ask the Secretary in the time that I have left, Mr. Secretary, perhaps these are questions for the record, but for each of the seven division-level Army posts, could you tell me, give me a cost comparison on the following factors and describe how they might inform stationing recommendations and decisions?

BCTs to sustain a division headquarters and a two-brigade combat team set to be housed and maintained at readiness level as part of the Army force generational model?

Environmental; what are the installation environmental management costs?

What are the operations and maintenance costs?

And what's the population density, and how does the Army consider potential impact on future growth when making stationing decisions?

So I'm looking for the comparison in costs among those seven installations.

Mr. Secretary, if it would be helpful, I'll just submit that question to you in writing.

Secretary MCHUGH. I wish I had the command of knowledge that that very insightful question requires, but I don't.

Senator MORAN. I wish I had your political skill in responding.

Secretary MCHUGH. I have a lot of different ways to say I don't know, but we'll certainly do our best to get that information to you.

Senator MORAN. Thank you very much, and I look forward to us having a meeting sometime.

Secretary MCHUGH. I, too.

Senator MORAN. Thank you.

Thank you, General.

ADDITIONAL COMMITTEE QUESTIONS

Senator COCHRAN. If there are no other questions for the panel, we want to express our appreciation for your cooperation and your attendance here today and your willingness to respond to our questions. We thank you for not only your testimony but your distinguished service to our nation as the leaders and commanders of our armed forces.

We're very grateful for your distinguished service, and we look forward to a continuing dialogue throughout the fiscal year 2016 appropriations process. Senators may submit additional written questions, and we would request that you respond to those when we submit them.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO HON. JOHN M. MCHUGH AND GENERAL RAYMOND T. ODIERNO

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

DEACTIVATION OF NATIONAL GUARD BRIGADE COMBAT TEAMS (BCT)

Question. During the Army's 2015 budget hearings this office submitted questions for the record inquiring about the prudence of imposing drastic force structure cuts to ground units in the Army National Guard—a particularly relevant topic given the numerous crises occurring throughout the world today. As an example, Mississippi is home to the 155th Armored Brigade Combat Team—a combat hardened unit that ranks as one of the most capable and technologically modernized brigades within the National Guard having recently fielded the new M1A2 SEP Abrams Main Battle Tank, the new M2A3 Bradley Fighting Vehicle, and upgraded to the latest digital communication suite of equipment. As part of total force reductions directed by the Army, the 155th is one of the BCTs identified for elimination. Why, given our current budget constraints, is there a push to disassemble National Guard units that

we have invested substantial resources in—units that cost significantly less than their Active Component counterparts to maintain?

Answer. To meet the reductions imposed by the Budget Control Act and the resulting sequester and achieve the right balance among the three components, we looked to the Secretary of Defense's guidance that we not retain structure at the expense of readiness. We also considered Combatant Commander warplan requirements, operational commitments, future requirements, costs, and necessary readiness levels. Additionally, we directed that initial cuts should come disproportionately from the Active Component (AC) before the Army National Guard (ARNG) or United States Army Reserve (USAR). The result is a plan that recognizes the unique attributes, responsibilities, and complementary nature of the three Army components, while ensuring the ARNG and USAR are maintained as an operational, and not a strategic, reserve. The Army has yet to formally announce which formations in the ARNG will be reduced. The timeline for the ARNG force reductions mirrors the total Army's under this budget submission. If the AC reduces 40 thousand soldiers from 490 thousand to 450 thousand by fiscal year 2017, the ARNG will reduce 15 thousand from 350 thousand to 335 thousand by fiscal year 2017. Also, if sequestration level funding remains in place and the Active Army reduces another 30 thousand Soldiers from 450 thousand to 420 thousand, the ARNG will reduce another 20 thousand Soldiers from 335 thousand to 315 thousand by the end of fiscal year 2019. Currently the ARNG will reduce one BCT in both fiscal years 2016 and 2017 and two more, one in fiscal year 2018 and fiscal year 2019, if sequestration remains for a total of four. All Army reductions (AC, ARNG and USAR) are considered through the lens of the total force and a collaborative approach. We work with the ARNG and USAR on all force structure decisions with the final decision resting with myself.

We are currently conducting Listening Sessions at the Army posts and communities that may be affected by the drawdown. Once completed, we will evaluate the comments and make a decision on where to reduce in the future. An announcement is not expected before the end of June 2015.

QUESTION SUBMITTED BY SENATOR LAMAR ALEXANDER

Question. The Modular Handgun System (MHS) concept, which began in 2003, has been plagued by uncertainty and delays. Yet the Army appears to be moving forward with a plan to develop a new handgun during a period of significant defense-spending reductions.

Given our current fiscal constraints, why is now the appropriate time to pursue a completely new handgun program that has been delayed for 12 years?

Is there a safety concern with the current M9 or M11 handguns?

What other options has the Army considered that would be more cost-effective than pursuing the MHS?

Has the Army evaluated the cost of changing ammunition from a 9mm round to something else? If so, what are the estimated costs associated with this decision.

What are the estimated costs of replacing holsters, accessories and other add-ons that are currently used for the M9 and M11?

Please provide the data on the maintenance and replacement rates for the M9 and M11 that justify the need for a new program.

Answer. The competition for the Modular Handgun System will take advantage of the best technologies industry has to offer and will provide the Army with an improved, cost effective weapon. In today's competitive and fiscally constrained environment, full and open competition is the most effective strategy to control cost. Additionally, upgrading the existing M9 inventory would cost nearly as much as replacing them, as M9s are becoming uneconomical to repair; therefore, the Army's competition for a new modular handgun system will leverage the significant improvements that industry has made over the past few decades and select a commercial/non-development solution.

No, there are no safety concerns with the currently fielded M9 and M11 handguns.

The Army has procured the M9 as the handgun of choice for the past several decades. While it performed admirably, conducting a competition will enable the Army to take advantage of the best industry has to offer while reducing costs. Prior to the start of this program, the Army considered multiple options, including conducting a competition for a new M9. However, none of these options met the Army's requirements for a handgun. The MHS program is cost-effective and will leverage the robust commercial handgun industry to provide the Warfighter with increased

lethality, modularity, and ergonomics at a cost equal to or less than refurbishing an M9.

The Army is taking a non-caliber specific approach in seeking the “Best Value” solution through full and open competition among mature commercial designs in the procurement of a new handgun system. As part of this analysis, the Army has considered the cost of changing ammunition in the development of the MHS Strategy. Currently, the Army purchases ammunition from commercial manufacturers. It is currently estimated that changing from the current 9mm round to something larger would result in a negligible cost increase of up to \$0.06 per round; however, the Army will evaluate the proposals from vendors on the overall system cost and performance.

Handgun accessories are expendable and durable items that are continuously procured in sustainment to support the M9. The MHS accessories will be procured along with the handgun as a system in the replacement of the M9. The total estimated cost for all accessory items that will transition from support of the M9 to support the MHS acquisition objective is \$89 million.

The overhaul rate for M9s varies greatly from year to year. The range spans from 2,000 to over 6,000 per year. The current cost of overhaul is in excess of \$400 per weapon, due to the aging inventory. Over half of the M9 weapons frames are excessively worn and damaged and must be thrown away during the overhaul process. The high percentage of worn out frames is a leading factor why rebuilding the aging system is no longer cost effective; however, the need for the new MHS is also based on system requirements in the areas of reliability, accuracy, terminal effects, and ergonomics that the current M9 does not meet.

QUESTION SUBMITTED BY SENATOR STEVE DAINES

DISTRIBUTED COMMON GROUND SYSTEM—ARMY (DCGS—A)

Question. As you approach the second increment of the Distributed Common Ground System, what is the Army doing to address critical capability gaps? Has the Army taken into consideration the opinions of its men and women on the ground when evaluating its approach to implementing this second increment? Has the Army considered using commercially-available programs currently in use by other services that would save costs and more efficiently benefit our men and women in uniform? What tangible steps has the Army taken to look at ending development of pieces of the program that are already commercially available today?

Answer. In response to Soldier feedback, the Army will conduct a full and open competition for a new version of the Distributed Common Ground System—Army (DCGS—A), Increment 2, in fiscal year 2016. The competition will allow the Army to take advantage of commercial innovation and incorporate “best of breed” technologies into the program, addressing capability gaps and improving the interface that Soldiers use to access and analyze intelligence data. As the Army develops the Increment 2 strategy, we will continue to assess capabilities used by other Intelligence Community (IC) organizations and agencies. The Army will not spend any additional funding to develop the current version of the program. fiscal year 2016 RDT&E funding for DCGS—A Increment 1 will be used for integration and testing to sustain the capability until Increment 2 is fielded.

QUESTION SUBMITTED BY SENATOR JERRY MORAN

DIVISION LEVEL POST COST COMPARISON

MILITARY VALUE ANALYSIS

Question. For each of the seven Division-level Army posts, please provide a cost comparison on the following factors and describe how each might inform stationing recommendations and decisions:

- To sustain a Division Headquarters and a two-Brigade Combat Team set to be housed and to maintain readiness levels as part of the Army’s force generation model?
- What are the Installation Environmental Management Costs?
- What are the Operations and Maintenance costs?
- What is the population density and how does the Army consider the potential impact of future growth when making stationing and basing decisions?

Answer. We do not currently have the data in sufficient detail to give you the requested cost comparisons, but we are working to collect the data from numerous

sources with a goal of providing both you and the Committee a detailed and coherent response mid-summer after our analysis is complete.

The Army considers a broad array of criteria when making basing decisions about which forces should be aligned with which installations. Criteria is based on strategic considerations, operational effectiveness, geographic distribution, cost, and the ability to meet statutory requirements.

—*Strategic Considerations*: Aligns Army Force Structure to the Defense Strategy and Defense Planning Guidance.

—*Operational Considerations*: Seeks to maximize training facilities, deployment infrastructure and facilities to support the well-being of Soldiers and their Families. Aligns appropriate oversight/leadership by senior Army headquarters for better command and control.

—*Geographic Distribution*: Seeks to distribute units in the United States to preserve a broad base of support and linkage to the American people.

—*Cost*: Considers the impacts of military personnel, equipment, military construction, and transportation costs.

—*Statutory Requirements*: Complies with the provisions of the National Environmental Policy Act (NEPA) as appropriate, including an environmental and socio-economic analysis.

The Army is currently conducting Listening Sessions at the Army posts that may be affected by the drawdown. Once completed, the Army will evaluate the comments and make a decision on where to reduce in the future. An announcement is not expected before the end of June 2015.

QUESTIONS SUBMITTED BY SENATOR PATRICK J. LEAHY

ARMY AVIATION

Question. The transfer and remanufacture of all the AH-64 Apaches in the National Guard to the Active Component to replace the OH-58D Kiowa Warrior as a scout reconnaissance helicopter was the only controversial part of the Army's Aviation Restructuring Initiative. We have legislated on the Apache transfer, but one thing not well discussed is the new role of the Apache as a reconnaissance platform. What progress has been made in developing the technology and training needed for the mission? Considering the Apache is the best but not an ideal fit for the mission by the Army's estimate, how long does the Army plan to use it in this role?

Answer. A 2009 Analysis of Alternatives study to determine and classify key capabilities of manned and unmanned platforms to perform and satisfy armed reconnaissance helicopter missions identified a manned/unmanned mix concept as providing the most cost-effective mix of capabilities. The AH-64, teamed with an Unmanned Aircraft System (UAS), is the best alternative for the new Armed Aerial Scout (AAS).

The ARI is the Army's plan—approved by the Secretary of Defense—to reduce the size of its aviation force structure in response to the congressionally mandated spending reductions as a result of the Budget Control Act of 2011. The resultant divestment of the OH-58D Kiowa Warrior and the cancellation of associated upgrade programs enable the re-purposing of \$1.8 billion for critical Army aviation modernization programs and training. With the reduction in the aviation force and the divestiture of the OH-58 fleet, the AH-64 Teamed with UAS employs aircraft the Army already owns.

Although designed as an attack helicopter, AH-64 crews conduct attack, reconnaissance, and security operations and have performed these combat missions in Iraq and Afghanistan. As a result, we have already experienced significant progress in cultivating a scouting culture and training the pilots for a shift in the primary role from attack to reconnaissance for Apache helicopter battalions. Additionally, from fiscal year 2017–2019 approximately 173 OH-58 pilots will learn to fly the Apache further mitigating the training gap by capitalizing on the experience of these aircrew members.

Technological advances with unmanned aircraft systems (UAS) and communications networks allow manned Apache helicopters to control unmanned aircraft payloads, and receive and transmit real-time video. A rapid increase in the number of UASs allowed Army aviation to fly more than 5 million flight hours in manned-unmanned teaming scenarios, both in training and on the battlefield. These opportunities allowed our aircrews to refine tactics and ultimately increase the Apaches' ability to fill the reconnaissance mission.

Technological advances in the Apache's Target Acquisition Designation Sight/Pilot Night Vision Sensor or M-TADS/PNVS system provide immediate performance im-

provement over legacy systems, increasing the Apache's ability to conduct reconnaissance while enhancing situational awareness. Additionally, the Longbow Fire Control Radar enables the Apache helicopter to detect, classify, and prioritize ground targets, improving the Apache's ability to fill the reconnaissance mission. Technological advances and the unmanned systems are programmed and do not represent additional expenditures.

The complexity of these systems and training required to gain and maintain proficiency necessitates dedicated multi-echelon, combined arms home-station training resulting in a significant increase in combat effectiveness. Pilot transitions from the OH-58 to the AH-64 and home station training are reflected in current budget projections.

Finally, The Future Vertical Lift program will incorporate new technologies before fleet replacement begins sometime in the 2030s. The Army is studying some new capabilities in its joint multi-role technology demonstrator but there is currently no program of record for replacement of the AH-64E.

SEXUAL ASSAULT

Question. What lessons learned has the Army come away with after the last 2 years of developing and deploying improved training to prevent and respond to address sexual assault? Where are the areas that additional work needs to be done?

Answer. We continue to work very hard at sexual harassment and sexual assault. It remains our top priority. While recent reports show some indications that we've made some initial progress, we have much work to do.

From the Secretary and Chief of Staff of the Army down to our newest Soldiers, we continue to attack the complex challenges of Sexual Assault. Sexual assault is a crime that violates the core values on which the Army functions, and sexual harassment shatters good order and discipline. Sexual harassment and sexual assault must be stamped out, and doing so remains a top priority throughout the Army. Commanders, the Chain of Command, and the Uniform Code of Military Justice provide the vital tools needed to prosecute offenders and hold all Soldiers and leaders appropriately responsible.

Across the Army, we are committed to maintaining momentum in Army SHARP and making further advances along our five lines of efforts: Prevention, Investigation, Accountability, Advocacy and Assessment. In the last year, our efforts along the Prevention Line of Effort resulted in actions such as consolidating SHARP training under TRADOC and Initial Entry Training and Professional Military Education to increase the quality and accessibility of our prevention tools. Our Investigation Line of Effort showed advances in Special Victim capabilities and Trial Counsel Assistance Programs. The Accountability Line of Effort had successes through our Special Victim Investigation and Prosecution capability and through tools such as Command Climate Surveys and Commander 360 degree assessments. Our Advocacy Line of Effort resulted in initial indicators of progress in establishing SHARP resource centers in over 12 installations. We continue to see interim progress along our Assessment Line of Effort as noted in the President's report and we continue to closely monitor the established metrics to measure compliance.

In sum, we have seen some progress as evident in the recent statistics outlined in the 2014 "Department of Defense Report to the President of the United States on Sexual Assault Prevention and Response" that indicate a decrease in unwanted sexual contact for females in fiscal year 2014 compared to fiscal year 2012. Within the Army, survey-estimated rates of unwanted sexual contact for the past year decreased significantly for active duty women (4.6 percent), compared to fiscal year 2012 (7.1 percent). (Note: Survey estimated rates of unwanted sexual contact increased for males during that same timeframe from 0.8 percent in fiscal year 2012 to 1.2 percent.)

In addition, reporting data demonstrates more victims are coming forward to report sexual harassment and sexual assault. In fiscal year 2014, sexual assault reporting in the Army increased by 12 percent over the previous year. We view this as a vote of confidence and a sign of increased trust in our leaders, in our response services and in changing Army culture. The decline in prevalence of unwanted sexual contact, combined with the increase in reports received, suggests the Army's efforts to prevent sexual assault and build victim confidence in our response system are making progress. Nevertheless, we must continue to work on fostering a climate where individuals are not afraid of retaliation or stigma for reporting a crime by ensuring individuals, units, organizations and specifically commanders and leaders understand their responsibilities. Retaliation takes many forms and originates from many sources—leaders, family, friends and, most pervasively, peer to peer. For example, bullying is a form of retaliation. It is intimidation that deters people from

acting. It enables offenders, threatens survivors, pushes bystanders to shy from action, and breeds a culture of complacency. Retaliation has no place in the Army and we must stamp it out.

Sexual Assault Response Coordinators and Sexual Assault Prevention and Response Victim Advocates are now credentialed through the DOD Sexual Assault Advocate Certification Program, and the Army's SHARP Academy is expanding their knowledge, skills and abilities. Based on national experts' guidance, the Army's Sexual Assault Medical Forensic Examiner's course now surpasses Department of Justice requirements and establishes a best practice for all DOD to follow.

The chain of command is at the center of any solution to combat sexual assault and harassment, and we must ensure it remains fully engaged, involved and vigilant. Toward this end, we enhanced the Officer and Enlisted Evaluation Reporting Systems to assess how officers and NCOs are meeting their commitments—holding them accountable through mandatory comments on how those leaders are acting to foster a climate of dignity and respect and their adherence to our SHARP program. With commanders at the center of our efforts, we will continue to decrease the prevalence of sexual assault through prevention and encourage greater reporting of the crime. We expect to see reporting numbers to continue to rise. As our efforts to enforce discipline, prosecute offenders and eliminate criminal behavior mature, we expect the number of sexual assaults occurring within the Army to eventually decrease. There is no place for sexual harassment or sexual assault in our Army or our society.

The problems of sexual assault and sexual harassment will only be solved when every Soldier, Civilian and Family Member stands up and unequivocally acts to stamp it out. Together, we have an obligation to do all we can to safeguard America's sons and daughters, as well as maintain trust between Soldiers, Civilians, Families and the Nation. Army leaders, at every level of the chain of command, are doing this through prevention, investigation, accountability, advocacy and assessments.

QUESTION SUBMITTED BY SENATOR PATTY MURRAY

MOBILE CAMOUFLAGE SYSTEM REQUIREMENTS

Question. During combat operations in Afghanistan and Iraq, many Allied partner nations had adopted Mobile Camouflage Systems for their combat vehicle platforms—taking advantage not only of the Mobile Camouflage System multi-spectral signature management sensor defeat capabilities but also capitalizing on the Mobile Camouflage System heat/temperature reduction capability and significant fuel savings. Recognizing the potential value and increased capabilities the Mobile Camouflage System enables, please provide the Committee with details of your plan to develop, demonstrate, test, and field Mobile Camouflage Systems for use on U.S. Combat Vehicle platforms.

Answer. The Army's current camouflage system is the Lightweight Camouflage Screening System (LCSS). The LCSS is a modular system consisting of a hexagon screen, a diamond-shaped screen, a support system, and a repair kit. The system conceals targets by: casting patterned shadows that break up the characteristic outlines of a target; scattering radar returns (except when radar-transparent nets are used); trapping target heat and allowing it to disperse; and simulating color and shadow patterns that are commonly found in a particular region.

The Army is currently validating the requirements document for the Ultra-light Camouflage Net System (ULCANS) as a replacement for the legacy LCSS. The ULCANS will provide signature reduction to combat systems for near infrared, radar, electro-optics, and visual, and significantly increases thermal infrared suppression capability. As ULCANS is more snag resistant, lighter in weight and less voluminous than the LCSS it can be erected and removed faster and with less manpower. This ease of use will encourage greater use of camouflage, which will improve survivability for friendly personnel and equipment. The system will be fielded in desert, arctic, woodland and jungle patterns. The ULCANS Capability Development Document is in Army staffing.

The Army will continue to review the capability in the Protection Capability Portfolio Review to refine methods for mobile protection in the camouflage, concealment, and detection strategy.

QUESTIONS SUBMITTED BY SENATOR TOM UDALL

WHITE SANDS MISSILE RANGE

Question. What plans does the Army have for maintaining and updating the facilities at White Sands Missile Range . . . what does the range need to meet the needs of customers in the future, and how much will it cost to ensure that White Sands Missile Range will be able to maintain its state of the art capabilities into the future?

Answer. The Army executes its Facility Investment Strategy to maintain and update its facilities Army-wide, to include White Sands Missile Range. The installation's current strength of 7071 personnel is projected to decrease by another 207 through fiscal year 2021. The installation completed nearly \$100 million in MILCON projects from fiscal year 2008 to fiscal year 2011. Based on mission requirements, there are currently no MILCON projects in the program for White Sands Missile Range. In fiscal year 2014, the Army invested \$16 million for restoration and modernization of the installation's facilities and infrastructure. The Installation Management Command has identified \$84.5 million in restoration and modernization projects for White Sands Missile Range to compete across all Army requirements during fiscal year 2015 midyear and end-of-year reallocations.

Question. Maintaining access to airspace is extremely important at White Sands Missile Range, but almost as important is the ability for our civilians and uniformed personnel to be able to travel overland over an extremely large area. Unfortunately, it is my understanding, that just like the roads across the nation, the roads at White Sands Missile range are increasingly in need of repair, and cuts to the Sustainment, Restoration, and Modernization budget are taking a toll on White Sands. My understanding is that there is currently a \$220 million backlog in restoration and maintenance road work at White Sands. What does the Army need to prevent further deterioration of these roads, and does this budget fund such work?

Answer. The current road work backlog at White Sands Missile Range is a subset of the Army's approximately \$30 billion restoration and modernization backlog, which presents a fiscal challenge across all Army installations. Based on current budgets and pending congressionally approved installation realignment and closure, the Army has a \$3 billion sustainment backlog, equating to an estimated 5520 major work orders. In fiscal year 2014, of the Army's \$16 million invested in repairs for White Sands Missile Range's facilities and infrastructure, \$11 million went to road networks. In fiscal year 2015, the Command has prioritized one project at White Sands Missile Range to repair part of its range road, valued at \$1.1 million. The Installation Management Command identified \$84.5 million in restoration and modernization projects for White Sands Missile Range to compete across all Army requirements during fiscal year 2015 midyear and end-of-year reallocations.

Question. One of the worst impacts of sequestration has been cuts to research and development. Can the Army tell me how this has impacted White Sands and whether the Army has assessed the impact on White Sands, given its need to rely on a steady customer base from all the military branches?

Answer. Sequestration cuts to Army Research and Development (RDA) funding at the White Sands Missile Range (WSMR) have resulted in a decreased test customer workload. The Army continuously assesses the size, skill mix, and required capacity of the test workforce at White Sands Missile Range to ensure we can meet the needs of all our test customers.

Our assessment shows that funding reductions for testing are in line with the overall RDA funding reductions for programs. At this time, we believe the current planned workforce at WSMR is adequate to meet known customer test requirements; however, there could be cost and schedule risks associated with reduced capacity as details of the RDA reductions become clearer over time.

The Army is currently working to improve the predictability of future test requirements for all customers at WSMR in order to posture the workforce to meet those customer needs.

ENERGY

Question. How important is it to the Army to continue work towards energy independence at our Army bases, and what can you tell me about the success of such initiatives at Ft. Bliss and how you plan to replicate this progress at other military bases? Even with lower gas prices, does the Army still see it as a priority to diversify its energy sources?

Answer. A sustainable and energy secure Army reduces mission and financial risk. Accordingly, the Army gives high priority to increasing energy independence and security on our installations. This includes working closely with our partners

in the utility industry. The Army's energy security initiatives are broad based and include decreasing consumption, increasing the use of renewable energy, and focusing on development of microgrids.

As a Net Zero Pilot installation, Fort Bliss participated in the development and demonstration of best practices which are now being implemented across the Army to reduce energy consumption. Fort Bliss has made excellent progress towards improving its energy posture. Through the use of appropriated funds and third-party financing the installation has made significant investments in energy efficiency and renewable energy that are contributing to the energy security of the base. Moving forward, Fort Bliss anticipates continued expansion of the use of on-post renewable energy and continued investment in energy efficiency.

Since fiscal year 2003, the Army has reduced its total energy consumption by 16.9 percent and will continue to invest in energy efficiency investments through the use of both appropriated funds and third-party financing. The Army is working to site large scale renewable energy projects on Army land to enhance energy security. These projects will provide power at or below the cost of electricity purchased from the grid. In addition, the Army is working to develop microgrid projects on its installations. The Army is leveraging lessons learned from microgrid initiatives at Fort Bliss and Fort Carson to inform these efforts.

The decreasing price of oil reduces short term energy costs, but the Army's energy security efforts, including the renewable energy program, will continue. Decisions regarding renewable energy projects are made based on the price of purchased electricity. The country gets less than 4 percent of its electricity from petroleum based fuels. Utility rates are predicted to continue to increase (although less so than the early 2000's) while the costs of renewable energy are expected to decrease. It is these trends, and not the price of oil that will lead to expanding opportunities for cost-effective use of renewable power on Army installations.

IRAQ AND SYRIA TRAIN AND EQUIP FUND

Question. \$600 million is budgeted for the Syria Train and Equip Fund and \$715 million for the Iraq Train and Equip Fund. With regards to Syria, I am very concerned about this effort . . . not because of the Army. I believe our soldiers are capable of carrying out their objectives. What I don't trust is the ability of the Syrian rebels to use, and maintain a chain of custody of the weapons given to them by the United States. How do you plan on addressing these issues and how, in your opinion, can we ensure that weapons we give to Syrian rebels are not turned against us in the future?

Answer. There is risk associated with Syrian rebels maintaining a chain of custody for weapons given to them by the United States. While the Army remains committed to supporting the training and development of the Syrian rebel groups who will be equipped under this program, CENTCOM, as the Combatant Command, is responsible for developing and implementing a mitigation plan to help ensure the weapons remain under the control of the selected rebel groups. The Army will support CENTCOM's efforts to mitigate this risk.

MORALE

Question. How would you assess the morale of our soldiers and their families after over a decade of war? How has sequestration, and the impact on readiness in particular impacted the morale of our soldiers?

Answer. Our Soldiers have done everything that we have asked of them and more over the past 14 years, and they continue to do it today. Today, our Soldiers are supporting five named-operations on six continents with nearly 140,000 Soldiers committed, deployed, or forward-stationed in over 140 countries. They remain professional and dedicated—to the mission, to the Army, and to the Nation.

They continue to do what is asked of them; however, there's a lot of pressure on our Soldiers right now because of the massive reductions that we've already gone through and the massive reductions that we're facing—there's uncertainty. On top of that, there's discussion about pay and benefits, retirement, and other issues facing our Soldiers and Families. All of this is putting pressure on them. Although we have not seen a breaking point yet, I worry when that will occur in the future.

The center of everything we do is our Soldiers. The Army is our Soldiers, and without them and their capabilities, our ability to do our job becomes very, very difficult.

We owe it to them to ensure they have the right equipment, the best training; and the appropriate family programs, healthcare, and compensation packages commensurate with their sacrifices.

If Congress does not act to mitigate the magnitude and method of the reductions under the sequestration, the Army will be forced to make blunt reductions in end strength, readiness, and modernization, potentially affecting our Soldier's morale. It is our shared responsibility to ensure that we never send members of our military into harm's way who are not trained, equipped, well-led, and ready for any contingency to include war.

TOW MISSILE

Question. There are many skilled workers who have supported the TOW missile, including many in New Mexico. Has the Army made an effort to work with these businesses, to ease their transition to other work once the TOW missile is retired? In short, what can we do to help these businesses and employees remain active in supporting Army missions into the future, so that their expertise and training is not lost?

Answer. The Army has no plans to retire or discontinue TOW production through fiscal year 2029. Accordingly, it would be premature to address concerns regarding employee transition at this time.

IRAQ AND TRAIN AND EQUIP FUND

Question. How does the \$715 million for the Iraq train and equip fund compare to the support currently being given by Iran to Iraq and how does this impact our strategic goals vis a vis Iraq?

Answer. There are various Intelligence Estimates regarding the support Iran is providing both directly and indirectly to Iraq. I remain concerned about Iran's efforts to spread its influence and its ideology to Iraq. Our efforts both in and around Iraq aim to minimize the threat Iran poses to Iraq and our interests in the region. Ultimately, our strategic goal is a free and stable Iraq capable of defending itself from both external and internal hostile actors. There remain many obstacles to achieving this objective, but we believe that given time and space, Iraq can prevail.

FEDERAL I.T. REFORM

Question. Describe the role of the Army's Chief Information Officer (CIO) in the development and oversight of the IT budget for the Army. How is the CIO involved in the decision to make an IT investment, determine its scope, oversee its contract, and oversee continued operation and maintenance?

Answer. The Army's CIO holds the fiscal integration role in the Planning, Programming, Budgeting, and Execution process. The CIO executes the CIO annual operating budget and Overseas Contingency Operations funding. The CIO's role in the development and oversight of the Army's IT budget is to provide management oversight and, in partnership with the Army's Deputy Chief Management Officer and with support from other organizations, quarterly updates to the Secretary of the Army regarding execution of the IT budget. The CIO maintains fiscal discipline by tracking all Army IT expenditures to ensure budgets are specifically linked to IT investment strategies. The CIO also implements the Army Request for Information Technology initiative to provide visibility and accountability of IT procurement.

The CIO defines overall Army network modernization plans and recommends priorities for the resourcing of network modernization activities. The CIO ensures that the IT portfolio supports the published LandWarNet 2020 strategy and architecture and is optimized with effective and affordable IT solutions. The CIO also refines the requirements validation process, to include consideration of specific organizational needs, e.g., Army Corps of Engineers, Army National Guard, Army Reserve, Army Medical Command and organizations with executive agent status, such as the Information Technology Agency. The CIO publishes IT architecture guidance, enterprise-level rules, and technical standards. In addition, the CIO makes recommendations to the Secretary of the Army regarding the alignment of organizational roles, responsibilities and levels of authority in order to improve each mission area's ability to perform effective portfolio management. The CIO uses the Network Integration Evaluation process to evaluate cutting edge technologies for incorporation into Army programs.

Additionally, the CIO/G-6 is a voting member of the Army Business Council, which provides governance for investments in business systems (i.e., acquisition, logistics, installation management, financial management, and human resources systems). Program managers determine scope and oversee contracts and operation and maintenance for business systems. They also coordinate with the CIO/G-6 for the integration of these systems into the Army's network.

Question. Describe the existing authorities, organizational structure, and reporting relationship of the Chief Information Officer. Note and explain any variance

from that prescribed in the newly enacted Federal Information Technology and Acquisition Reform Act of 2014 (FITARA, PL 113–291) for the above.

Answer. The Army CIO reports directly to the Secretary of the Army with the authorities identified in Titles 5 (§ 552), 10 (§§ 2222 and 2223), 31 (§§ 1115, 1116, 1119 and 1120), 40 (§ 11315) and 44 (§§ 3506 and 3544). The CIO is organized around three directorates: (1) Architecture, Operations, Networks and Space (AONS), which develops Army IT strategy and the integrated IT architecture, and manages IT infrastructure; (2) Policy and Resources (P&R), which oversees IT policy and governance, capital planning, investment management and enterprise service management; and (3) Cybersecurity, which develops and manages cybersecurity strategy, identifies potential network risks and associated impacts and mitigation based on Army objectives, and oversees policies and processes to ensure adherence to security standards. As a member of the Department of Defense, the Army CIO participates in DOD CIO councils, as well as the Joint Information Environment. There is no variance in relationships or authorities noted in FITARA 2014.

Question. What formal or informal mechanisms exist in the Army to ensure coordination and alignment within the CXO community (i.e., the Chief Information Officer, the Chief Acquisition Officer, the Chief Finance Officer, the Chief Human Capital Officer, and so on)?

Answer. Several formal and informal mechanisms for Information Technology (IT) coordination and governance exist within the Army, which divides IT management into four governance categories, called Mission Areas.

The Army has three formal governing bodies for the coordination and synchronization of IT capabilities supporting Army processes and forces. Each body is chartered by the Secretary of the Army and includes like membership from across the CXO community.

- The Army Business Council (ABC) coordinates and manages the Business Mission Area (BMA), which focuses on Army business processes, process re-engineering, and IT investments supporting acquisition, logistics, installation management, financial management, human resources, and training and readiness.

- The Land War Net Mission Command General Officer Steering Committee (LWN MC GOSC) coordinates and manages the Warfighter Mission Area (WMA), which focuses on mission command in tactical and operational environments and associated IT investments supporting tactical units and systems.

- Army Enterprise Network Council (AENC) coordinates and manages the Enterprise Information Environment Mission Area (EIEMA), which focuses on network deployment, operations, and IT investments supporting enterprise services, network modernization, and cyber security.

Title 10, United States Code does not directly apply to Defense Intelligence Mission Area (DIMA). The DIMA IT portfolio is managed in accordance with Title 50, United States Code and is integrated into the greater Intelligence Community (IC) with coordination pathways to the other three Army mission areas.

The Army Management Action Group (AMAG) is the Army's top level governing forum and membership includes the primary CXO executives. The AMAG provides oversight ensuring coordination among and between the above governing bodies.

In addition, the Army Planning, Programming, Budgeting and Execution (PPBE) process is another formal mechanism that ensures coordination and synchronization of IT investments and capabilities delivery across all mission areas.

The Army also has a number of informal, non-chartered activities that drive solutions to cross-mission area and cross-domain IT challenges. These activities include but are not limited to specific task focused planning teams and working groups formed to analyze synchronization and coordination challenges, make recommendations for overcoming identified challenges, and conduct solution implementation planning.

Question. According to the Office of Personnel Management, 46 percent of the more than 80,000 Federal IT workers are 50 years of age or older, and more than 10 percent are 60 or older. Just 4 percent of the Federal IT workforce is under 30 years of age. Does the Army have such demographic imbalances? How is it addressing them?

Answer. Army civilian IT workforce demographics are compared to the overall Federal Government civilian IT workforce in the table below.

IT WORKFORCE AGE DEMOGRAPHICS FEDERAL GOVERNMENT AND ARMY (2210 SERIES)

	20–29	30–39	40–49	50–59	60 +	Total
Federal	4%	Not Provided	Not Provided	36%	10%	80,000
Army	2% (255)	18% (1,878)	30% (3,129)	38% (4,019)	12% (1,192)	10,475

Demographic imbalances similar to those of the broader Federal workforce exist in the Army. The low percentage of civilian IT employees under age 30 can be attributed, in part, to many early/mid-career hires who are former military in their 30s or 40s when they transition from military to civilian service (or military to contractor to civilian status). As veterans' hiring preferences apply, and many veterans have active security clearances and choose to work for the Army, a significant number of veterans are hired to work as Army civilians.

The Army has an active intern program that hires 50 to 70 IT interns per year. To add to the feeder population of "under 30" hires, the Army (and the Federal Government) will need to do several things: (1) promote the organization as an agency of choice for young civilians (who may not know the full opportunities available in a civilian Army career); (2) expand hiring authorities for non-veterans who are excluded or eclipsed from competition due to veterans' hiring preferences, especially in the under 30 age set; and (3) promote the hiring of graduates from STEM (science, technology, engineering and mathematics) and other IT/cyber academic programs, and seek ways to assure their placement.

Question. How much of the Army's budget goes to development, modernization and enhancement of IT systems, as opposed to supporting existing and ongoing programs and infrastructure? How has this changed in the last 5 years?

Answer. Appropriations for Other Procurement, Army (OPA) and Research, Development, Testing and Evaluation, Army (RDTE) comprise development and modernization funding (DEVMOD). The Army's maintenance and support activities constitute the Operation and Maintenance, Army (OMA) appropriation known as Current Services. The proportions from fiscal year 2010 to fiscal year 2014 are shown in the table below.

Fiscal year	DEVMOD IT (OPA & RDTE) percent of Base/ OCO	Current Services IT (OMA) percent of Base/ OCO	DEVMOD (million)	C/S (million)	Base/ OCO Budget (billion)
2010	2	2	5.3	4.8	243
2011	3	2	6.3	4.9	240
2012	3	3	5.5	5.3	207
2013	2	3	4.0	6.1	177
2014	2	4	3.2	6.1	162

The Army's investment in development, modernization, and enhancement of business IT systems is roughly 40 percent of business IT expenses (as opposed to operation and maintenance). Over the last 5 years, sustainment expenses (i.e., O&M) for business IT systems has increased from approximately 40 percent to 60 percent, while the amount for development, modernization and enhancement of business IT systems have decreased accordingly. From fiscal year 2014 to fiscal year 2015, the Army's overall business IT expenditure decreased from approximately \$2.4 billion to \$1.97 billion.

Question. What are the 10 highest priority IT investment projects that are under development in the Army? Of these, which ones are being developed using an "agile" or incremental approach, such as delivering working functionality in smaller increments and completing initial deployment to end-users in short, 6-month timeframes?

Answer. Ten priority IT capabilities for the Army are:

- Joint Information Environment (JIE) capabilities to include Joint Regional Security Stacks (JRSS) and Multi-Protocol Label Switching (MPLS)
- Assured Global Positioning System position, navigation and timing
- Mounted/dismounted on-the-move communications and information networks
- Tactical data and network radios
- Joint Battle Command
- Processing, exploitation and dissemination of intelligence information

- Cyber security
- Network management
- Strategic, operational and tactical command and control
- Enterprise resource planning and management

The program managers responsible for delivering these capabilities focus on providing them in accordance with Army requirements and timeframes, to include incremental delivery when appropriate.

Question. To ensure that steady state investments continue to meet agency needs, OMB has a longstanding policy for agencies to annually review, evaluate, and report on their legacy IT infrastructure through Operational Assessments. What Operational Assessments have you conducted and what were the results?

Answer. Recently, the Army conducted several operational assessments of legacy infrastructure. These evaluations resulted in initiatives, such as Joint Regional Security Stacks (JRSS), Multi-Protocol Label Switching (MPLS), and data center consolidation, which will modernize the network and provide both efficiencies and improved capabilities.

An assessment of the Army's legacy security architecture led to the conclusion that efficiencies could be gained by replacing the localized security architecture (TLA stacks) with a regional security architecture (JRSS). The Army also is replacing Asynchronous Transfer Mode switches with MPLS, which increases network speed and lays the groundwork for enterprise solutions such as Voice over Internet Protocol and Unified Capabilities. Additionally, the Army is dramatically shrinking the time required to replace installation infrastructure from 5 years to 3 months per location.

To date, the Army has completed 42 Installation Discovery Reports, which are critical to planning and executing data center consolidation. Additionally, the Army recently completed phase one of the Redstone Pilot, which examined collapsing a data center. Phase one involved discovery of applications and capabilities within the data center to determine which could be moved and which should remain local. Phase two will determine the cloud hosting environment (commercial or government) for the applications that should be moved.

The Army Test and Evaluation Command plans, integrates and conducts experiments, developmental testing, independent operational testing and independent evaluations and assessments to provide essential information to acquisition decision makers and commanders. Other types of infrastructure assessments that the Army is leading include the technical assessments at the Central Technical Support Facility at Fort Hood to certify programs of record for interoperability. Network Integration Evaluations, which occur in a more experimental environment, look at the impact of new technology on existing infrastructure.

Question. How does the Army's IT governance process allow for the Army to terminate or "off ramp" IT investments that are critically over budget, over schedule or failing to meet performance goals? Similarly, how does the Army's IT governance process allow for the Army to replace or "on ramp" new solutions after terminating a failing IT investment?

Answer. The Army complies with the National Defense Authorization Act for IT portfolio management and manages IT investments by mission area. IT investments are divided into four categories: business systems, warfighting/weapons systems, enterprise network systems, and intelligence systems. The Army employs several three-star-level governance forums to review, validate, and prioritize IT requirements. The business systems' governing body is the Army Business Council; it is responsible for evaluating and managing the business system portfolio, including "on-ramp" and "off-ramp" decisions. In his role as Chief Management Officer, the Under Secretary of the Army also exercises oversight of the business system portfolio. The Office of Business Transformation and the Army's DCMO chair the Army Business Council and oversee all business system program investments, which include acquisition, logistics, installation management, financial management, and human resources systems. The Army conducts annual, periodic, and directed reviews of business IT systems to assess continued suitability.

The weapons systems' governing body is the LandWarNet Mission Command General Officer Steering Committee; it is responsible for evaluating and managing weapons systems' portfolio, including "on-ramp" and "off-ramp" decisions. G-3/5/7 and CIO/G-6 co-chair this committee and oversee all tactical IT program investments.

The enterprise network systems' governing body is the Army Enterprise Network Council, which is responsible for evaluating and managing the enterprise network, including "on-ramp" and "off-ramp" decisions. The CIO/G-6 chairs the Army Enterprise Network Council and oversees all enterprise network investments.

Title 10 United States Code does not directly apply to the intelligence systems mission area.

The Headquarters, Department of the Army Deputies Forum regularly shares perspectives on various topics. This body is comprised of personnel from across the Army Secretariat and Staff, including the Chief Management Office, the Office of the Administrative Assistant, the Assistant Secretary of the Army (Financial Management and Comptroller), the Assistant Secretary of the Army (Acquisition, Logistics and Technology), the CIO/G-6, the Director of the Army Staff, the Deputy Chief of Staff for Operations (G-3/5/7) and others. Acquisition reviews, portfolio reviews and resourcing reviews for IT programs are also part of the department's governance processes.

Question. What IT projects has the Army decommissioned in the last year? What are the Army's plans to decommission IT projects this year?

Answer. In fiscal year 2014, the Army terminated 92 obsolete or redundant business IT systems. This figure constitutes a substantial increase from the 35 originally planned and is a 14 percent reduction in the overall number of Army business IT systems. The Army plans to terminate at least 19 additional business IT systems and will merge the majority of their functions into one of four enterprise resource planning systems.

Additionally, in fiscal year 2015 the Army intends to close the commercial data center that currently houses Army Knowledge Online's Disaster Recovery (DR) site, and to transition that capability to a government facility. This change will reform the DR site into one that can be activated when necessary, rather than being on continuously. The anticipated cost avoidance is \$5 million per year.

With the successful migration of Army email to the joint solution, Defense Enterprise Email, the legacy Army Knowledge Online (AKO) email service is now redundant. The Army will shut down AKO email before the end of 2015. The anticipated cost avoidance is \$3 million annually.

The Army continues to invest in network modernization and implementation of the Joint Information Environment. Increases in bandwidth, better traffic management (via Multi-Protocol Label Switching), consolidation of security stacks and enclaves into Joint Regional Security Stacks, and the transition to cloud-enabled infrastructure and services will allow future divestiture of analog services whose maintenance bills continue to grow.

The Army data center consolidation initiative also is making good progress. In fiscal year 2014, the Army consolidated 142 data centers (120 small and 22 conventional facilities), which produced aggregate savings of more than \$4.5 million. In fiscal year 2015, the goal is to close 135 data centers, which will keep the Army on pace to meet the overall DOD fiscal year 2018 goal of a 60 percent reduction in facilities. (Currently, the Army is at 40 percent, which meets the Federal Data Center Consolidation Initiative requirement.) So far this year, the Army has closed 26 facilities.

Question. The newly enacted Federal Information Technology and Acquisition Reform Act of 2014 (FITARA, PL 113-291) directs CIOs to conduct annual reviews of their IT portfolio. Please describe the Army's efforts to identify and reduce wasteful, low-value or duplicative information technology (IT) investments as part of these portfolio reviews.

Answer. The Army CIO uses a combination of policy, resourcing and governance to oversee the IT portfolio. Policy is employed to set the conditions for how IT is procured, operated and secured, and reinforces best buying practices. For governance, the Department of the Army uses three-star-level forums to review, validate and prioritize IT requirements, allocate resources and identify efficiencies. These include the Army Business Council, the Army Enterprise Network Council and the LandWarNet Mission Command General Officer Steering Committee.

In a May 2014 memorandum, the Under Secretary of the Army delineated governance roles, responsibilities and structure to manage alignment of Army business IT investments. This memo serves as the governing document for annual IT investment decisions across all Army mission areas. The Army Business Council, chaired by the Director of the Office of Business Transformation and of which the CIO/G-6 is a member, manages the Army business systems capability life cycle. The Army Enterprise Network Council, chaired by the Army CIO, reviews all enterprise network-related requirements and resources to facilitate, secure and sustain synchronized end-to-end network capabilities and services to support the Army's business and warfighting requirements. Additionally, as the Army's IT integrator, the CIO/G-6 fully participates in the Planning, Programming, Budget and Execution process, which oversees the prioritization of IT programs and the allocation of IT resources across the Army.

These three cross-cutting governance forums provide integrated IT oversight and direction to eliminate waste by determining whether to: (1) develop a new, or modify or enhance an existing, capability; and (2) terminate an initiative that has outlived its purpose. Also, the department uses the Army Portfolio Management System to catalogue and track all IT investments reported to the Office of the Secretary of Defense, the Office of Management and Budget, and Congress.

As an extension of the Title 10 USC §2222 requirement for a business enterprise architecture, the Army Business Council (ABC) is developing and maturing its Business Systems Architecture (BSA) as a decision support tool for portfolio management of its business IT systems. The BSA matches all of the Army's business IT systems to each of the processes that the Army is required to perform under Title 10 (i.e., operation activities). The intent is to maintain a high ratio of operation activities to systems (i.e., one system does many things), and to reduce instances of many systems performing the same activities and single systems performing few activities. The BSA continues to mature and is reviewed on a perpetual basis by the ABC, system owners, and Army Commands.

Question. In 2011, the Office of Management and Budget (OMB) issued a "Cloud First" policy that required agency Chief Information Officers to implement a cloud-based service whenever there was a secure, reliable, and cost-effective option. How many of the Army's IT investments are cloud-based services (Infrastructure as a Service, Platform as a Service, Software as a Service, etc.)? What percentage of the Army's overall IT investments are cloud-based services? How has this changed since 2011?

Answer. The Army's cloud computing strategy was published in March 2015. It will soon be followed by a commercial cloud computing policy that further shapes cloud-hosting opportunities.

Over the past year, the Army has made great strides in cloud computing through participation in the Defense Information Systems Agency pilot for commercial cloud. As part of this effort, the Army migrated the Proactive Real-property Interactive Space Management System and the Defense Environmental Network and Information Exchange Knowledge Based Corporate Reporting System to the cloud. These ongoing pilots are evaluating security architectures, cybersecurity requirements and cost baselines. The pilot programs will also inform refinement of the minimum legal, contract and service-level agreement language required to leverage fully multiple commercial clouds while ensuring the protection and sovereignty of data.

The Army G-2 is actively participating in Intelligence Community cloud development efforts, known as the Intelligence Community Information Technology Environment (IC ITE). In fiscal year 2015 and fiscal year 2016, as part of the IC ITE roadmap, the Army will participate in several pilots. Lessons learned will be used to influence broader Army intelligence, mission command and cyber cloud activities.

Army Recruiting Command has migrated its frontline recruiting force to the commercial cloud to conduct unclassified and publicly releasable business activities. The Army also is migrating U.S. Army Europe's public facing website, the Ammunition Management and Information Tracking System, and the Army's Strategy Management Systems in order to gain additional insights into public cloud offerings and to refine processes and procedures related to migration.

Question. Provide short summaries of three recent IT program successes—projects that were delivered on time, within budget, and delivered the promised functionality and benefits to the end user. How does the Army define "success" in IT program management? What "best practices" have emerged and been adopted from these recent IT program successes? What have proven to be the most significant barriers encountered to more common or frequent IT program successes?

Answer. The Army has a number of recent IT program successes including the Global Combat Support System—Army (GCSS-Army), the Integrated Personnel and Pay System-Army (IPPS-A), and the General Fund Enterprise Business System (GFEBS).

GFEBS is a commercial off-the-shelf web-based Enterprise Resource Planning (ERP) solution to integrate financial, real property and other asset, cost and performance data and is the first accounting system for Army-wide application. The system enables the Army with the ability to streamline and share critical financial data across the Active Army, the Army National Guard and the Army Reserve at over 200 locations, worldwide. As a result, GFEBS supports the Army's goals of achieving an unqualified opinion on financial statements and providing a new cost accounting system. GFEBS completed deployment in July 2012 and is operational at Headquarters Department of the Army, 29 Army Commands, Army Service Component Commands, and Direct Reporting Units, over 200 locations world-wide and in 71 countries.

The system brings the Army into full compliance with the Chief Financial Officer (CFO) Act of 1990 and other statutory and regulatory requirements. GFEBS is the cornerstone for the Army obtaining an unqualified audit opinion; it provides real-time visibility of transactions as well as access to historical data. The system enables the Army to produce cost management data from a single integrated financial and cost accounting system. GFEBS, additionally, enables real property management in compliance with DOD Real Property Information Model (RPIM) and DOD Financial Management Regulation (DODFMR).

GCSS-Army is a commercial off-the-shelf solution that will reach full deployment in fiscal year 2017. It is one of the Army's top priority modernization efforts and enables the Army for the first time ever to field, at the installation and tactical levels, an integrated logistics and financial capability in one system. It provides a singular web-based, worldwide transparent view of transactional and authoritative logistics and financial data and is an improvement from our legacy systems, as it transforms our capabilities for global interoperability, connectivity, uniformity, visibility, accountability, and auditability within our business areas of supply, maintenance, property accountability, and finance.

The GCSS-Army program successfully completed full testing and is currently conducting training and Wave 1 fielding in accordance with the Office of the Secretary of Defense, Full Deployment Decision. As of March 20, 2015, GCSS-Army Wave 1 had been fielded to 68 percent of the Army. The GCSS-Army system also integrates with GFEBS, an enterprise-wide financial capability, in order to provide a single, financial solution within the Army. GCSS-Army also integrates its capabilities with the Army's national level logistics ERP system called the Logistics Modernization Program (LMP). GCSS-Army Wave 1 fielding provides the financial solution for installation and tactical logistics as well as supply capabilities for Supply Support Activities and Army Warehouses. During fiscal year 2015, GCSS-Army will continue Wave 1 fielding and continue Wave 2 fielding.

Wave 2 limited deployment has begun and fielding group 2 has been successfully fielded with the GCSS-Army Capability. Wave 2 capabilities will integrate and enhance unit level maintenance operations, supply operations, property accountability functionality, and additional financial capability by fiscal year 2017. GCSS-Army remains on schedule and within cost thresholds to complete Full Deployment by the end of September 2017 and is a key component for the Army to be financially auditable by 2017.

IPPS-A is a modern, multi-component human resources system that gives Soldiers and commanders 24/7, self-service access to personnel and payroll information, while providing decision-makers with precise, relevant, timely, and authoritative data. IPPS-A is being developed in two increments. Increment 1 provides a trusted data source for personnel and human resources data for the entire Army in one database. Increment 2 will deliver full integrated personnel and pay services for all Army components building on the trusted database delivered by IPPS-A Increment 1.

Deployment of IPPS-A Inc 1 has been fielded to the entire Army population, including Active, Army National Guard, and Army Reserve and provides Soldiers the ability to view their own Soldier Record Brief. It received a formal Full Deployment Decision in April 2014 and completed deploying in January 2015. IPPS-A Increment 1 was completed within the schedule and cost thresholds dictated in the Acquisition Program Baseline.

The Army has refined its governance with respect to managing long-term investments in the Army's business IT systems portfolio. We have grouped our best practices into three major categories: (1) Requirements review; (2) In-Progress Review (IPR) and refinement; and (3) Testing. Keys to success include:

- using trusted industry commercial solutions;
- focused user and program manager continual Business Process Reengineering (BPR);
- General Officer Steering Committees that focus on limiting interfaces and scope creep issues;
- imbedded functional teams that work with program managers daily to insure the product meets functional capabilities;
- use of virtual training environments to get user input and understanding early; and
- continual operational testing through 24 hour web based test environments.

Some examples of the biggest barriers to successful IT implementation include: programs not receiving sufficient funding or receiving funding later than needed; program staff being over-utilized or lacking the necessary skills and experience on business systems; development work being slowed by inefficient governance and oversight processes; and program requirements and interfaces not being stable and

prioritized. Many of the Army's best practices have come from analyzing and determining means to address these challenges.

Question. Terry Halverson, the DOD Chief Information Officer (CIO), has outlined a vision for DOD use of cloud computing that empowers the military departments and components to procure their own cloud computing solutions. How will the implementation of this transition to cloud computing be rationalized across the Army to ensure that common standards, data portability and other enterprise-wide issues are properly managed and addressed?

Answer. The Army created the Army Application Migration Business Office (AAMBO), within the Program Executive Office Enterprise Information Systems, to serve as the single focal point for application and system owners during the migration process. The Army intends to leverage pre-negotiated terms and pricing at the DOD and Army enterprise levels through AAMBO. AAMBO is responsible for assisting system and application owners with defining modernization and migration requirements, determining the most appropriate cloud deployment model, and negotiating and acquiring cloud capabilities from approved cloud service providers (CSP). In coordination with the DOD CIO, AAMBO has already developed standard contractual terms and conditions, as well as service level agreements, to be used for all commercial cloud contracts. This will help to drive adoption of agnostic solutions and to avoid platforms or technologies that lock the Army into a particular product. Additionally, application developers will ensure that the infrastructure interfaces provided in the cloud are generic, or that data adaptors at least can be developed so that the portability and interoperability of the application are not significantly impacted.

Army Commands or functional domain managers that represent the various applications/systems are responsible for sponsoring and funding an application's or system's functionality, which includes modernization, if required, and migration to a CSP. All application/system owners must work directly with AAMBO to acquire cloud services regardless of the deployment model ultimately selected. In the event that certain cloud capabilities required by the Army are not readily available, Product Director Enterprise Computing will design and implement such capabilities to meet the requirements and architecture of the Data Center/Cloud Computing Environment.

HIGH-PERFORMANCE COMPUTING MODERNIZATION PROGRAM

Question. The Army's budget request includes \$177 million for the High-Performance Computing Modernization Program, funding that is essential to helping the Department of Defense meet its data-intensive supercomputing requirements.

The Department's supercomputing network is essential to the military's ability to exploit cutting-edge software and hardware to perform complex data-intensive missions, such as research and development in areas like space and astrophysical science, fluid dynamics, as well as analysis in support of cyber security and signal and image processing for military operations. Without these supercomputing systems, these data-intensive missions would grind to a halt.

I have concerns about the allocation of these funds to the five regional supercomputing centers and wonder whether the Army is appropriately modernizing each of the Department's supercomputing centers so that they can continue to support long-term military requirements.

Can you please describe how the Army allocates modernization funds to each of the DOD supercomputing centers, including any programming criteria that are considered for technology refreshes, such as COCOM mission requirements? In your response, please address how the Army spent the fiscal year 2014 appropriation for the High-Performance Computing Modernization Program, including the breakdown for each of the supercomputing centers, and how much is programmed for each of the supercomputers in fiscal year 2015.

Answer. The High-Performance Computing Modernization Program (HPCMP) contains five DOD Supercomputing Resource Centers (DSRC): Air Force Research Lab (AFRL), Army Research Lab (ARL), Army Engineer Research and Development Center (ERDC), Navy DOD Supercomputing Resource Center (Navy DSRC), and Maui High-Performance Computing Center (MHPCC). Use of supercomputing centers is not regionally based: Users are assigned to specific centers according to the technological capabilities needed to solve their problems, not geographic locality. The HPCMP primarily supports the DOD research, development, test and evaluation (RDT&E) community, using a structured process for assigning computational requirements. Senior representatives from each of the Services and Defense agencies who serve on the HPC Advisory Panel validate these requirements.

The HPCMP conducts detailed user-requirements analysis for future classified and unclassified high-performance computing needs. The decision to place new technology at the centers is based on each center's ability to accommodate the new computers in terms of raised floor space, power and cooling infrastructure, and the cost of power. Each year, the HPCMP buys supercomputers for two DSRC locations as part of an annual technology refresh. In even years, the Army ERDC and the Army Research Laboratory DSRCs are refreshed, and in odd years Navy and AFRL DSRCs are refreshed. The HPCMP budget does not include programmed funds for technology refresh for Maui. Funding for supercomputers technology refresh was \$62.7 million in fiscal year 2014 and \$65.3 million in fiscal year 2015.

Every July, each DSRC submits an annual operations budget request for the coming fiscal year along with a budgetary projection for the subsequent 5 fiscal years. These submissions are based on projected workloads derived from validated user requirements. HPCMP leadership reviews the submissions and allocates funding based on each center's mission scope and ability to execute the requirements.

In fiscal year 2014, \$84.7 million was allocated to the centers for operations: AFRL, \$15.542 million; ARL, \$15.258 million; ERDC, \$20.361 million; MHPCC, \$12.532 million; Navy, \$12.300 million; and Program-Wide Center Support, \$8.711 million.

In fiscal year 2015, \$85.3 million was allocated to the centers for operations: AFRL, \$16.218 million; ARL, \$13.229 million; ERDC, \$18.371 million; MHPCC, \$14.119 million; Navy, \$11.129 million; and Program-Wide Center Support, \$12.197 million.

Beyond the DSRCs, the HPCMP budget includes the DOD Research and Engineering Network, which provides secure connectivity to high-performance computing capability and software applications that allow researchers to effectively and efficiently utilize high-performance computing. Together, these elements make up the ecosystem (hardware, software, network and expert support) required to provide high-performance computing capabilities for DOD.

IRAQ TRAIN AND EQUIP FUND, OVERSEAS CONTINGENCY OPERATIONS ACCOUNT

Question. Department of Defense programs to train and arm foreign military and security forces (including irregular forces) are a key pillar of the U.S. campaign to combat the spread of the Islamic State (IS) in Iraq and Syria. In the 2015 Omnibus appropriations legislation Congress appropriated \$1.6 billion to the Iraq Train and Equip Fund as part of the DOD's Overseas Contingency Operations request. These funds were intended to train and equip the Iraqi and Kurdish forces so that they may be able to launch effective counter-offensive operations, regain territory, and prevent the Islamic State of Iraq and the Levant (ISIL) from exercising its particularly violent brand of extremism in its de facto state. ISIL still holds key territory and continues to exert their will on the citizens of Iraq. In your professional military opinion, when can we expect to see a significant return on this investment in the Iraqi and Kurdish forces?

These funds, in concert with the more than 2,000 U.S. military advisors currently deployed to Iraq, provide the means by which to train the Iraqi, Kurdish and Tribal forces to defeat and reverse the spread of the IS in Iraq, and to provide them equipment that is common to their current fleets. A failure to provide equipment already in use within their security forces will exacerbate training and logistical challenges for their brigades. Are we providing them the training they need to be successful? Is the equipment we are providing them common to their already-existing fleet of weapons and vehicles? If the equipment we are providing is not already resident in their fleets and arsenals, what is the justification for providing non-similar equipment?

Answer. The Iraqi Campaign Plan to defeat ISIL and re-establish control of its sovereign territory is conditions based more so than it is driven by a timeline. It is part of a broad coalition effort that will be executed over several years. Therefore it would be speculative to determine when the United States can expect to see a return on its investment. Regarding the training and equipment being provided, we are supporting the request made to us by the Iraqi government and in support of CENTCOM's efforts to meet those requirements.

The Iraq Train and Equip Legislation provides a variety of vehicles to build eight Iraqi Security Force Brigades, three Peshmerga brigades, and provide support to tribal units. Among these are light/medium trucks and counter IED vehicles. The funding is being apportioned by the DOD to provide immediate Iraqi capability to conduct counter offensive operations against ISIL.

To date (MAR 15), 25 percent of these funds have been released for execution. The Army is providing up to 184 light and medium trucks and a small number of IED

detection vehicles. The Coalition Forces Land Component Command—Iraq (CFLCC-I), in coordination with the Iraqi government, will determine which vehicles will go to the Peshmerga or tribes.

Separately, the Army has provided 250 MRAPs with an additional 50 MRAPs to be delivered soon. Of these, 25 MRAPs have been provided to the Peshmerga via the Iraqi government with up to 16 more to be provided in the future.

Most of this equipment is desired by the end of MAR 15. Given the very short timeline, most vehicles will be provided from existing Army stocks.

The Iraqi Security Forces have and continue to struggle with maintaining all of their equipment, to include the vehicular fleet. Centralized maintenance facilities and lack of supply chain discipline continues to hamper Iraqi readiness rates across the board. To assist the Iraqis in maintaining their vehicle fleets, the Army provides spare parts, training, special tools, and contractor logistics support as part of the ITEF support with the ultimate goal of making Iraqi sustainment independent.

READINESS

Question. According to testimony, you are developing a readiness cycle to sustain a high level of readiness among Army National Guard units that are in their deployable status. In the absence of deployment, and given the cost-saving nature of the National Guard, could you elaborate, citing examples, on how the Army is ensuring that the readiness status of Guard units is sustained after they reach deployable status and its cost-saving capabilities leveraged, including for steady-state operational needs?

Answer. In the last 12 months, we reduced the size of the Active Component (AC) from 532,000 to 503,000, with end strength set to fall to 490 thousand in fiscal year 2015; and then to 450 thousand. Similarly, the end strength in our Army National Guard is set to fall to 335 thousand and the Army Reserve to 195 thousand. But if sequestration returns, we will need to reduce end strength even further to 420 thousand in the AC by fiscal year 2020; and 315 thousand in the National Guard and 185 thousand in the Army Reserve. Yet, the reality we face is that the demand for Army forces throughout the world is growing while the size of the force is shrinking.

The majority of our cuts are coming out of the active Army, and because of that, we are going to have to rely more on the National Guard and U.S. Army Reserves to provide us a depth to respond to complex problems. The issue is that we are going to have to rely on our Reserve forces more in some areas, such as in logistics. In terms of the combat capability, our Reserve forces are still going to have to provide us the depth. And we might have to use that depth earlier because we are going to have less capability in the active component. This all gets to this balance that we are trying to achieve.

We are transforming our training strategies. Forces Command has begun to implement a comprehensive Total Force training strategy. We are pairing Brigade Combat Teams in the Active component with those in the National Guard—creating partnerships, increasing training opportunities, enhancing leader development, and reinforcing the importance of the Total Force.

The Army National Guard is a vital component of the Total Army. Combined with the United States Army Reserve, they fulfill a critical role for the Total Force. Army National Guard units also fulfill a critical role for the governors of their States.

The Army is committed to building readiness within each National Guard unit in order to provide ready units for both Federal and State missions. While the Active Component is best suited for unpredictable and frequent deployments, for dealing with complex operational environments, and for dealing with unexpected contingencies, the Reserve Component (RC) is best suited for predictable and infrequent deployments, for providing Title 32 support to State and local authorities, and for providing operational and strategic depth. The Army is committed to building readiness in these units on a predictable cycle to help Soldiers balance both their civilian and military lives.

We recognize the significant contributions made by the ARNG and USAR as a part of the Total Force. We can ill-afford to allow the skills and competencies acquired by the RC over the past 14 years of war to atrophy. Our goal is to maintain the RC as an operational reserve, a key component meeting mission requirements at home and abroad. The Army continues to strive to increase the mix of RC formations at our Combat Training Centers (CTCs) and Warfighter events. The recent Bold Shift Initiative reorganized 1st U.S. Army to be more responsive to pre-mobilization training support for ARNG and USAR formations while retaining capability to conduct post-mobilization operations in order to provide RC personnel able to deploy world-wide in support of National interests.

The Army has taken several actions to ensure the readiness status of Guard units is sustained and its capabilities fully leveraged. For example:

- The Army currently has two National Guard Brigade Combat Teams (BCTs) scheduled to attend CTC rotations in fiscal year 2015, and two more in fiscal year 2016, in order to build the unit to the highest levels of readiness and support contingency responsiveness. These BCTs are not scheduled for deployment.
- The Army is currently leveraging two National Guard BCTs to fulfill operational requirements—the 41st Infantry BCT from Oregon and the 72nd Infantry BCT from Texas. The Army plans to deploy one more National Guard BCT in fiscal year 2015—the 30th Armored BCT from North Carolina. In addition, the Army plans to leverage two National Guard BCTs in fiscal year 2016—the 53rd Infantry BCT from Florida and the 45th Infantry BCT from Oklahoma—to fulfill steady state operational requirements, including deployments.
- The Army uses, and plans to continue using, RC headquarters—the 76th Operational Response Command (Army Reserve) and the 38th Infantry Division from Indiana (National Guard) to provide Command and Control for the CBRN Response Enterprise. In addition, the Army plans to leverage a National Guard Division Headquarters—the 34th Infantry Division, from Minnesota—to fulfill the command and control responsibilities of a deployed mission in fiscal year 2015.
- Other National Guard capabilities, including Fires, Sustainment, Air Defense, Aviation, and some Engineers are fully utilized in support of ongoing operational requirements. In addition, the Army strives to increase the mix of these RC units at CTC rotations and Warfighter events.

Budget limitations and the threat of sequestration currently prevent the Army from building additional readiness in the Guard.

The Army is developing a new readiness model, in full transparency and coordination with the National Guard Bureau. The Army's new readiness model will empower commanders at all echelons to build and sustain higher levels of readiness and will clearly articulate the Army's use of the National Guard to meet steady-state operational requirements and requirements for contingency response. Consistent with the Army's Total Force Policy, our goal is to maintain the RC as an operational reserve and integrate both mission and contingency forces across all components.

TOW MISSILES

Question. As the Army phases out the TOW missile can you tell me about the progress towards identifying a replacement and when the Army expects the TOW missile to be taken out of service?

Answer. The Army will procure TOW missiles each year in fiscal year 2016–2020 with a plan to phase out the TOW missile in the 2029–2031 timeframe. For the future, the Army will invest in science and technology research to assess future missile requirements for the period beyond fiscal year 2029.

SUBCOMMITTEE RECESS

Senator COCHRAN. The Defense Subcommittee is going to reconvene on Wednesday, March 18, at 10:30 a.m. to receive testimony from the Missile Defense Agency.

Until then, the subcommittee will stand in recess.

[Whereupon, at 11:56 a.m., March 11, the subcommittee was recessed, to reconvene at 10:30 a.m., Wednesday, March 18.]