

**HEARING TO RECEIVE TESTIMONY ON THE
DEPARTMENT OF THE ARMY IN REVIEW OF
THE DEFENSE AUTHORIZATION REQUEST
FOR FISCAL YEAR 2014 AND THE FUTURE
YEARS DEFENSE PROGRAM**

TUESDAY, APRIL 23, 2013

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

The committee met, pursuant to notice, at 9:35 a.m., in room SD-106, Dirksen Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Reed, Nelson, Udall, Hagan, Manchin, Gillibrand, Blumenthal, Donnelly, King, Inhofe, McCain, Chambliss, Ayotte, and Vitter.

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

Majority staff members present: Jonathan D. Clark, counsel; Gerald J. Leeling, general counsel; Jason W. Maroney, counsel; William K. Sutey, professional staff member; and Bradley S. Watson, special assistant for investigations.

Minority staff members present: John A. Bonsell, minority staff director; Steven M. Barney, minority counsel; Allen M. Edwards, professional staff member; and Lucian L. Niemeyer, professional staff member.

Staff assistant present: John L. Principato.

Committee members' assistants present: Carolyn Chuhta, assistant to Senator Reed; Casey Howard, assistant to Senator Udall; Christopher Cannon, assistant to Senator Hagan; Mara Boggs and David LaPorte, assistants to Senator Manchin; Brooke Jamison and Kathryn Parker, assistants to Senator Gillibrand; Marta McLellan Ross, assistant to Senator Donnelly; Karen Courington, assistant to Senator Kaine; Steve Smith, assistant to Senator King; Paul C. Hutton IV, assistant to Senator McCain; T. Finch Fulton and Lenwood Landrum, assistants to Senator Sessions; Brandon Bell, assistant to Senator Chambliss; Joseph Lai, assistant to Senator Wicker; Brad Bowman, assistant to Senator Ayotte; Craig Abele, assistant to Senator Graham; Joshua Hodges, assistant to Senator Vitter; and Charles Prosch, assistant to Senator Blunt.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Good morning, everybody. The committee meets today, and we welcome Secretary of the Army, John

McHugh, and Chief of Staff of the Army, General Ray Odierno, to our hearing on the Army's fiscal year 2014 budget request and current posture.

Secretary McHugh and General Odierno, thank you for your continued outstanding service to the Army and to our Nation. Over the last decade, the men and women of the Army have learned and adapted to the hard lessons of the wars in Iraq and Afghanistan, showing that they have what it takes to be ready, to be successful, and to be resilient through repeated combat deployments. I hope that you'll convey this committee's appreciation to all who—with whom you serve, both military and civilian, for all that they do.

Even as the Army's combat commitments wind down in Afghanistan, the Nation is asking it to deal with serious resources challenges. The sequestration required by the Budget Control Act in fiscal year 2013, along with a higher-than-expected operating tempo in Afghanistan, has led to a \$12 billion shortfall in Army operation and maintenance accounts, leading to the cancellation of major training exercises and the deferral of required equipment maintenance and repair. By the end of September, only one-third of the Army's Active Duty units are expected to have acceptable readiness ratings.

We look forward to the testimony of our witnesses on how the fiscal situation facing the Army is likely to impact military and civilian personnel, families, readiness, modernization, and, as well, on the operations on Afghanistan.

The Defense strategic guidance announced by President Obama in January 2012 de-emphasizes ground forces for large-scale stability operations, and increases emphasis on air and sea forces for global power projection. Under the strategic guidance, the active Army will cut its end strength by approximately 52,000 soldiers, ending with a force of 490,000 by the end of fiscal year 2017, and will still be approximately 10,000 soldiers above its pre-Iraq-war size. The added stress of troop reductions on an Army still at war will be significant, and we know the Army will strive to manage this risk very carefully.

We recently learned that, due to increasing success in transitioning wounded soldiers through the Integrated Disability Evaluation System and back into civilian society, the Army expects to end fiscal year 2013 with 530,000 soldiers, which is 22,000 below its authorized strength for the year. We'd be interested to hear from our witnesses whether the Army's success in moving wounded warriors through the Integrated Disability Evaluation System will have a similar impact on Active Duty end strength in fiscal year 2014.

The 2012 Defense strategic guidance also reduces the Army's force structure by eight combat brigades, with two of these brigades in Germany being inactivated. We're interested to hear from our witnesses on how the Army will reorganize to meet the rest of this brigade reduction and whether additional savings might be realized by moving foreign-based units that are not inactivating back to the United States.

If end strength and force structure reductions in readiness were not well managed, the Army increases the risk of allowing the non-deployed force to become hollow. That is, too many units, with too

few soldiers to fill them or with training levels below that necessary to accomplish the units' missions. This risk will be compounded if we allow Army readiness to further erode, which would be the result if sequestration takes place again in fiscal year 2014 and beyond.

Secretary McHugh and General Odierno, we look forward to your views on steps that are necessary to avoid a hollow Army that would be unable to meet its mission requirements for current contingency plans and in various future scenarios.

The Army works with great determination to deal effectively with the human cost to soldiers and their families after 11 years of war. The Army has initiated creative programs and budgeted billions of dollars to improve the care of our wounded soldiers and to support families before, during, and after the deployment of their loved one. There's more work ahead for the Army—indeed, all the Services—dealing with the prevention and treatment of the heart-breaking incidence of suicides and sexual assault. The committee's interested to hear updates from Secretary McHugh and General Odierno on their assessments of the steps the Army has already taken to address these problems and the steps that lie ahead.

The committee has noted over the years how the Army's equipment modernization efforts have struggled. As the Decker-Wagner report found, several years ago, many Army acquisition programs have been canceled without delivering the capabilities expected and needed. Please describe your efforts to develop an achievable and affordable new equipment strategy that will enable us to avoid a repetition of that experience.

In this year's request, the Army has tried to meet tight budget requirements by restructuring, slowing, or cutting, but not canceling, nearly all of its ground vehicle and aviation programs. This means the Army will get what it plans for, but it will be later and likely cost more in the long run. Our witnesses will, hopefully, tell the committee how slower procurement and maintenance might impact the health of the military vehicle industrial base. And, more generally, we're interested in—to hear, from our witnesses, their assessment of, and their plans to manage, risks in the industrial base.

Again, to our witnesses, our country is appreciative of your leadership of the Army in meeting these complex challenges.

Senator Inhofe.

STATEMENT OF SENATOR JAMES M. INHOFE

Senator INHOFE. Thank you, Mr. Chairman.

Well, first of all, General Odierno, we've—I've enjoyed our getting to know each other well, both in the field and in the office.

And it's hard for me to believe, Secretary McHugh, that you and I have been friends since we sat next to each other on the House Armed Services Committee. And I won't even mention how long ago that was.

But, anyway, we hear, all the time—and, of course, it's true—that our Army was—is the best-tested and so forth, but there are really some serious problems that are out there. I think the Chairman has articulated, and very well, this budget is emblematic of

the growing mismatch between the missions and the capabilities that we expect our Armed Forces to maintain in the budget resources provided to them.

Last week, Director of the National Intelligence, James Clapper, stated—and this is a quote—he said, “In my almost 50 years in intelligence, I do not recall a period in which we confronted a more diverse array of threats, crises, and challenges around the world.” And I agree with him. Yet, despite the—that reality, we’re poised to cut over a trillion dollars from our military. These cuts are having a significant impact on the Army. Even without sequestration, these budget cuts are causing a significant decline in the readiness of our Army and its ability to train for the next contingency.

General Campbell, the Vice Chief of the Army, recently stated before the Readiness Subcommittee—and this, again, is another quote—“To meet the sequestered targets to protect our warfighter, warfighter funding in fiscal year 2013, we’ve currently curtailed training for 80 percent”—80 percent—“of our ground forces for the next fiscal year. We’ve canceled six combat maneuver training exercises at the National Training Center and the Joint Readiness Training Center,” unquote.

These cuts in training come at great cost to the readiness of the Army. And I’ve often said, and everyone agrees, that readiness equals lives. We—and risk. It means that our soldiers will be less capable and less prepared to deal with the growing threats abroad. And the longer these cuts continue, the closer we get to a hollow force.

Readiness is not the only area that I’m concerned about. The Army has, rightfully, prioritized funding to support deployed and next-to-deploy forces, but we are learning that the Army’s modernization accounts, its future readiness, are at significant risk. These negative effects on modernization are only compounded by sequestration. Last week, General Campbell stated—again, this is a quote—he said, “Sequestration will also result in delays to every one of our ten major modernization programs, including the ground combat vehicle, the network, and the joint light tactical vehicle. It will increase costs. It will create an inability to reset our equipment after 12 years of war,” unquote.

These cuts will also have an impact on civilian workforce. The civilians play an important role in the service, especially in maintenance and logistics area. And I’m greatly concerned on how these furloughs will impact the support they provide the Army.

The service chiefs continue to tell us that what they need the most is certainty, flexibility, and time. The Army’s budget request does little to help the Army address these three concerns. Last week, in our Defense Department posture hearing, General Dempsey testified. He said, quote, “When budget uncertainty is combined with the mechanism and magnitude of sequestration, the consequences could lead to a security-gap vulnerability against future threats to our National security interests.” And that’s exactly what we are beginning to see.

I believe General Dempsey said it best in a letter signed by the Joint Chiefs to the Congressional Defense Committees, quote, “The readiness of our Armed Services is at a tipping point.”

So, we hear it from everyone, about what is happening, about the immorality, I call it, of the action that is being taken that's forcing you to do a better job. And, you know, I've said, General Odierno, several times in the past that you do a great job, you guys, with the hand that's dealt. We've got to deal you a better hand. And I think that's what this is all about, and I look forward to your testimony.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Inhofe.

Secretary McHugh.

STATEMENT OF HON. JOHN M. MCHUGH, SECRETARY OF THE ARMY

Mr. MCHUGH. Thank you very much, Mr. Chairman, Ranking Member Inhofe, distinguished members of the committee. Thank you for the opportunity, once again this year, to appear before you to discuss what I know you will agree is the extraordinary work of America's Army this past year, its current state, and, of course, the vital requirements that are necessary to sustain our combat power for today, tomorrow, and beyond.

And I want to assure all the members of this committee, in response to the chairman's opening comments, this Army—and I think I can speak for all the Services—deeply, deeply appreciates the leadership, the guidance, and sometimes the shelter that you, the members of this great committee, provide. And we not just look forward to, we very much need to continue to work with you in the days ahead.

I wish I had better news to share, frankly, but today we find our Army at what can be described as a dangerous crossroads, one which if we, as a Nation, choose the wrong path, may severely damage our force, further reduce our readiness, and hamper our National security for years to come.

As you know, over the last 12 years, this Nation has built the most combat-ready, capable, and lethal fighting force the world has ever known. From Iraq and Afghanistan to the Horn of Africa and Korea, we have fought America's enemies, protected our National interests, deterred would-be aggressors, and supported our allies with unprecedented skill, determination, and, quite frankly, results. Over the last year alone, we've seen great success in operations ranging from counterterrorism and counterinsurgency to homeland security and disaster response. Soldiers and civilians from all components—Active, Guard, and Reserve—have repeatedly risked their lives to defend our freedom, to save the lives of others, and to support our citizens in recovering from hurricanes, wildfires, and even droughts. There has been no foreign enemy, natural disaster, or threat to our homeland that your Army has not been prepared to decisively engage.

Unfortunately, today we face an unparalleled threat to our readiness, capabilities, and soldier and family programs. And that danger comes from the uncertainty caused by continued sequestration, funding through repeated continuing resolutions, and significant shortfalls in overseas contingency accounts.

In fiscal year 2013, the blunt ax, known as sequestration, which struck in the last half of the year, on top of the \$487 billion in De-

partmentwide cuts already imposed by the Budget Control Act, forced us to take extraordinary measures just to ensure that our warfighters have the support needed for the current fight. We made those hard decisions, but at a heavy price to our civilian employees, training needs, maintenance requirements, readiness levels, and to a myriad of other vital programs necessary to sustain our force and to develop it for the future.

For the Army, sequestration created an estimated shortfall of \$7.6 billion for the remaining 6 months of fiscal year 2013. This includes nearly \$5 and a half billion in operation and maintenance accounts alone, as the Chairman referenced. The impact of this drastic decline over such a short period will directly and significantly impact the readiness of our total force. We've reduced flying hours, frozen hiring, and released hundreds of temporary and term workers. We were forced to cancel initial entry training for more than 2,300 military intelligence soldiers, reduce training to the described level for our nondeploying units, and had to cancel again, as the Chairman and Ranking member noted, all but two of the remaining brigade decisive-action rotations at our National Training Center. And this is on top of the drastic impacts to our depot, vehicle, and facility maintenance programs. Unavoidably, these negative effects will cascade well into the next fiscal year, and often beyond.

Simply put, to continue sequestration into fiscal year 2014 and beyond would not only be irresponsible but devastating to the force, but it would also directly hamper our ability to directly—to direct and provide sufficiently trained and ready forces to protect our National interests.

Moreover, full implementation through fiscal year 2021 will require even greater force reductions that will dramatically increase strategic risk. For example, just to maintain balance, we may have to reduce over 100,000 additional personnel across all three components. When coupled with the cuts driven by the BCA already, your Army could lose up to 200,000 over the next 10 years.

Consequently, to mitigate against the continued impacts of such indiscriminate reductions, our fiscal year budget request for 2014, as in the House and as in the Senate resolutions, does not reflect further sequestration cuts. Rather, we attempt to protect some of our most vital capabilities, which were developed over nearly a dozen years of war in a hedge against even further reductions in readiness. We hope that, if additional funding reductions are required, they are properly backloaded into later fiscal years and that we're provided the time and flexibility to better implement them, and do as responsibly as possible.

For all of its challenges, continued sequestration is only part of the danger we face. Since fiscal year 2010, the Army has experienced funding through some 15 different continuing resolutions. This has caused repeated disruptions in our modernization efforts, uncertainty in our contracts, and unpredictability for our industrial base. Each continuing resolution presents—resolution prevents new starts for needed programs and creates inefficiencies that often result in wasteful spending for things we no longer need or can no longer afford. As you know, this year it was 6 months into the fiscal year before we had an appropriation. And there's more.

While we remain at war with a determined enemy in Afghanistan while simultaneously conducting retrograde operations, we must remember that OCO funding is essential. Unfortunately, your Army currently faces up to a 7.8 billion deficit in overseas contingency funding. Although, as noted earlier, we will not allow our warfighters to suffer, OCO shortfalls disrupt our ability to repair and reset equipment, and directly impact our organic and commercial industrial bases.

Continued budgetary uncertainty jeopardizes our ability to have the right forces with the right training and the right equipment in the right place to defend our Nation. Our readiness has suffered, our equipment has suffered, and, if we're not careful, our people may suffer, as well.

As such, more than ever before, we need you, our strategic partners, to help ensure that America's Army has the resources, tools, and force structure necessary to meet our requirements both at home and abroad. The Army's fiscal year 2014 budget request is designed to meet those objectives. As you'll see, the fiscal year 2014 submission meets our current operational requirements while allowing us to build an Army to meet future challenges through prudently managing and aligning force structure, readiness, and modernization against strategic risk.

First, it helps us balance readiness across the total force—Active, National Guard, and Reserve. It allows us to refocus training toward core competencies, and supports a steady and sensible transition to a smaller force.

Second, it reinforces the Army's central role in the defense strategy by allowing us to strengthen our global engagements with regionally aligned forces, and ensures that we remain a lynchpin of the rebalance toward the Asia Pacific theater.

Third, it provides for vital reset and replacement of battle-damaged equipment, helps to support our industrial base, and funds key modernization priorities focused on soldier-squad systems, the network, and enhanced mobility.

Most importantly, it sustains our commitment to soldiers, civilians, and their family members, many of whom continue to deal with the wounds, illnesses, and stresses of war. From suicide prevention and Wounded Warrior programs to resiliency training and sexual assault prevention and prosecution, this budget is designed to strengthen, protect, and preserve our Army family that uses those programs, and uses them in ways that are efficient, effective, and comprehensive. We have a sacred covenant with all those who serve and with all those who support them, and we must not break it.

Nevertheless, we recognize our Nation's fiscal reality. Accordingly, our budget proposal will further these vital goals with a 4-percent reduction from fiscal year 2013's budget base, achieved through prudent, well-planned reductions, not indiscriminate slashing.

In conclusion, on behalf of the men and women of the Army, let me thank you again for your thoughtful oversight, your unwavering commitment and proud partnership with this Army. And, with your support, the Army has become the finest land force in history. Now we need to work together to help protect the hard-fought ca-

pabilities developed over years of war and to ensure we have the resources necessary to meet the unforeseen challenges that may lie ahead.

Our soldiers, civilians, and family members are second to none, as I know everyone on this committee knows and agrees. They are patriots, working tirelessly every day to support and to defend freedom. America's Army has succeeded in Iraq and is making progress in Afghanistan, and, at this moment, and as this budget demonstration, is focused on completing the current fight as we transform into a leaner, more adaptable force. To do so, as I said earlier, we need flexibility, predictability, and the funding necessary to ensure we have highly trained and ready forces to meet the mission. As we face this crossroads together, it's critical that we choose the right path for our soldiers, our Army, and our Nation.

And thank you, Mr. Chairman.

[The prepared joint statement of Mr. McHugh and General Odierno follows:]

Chairman LEVIN. Thank you very much, Secretary.
General Odierno.

**STATEMENT OF GEN RAYMOND T. ODIERNO, USA, CHIEF OF
STAFF OF THE ARMY**

General ODIERNO. Thank you, Chairman Levin, Ranking Member Inhofe, and other distinguished members of the committee.

First, I want to thank you for your continued commitment to our soldiers and families, especially over the past 12 years as we've been in combat. This partnership has done a great job in supporting them, ensuring they have what they need, and is in—it helped us to ensure we have success on the battlefield.

Second, I want to thank Congress for its hard work in passing the fiscal year 13 Consolidated Appropriations and Further Continued Appropriations Act. We very much appreciate your help, which has alleviated nearly 6 billion of the \$18 billion shortfall to the Army's operational and maintenance accounts in fiscal year 13.

I'm humbled to be here representing the 1.1 million soldiers, 318,000 Department of the Army civilians, and 1.4 million family members of the U.S. Army. I'm extremely proud of their competence, character, and commitment of our soldiers and civilians, their sacrifice and their incredible accomplishments.

I remind everyone as we sit here today, the U.S. Army has nearly 80,000 soldiers deployed and more than 91,000 forward stationed in 150 countries, including almost 60,000 in Afghanistan and thousands of others in Korea, and new deployments to—with command-and-control capability to Jordan, patriots to Turkey, and THAAD batteries to Guam and elsewhere around the world.

Our forces in Afghanistan continue to conduct the successful transfer of security responsibility to the Afghan National Security Forces, who increasingly demonstrate the self-reliance, confidence, and capability to protect their population and secure a more stable political future.

Today, the Army's primary purpose remains steadfast: to fight and win the Nation's wars. And we will continue to be ready to do that, even as we do our part to help the country solve our fiscal

problems. But, the timing, magnitude, and method of implementing budget reductions will be critical.

In fiscal year 2013, the Army still faces a more than \$13 billion operations and maintenance shortfall, which includes a \$5.5 billion reduction to the Army's base budget and a \$7.8 billion shortfall to overseas contingency operations. As a result, we have taken drastic actions to curb spending. And in the final 6 months of the year, we have curtailed training for 80 percent of the force, canceled six brigade maneuver combat training center rotations, and cut 37,000 flying hours, initiated termination of 3100 temporary employees, canceled third- and fourth-quarter depot maintenance, and are planning to furlough our valued civilian workforce for 14 days in fiscal year 2013.

The cost of these actions is clear. We are sacrificing readiness to achieve reductions inside the short period of the fiscal year, and readiness cannot be bought back, not quickly and not cheaply. So, I am concerned that the problems created by over—by the over \$13 billion shortfall will push into fiscal year 2014 and beyond.

The Army's fiscal year 2014 base budget submission of \$129.7 billion enables us to support the 2012 Defense strategy, but it does not account for the decaying readiness that is being caused by our shortfall in fiscal year 2013, and this will impact the Army as we enter fiscal year 2014.

In addition to this base budget, the Army will continue to require OCO funding for operations in Afghanistan and our ability to continue to reset our force. The Army has submitted a separate request for a fiscal year 2014 OCO. It is critical that this request be fully funded.

I would implore all of us to work together so that we receive the fiscal year 14 National Defense Authorization and fiscal year 2014 Budget on time. This will allow us to properly plan for and mitigate the risks associated with a declining Defense budget.

It is imperative that we gain predictability in our budget process. If we don't, we'll be unable to efficiently and effectively manage our resources, and it will be impossible to make informed decisions about the future of the Army.

I also think that it is in the best interests of our Army, Department of Defense, and our National security to avert sequestration. The size and the steepness of cuts required by sequestration make it impossible to downsize the force in a deliberate, logical manner that allows us to sustain appropriate balance of readiness, modernization, and end strength. The cuts are simply too steep. We just cannot move enough people out of the Army quickly enough to produce the level of savings needed to comply with sequester. And, therefore, we will need to take disproportionate cuts in modernization and readiness. Let me explain:

Under sequestration, the Army would need to again absorb immediate cuts in fiscal year 14. This would likely force us to cut personnel accounts, reductions that could equate to tens of thousands of soldiers. And, by the time we paid separation benefits for these soldiers, the cost to separate them would exceed the savings garnered. The maximum we can reduce the force by without breaking readiness and including excessive separations costs is somewhere between 15- and 20,000 soldiers per year, but this would only save

\$2 billion a year. So, right now, almost the full weight of sequester will again fall on the modernization and readiness accounts, where such drastic cuts will take years to overcome. The net result will be units that are overmanned, unready, and unmodernized. The steepness of the cuts in sequestration forces us to be hollow.

Even though I think the level of sequestration cuts are too large, if we backload them into the later years of the sequester period, at least that would allow us the opportunity to properly plan and to sustain the balance we need in these uncertain times.

As we look to fiscal year 2014 and beyond, our foremost priority is to ensure that our soldiers deployed on operational commitments are trained, ready, and able to execute their missions. Simultaneously, we'll continue to draw down the force. We are on schedule to remove 89,000 soldiers from the Army by fiscal year 17, due to the budget reductions levied by the 2011 Budget Control Act. So far, most of these cuts have come from our overseas formations; specifically, in Europe. In fiscal year 2014, future force reduction will affect almost every Army and joint installation across the United States. We will release our plans for these reductions in June. The key to the current drawdown is to maintain that the balance between end strength, readiness, and modernization so that we are properly sized and ready for whatever the country needs us to do. Such an evenhanded approach is the only acceptable one while the world remains such an unstable place, the most unstable I have seen in my nearly 37 years of service.

Full sequestration will dangerously steeply that drawdown ramp. It will require us to reduce, at a minimum, another 100,000 soldiers from the total Army. And that will be on top of the 89,000 already being reduced. This will result in a 14-percent reduction of the Army's end strength and an almost 40-percent reduction in our Brigade Combat Teams.

In addition, these reductions will degrade support to combatant commanders in critical areas, such as missile defense, special operations, cyber, logistics, intelligence, and communications. And cuts of this magnitude will leave us with excess infrastructure, making a future round of BRAC essential.

Sequestration will degrade our ability to take care of our soldiers and families who have fought so hard and sacrificed so much over the last 12 years, both those who are leaving the Army and those who are staying in the Army. Sequestration will make it impossible to execute a responsible drawdown and will challenge our ability to support the 2012 Defense strategic guidance.

Looking into the future, we are reposturing our force to be globally responsive and regionally engaged. We are aligning our forces with the geographical combatant commanders to provide mission-tailored, -sized, and -scaled organizations for operational missions, exercises, and theater security cooperation activities.

For times of crisis, we'll maintain a global response force capable of conducting force entry on short notice. We will reinvest in our expeditionary capabilities to deploy forces quickly and efficiently anywhere in the world. And we are refining the integration of our conventional special operations and cyber capabilities to ensure we can handle a broad range of emerging threats. In this uncertain

world, we need an Army that conducts many missions, at many speeds, at many sizes, under many conditions.

Going forward, the Army will evolve into a force that can deploy and sustain capabilities across the range of military operations anywhere in the world on short notice. It will have increased flexibility and agility in both its formations and its acquisition systems.

A modernization strategy will center on the Army's strength—the soldier—making him the most discriminately lethal weapon in the United States military. We will provide our soldiers with the network connections to give them unparalleled access to information and intelligence so they can make timely decisions. And we will provide our soldiers with the tactical mobility, survivability, and lethality to take decisive action.

As we prepare to operate in an increasingly complex and uncertain environment, our number-one priority is to invest in our leaders. This spring, we will roll out a brandnew leader development strategy, which will invest in our soldiers' training, education, and development. It will fundamentally change the way we train, educate, assign, assess, and promote our leaders. It will be the foundation of our future Army.

We will continue our efforts to take care of our soldiers. Twelve years of war has taught us the importance of building, sustaining the resiliency of our soldiers, civilians, and their families. Just this year, we rolled out the Army Ready and Resilient Campaign. This holistic effort to build the emotional, physical, and spiritual health of our soldiers will pay dividends in all three components.

Caring for wounded warriors and keeping faith with veterans is essential to honoring their service. Our Soldier for Life Campaign will ensure that our soldiers transition successfully into civilian life and enrich American society with their Army experience.

With the support of Congress, we'll maintain a military pay and benefits package, including affordable, high quality healthcare that acknowledges the burdens and sacrifice of service while remaining responsive to the fiscal environment.

Soldier personnel costs have doubled over the last 10 years and now make up 44 percent of the Army's fiscal year 2014 budget. If we do not slow the rate of growth of manpower costs, we will not be able to afford to keep our Army trained and ready.

We are at a strategic point in the future of the United States Army and our military. We must strike the right balance of capabilities both within the Army and across the joint force. Our history tells us that if we get out of balance, our enemies will seek to take advantage.

Our soldiers are the finest men and women our country has to offer. Since 2001, more than 1.5 million soldiers have deployed, and more than a half a million have deployed two, three, or four more times. More than 35,000 soldiers have been wounded, and over 4800 have made the ultimate sacrifice to defend this great Nation. It is our responsibility to ensure that we never again send soldiers into harm's way that are not trained, equipped, well led, and ready for any contingency, to include war. It is our responsibility to honor the service and sacrifices of our veterans, whether they remain in uniform or transition back to civilian life.

The strength of our Nation is our Army. The strength of our Army is our soldiers. And the strength of our soldiers is our families. And that's what makes us Army strong.

Thank you, Mr. Chairman. And thank you for—the committee for allowing me to testify today.

Chairman LEVIN. Thank you so much, General.

We'll have a 8-minute round for the first round.

Let me start with this question. We were notified recently that the Army's Active Duty end strength at the end of fiscal year 13 would be approximately 530,000. Now, that's below their authorized strength. It's 22,000 below the authorized strength for the Army, and it's 12,000 below the floor established in law. The President is given the power to waive end-strength laws in time of war in order to avoid violating the law. But, nonetheless, those seem to be the statistics.

Now, the Army Times had an article, recently, in which they said the following, that 11,000 Active Duty soldiers backlogged in the Integrated Disability Evaluation System are going to be separated this year, and the—as many as 15,000 soldiers, according to this article, will be separated this year, quote, “for misconduct or for not meeting the required standards, such as physical fitness and weight control.”

So, my question, I guess, starting with you, Secretary—this is a rapid reduction, more than expected, in the Army's fiscal year 13 end strength. Is that due to the processing—the expedited processing in the Integrated Disability Evaluation System or are we removing soldiers who no longer meet the requirements for detention? Or both, and to what degree is each involved?

Mr. MCHUGH. Thank you, Mr. Chairman. The answer is both. The article that you cited is pretty correct. The estimates that we have now through the rest of this year will be about 11,000 more soldiers out-processed, and, frankly, as a result of a good-news effort to try to reduce the backlog and the Medical and Physical Evaluation Board process going into IDES. That's a good readiness story, as well. Those soldiers count against end strength, and, obviously, because of their conditions, are not really assigned in any Active Duty details that allow them to deploy. So, we view that as a positive step.

Also, the new era that we're entering does allow us to get back to basics, and that includes our standards for discipline, height, and weight. Commanders across the force have been paying, I think, rightfully, more attention to that; and the result, in large measure, is an expected 15,000-soldier reduction who have been out-processed either for misconduct or other failures to meet up to standard. So, that has brought us down to the numbers that you cite. The end-strength objective for the Army at the end of 2014 will be 520,000, but, again, you know, we'll have to measure that against these kinds of factors, going forward.

Chairman LEVIN. Well, that 520,000 may be high if these patterns continue, is that right?

Mr. MCHUGH. That's my reference to “we have to continue to monitor.” The—you know, from my perspective, the more we can reduce the backlog to IDES and MEB and PEB, and I'm sure you all agree, is a good thing.

Chairman LEVIN. Right.

Mr. MCHUGH. And we want to maintain standards. So, if those trends continue, the 520- may be subject to some amendment, as well.

Chairman LEVIN. Okay. The administration is requesting a 1-percent pay raise for military personnel. They're also proposing to increase fees for military retirees who enroll in the TRICARE Prime healthcare program, instituting enrollment fees for participation in the TRICARE Standard, Extra, and TRICARE for Life programs. They're proposing to increase pharmacy copayments and to increase deductibles and the catastrophic cap. The—as a result of the 1-percent pay raise for personnel and the—well, let me just focus on those fee increases.

The Department has assumed budget savings of about a billion dollars for the fee increases, and I'd like to ask you about both the pay raise and the TRICARE fee increases, and ask you both whether you support both the amount of the pay raise, at 1 percent, which is a little bit below the expected 1.8 percent, but also whether or not you support those increased TRICARE fees.

So, Secretary, do you support those items in the budget?

Mr. MCHUGH. I do, Senator.

Starting with the pay increase. Thanks to the great work of Congress and this committee, there have been significant gains against the private-sector equivalents in pay. We think we're now at a fairly good place. The President very much wanted to reflect some increase, based on the continued sacrifice of our soldiers, and 1 percent seems to fit well both within that recognition band but also recognizing the challenges that we have in this budget in the ways going forward.

Our first responsibility to our soldiers are making sure they have the equipment they need, making sure, particularly while deploying, they have all the resources they need. So, that was both our, and I think it would be their, first desire, as well.

As to the TRICARE fees, as we discussed last year, we all wish that things could remain status quo, but, as is happening in the civilian sector, although numbers have come down, to some extent, the increases to the Defense Health Plan and Program have skyrocketed, particularly over the last 10 years. And these are matters of ensuring we have the resources necessary to support a very robust and, in the military, a very favorable program, when compared to the private sector, but also recognizing we have to do some things to get those increases and those costs under control.

And I think—well, and the Chief can certainly speak for himself—those proposals were the product of a lot of work from both the civilian and the uniformed leadership, including the NCO leadership of the Army.

Chairman LEVIN. Thank you.

And, General Odierno, do you support both that 1- percent pay raise plus the TRICARE fee increases that I outlined?

General ODIERNO. I do, Senator. And, as I mentioned in my opening statement, we have to reduce the rate of growth of the cost of our soldiers that has doubled since 2001. If we don't, that will require further significant reductions in end strengths across all the services, but specifically the Army. So, I think there's a way for us

to balance. I think this proposal balances proper compensation with what we need in order to sustain the right level of end strength for our Army as we move forward.

Chairman LEVIN. Thank you.

And then, my final question has to do with the management of risk in the industrial base. These — there's proposals here to reduce the quantities, and also to delay the development, procurement, and maintenance programs for equipment. And the question is what actions you're taking to—or, let me put it this way. What criteria or indications in the industrial base are you going to monitor, Secretary, to alert you to the potential or to the imminent loss of capability or capacity to meet the Army's needs into the future? In other words, what's going to indicate some evidence of an unacceptable increase in that risk, or an imminent loss of capacity or capability in the future?

Mr. MCHUGH. Yeah, the—this is an area that troubles us deeply, and it really is a confluence of two factors. You noted, correctly, Mr. Chairman, that the sequestration threat, the budget and fiscal realities, going forward, will require some changes in how we've done business, but also, the reality of coming out of two theaters of war; it's just natural to assume we'll have less need to buy things.

So, what we have attempted to do is really a two-path track. The first is to work with the Department of Defense, through their sector-by-sector, tier-by-tier analysis, S2T2. That's an across-the-board look at all military suppliers to do what you queried; that is, identify the metrics necessary to measure and eventually assess risk. The first year of that has been completed. It was begun in 2012. The Department is now trying to set up those metrics so we can feed consumption data into it and come up with those kinds of red flags, and it'll provide us at least the opportunity to try to do something about it.

From the Army perspective, the second path, we're—we've started an industrial-base program to do a similar analysis within the Army and also have hired A.T. Kearney, an industrial analyst firm, to study particularly our combat vehicle fleet to make sure that we understand where the threats lie to our industrial base, particularly where we have single point of failures. We will receive that report, hopefully in June, which, of course, we'll share with the committee. The first step is knowing where the problems lie. The second is trying to use diminishing resources to protect it. And that's why it's important we work on a Departmentwide basis.

Chairman LEVIN. Thank you very much, to both of you.

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

General Odierno, we talked about this in my office. And, as you know, there are proposed changes to the UCMJ that have, up until now, been the responsibility of commanders. Now, to date, we've only had JAGs testify up here before the subcommittee and give their opinions, so I would like to get a commander's perspective. As a commander—that's you—we trust you to make decisions that may result in the loss of life in order to protect the Nation and accomplish the mission. We trust you with our sons' and daughters' lives, but we don't trust you, or your discretion, when it comes to

UCMJ offenses. This seems a little bit hard for normal people to believe, that you would have that responsibility, but not have that responsibility, in terms of what they are doing.

I'd ask, I guess, first, do you, as a commander, consider the USMJ, as it is currently structured, to be a viable tool to help you maintain enhanced cohesiveness and fighting capabilities of your units?

General ODIERNO. Well, first, the commanders role in the military justice is simply essential. It's critical to our system. It's essential to the commander's authority. Commander is responsible for good order, discipline, health, and morale and welfare of the force. And the commander needs the ability to punish quickly, locally, and visibly, which impacts the overall discipline of the force.

So, as we look at changes to Article 60, it's important that we do it deliberately to make sure that it does not take away the commander's authority and ability to maintain standard order and discipline.

Senator INHOFE. Yeah.

General ODIERNO. It's essential to us as we move forward.

Senator INHOFE. And, General, that's a great answer. I appreciate that very much. I had the staff look up a couple of things for me, and I just got it this morning. The Marines, only 7 out of 1768 has the convening authority actually changed a guilty decision. In the Air Force, it's 1.1 percent. The Navy has had 16,056 general court-martials, and in only two known cases have they reduced them. Now, in the Army, it's very similar; since 2008, the Army convening authority has disapproved the findings and sentence of a soldier convicted of a sexual assault and returning the soldier to Active Duty. So, they didn't have any of those.

So, anyway, I just—I'm going to put this into the record, but I'd like to—it sounds to me like there is not a serious problem, here.

[The information referred to follows:]

[COMMITTEE INSERT]

Senator INHOFE. Secretary Hagel came out and said that he would take away that jurisdiction from the post sentencing, which I thought was going quite a ways. Now, I've talked to several members of the—who agree with me. Do you think that that's a reasonable compromise?

General ODIERNO. Well, I think they still—the important—what UCMJ gives you is flexibility. And so, you have a variety of actions that you can take, along the spectrum, that allows you to punish appropriately for the offense that's conducted.

Senator INHOFE. Yeah.

General ODIERNO. So, that's the important part that UCMJ—that is not anywhere else in a public judicial system, and that's what allows us to—so, we have to be careful that we don't ever walk away from that ability.

Senator INHOFE. Yeah.

General ODIERNO. So, I think, in the proposal, they maintain that for the minor offenses. For the more difficult offenses, they—for the more Federal-conviction-like offenses, then it would be brought forward—

Senator INHOFE. Yeah. Well, no, and I appreciate that. Let me ask both of you—because there is an independent panel that is in-

vestigating this. They're going to, I guess, convene in the summer. I don't know exactly when they're going to have the report. But, it would seem to me that, if we're going to take something that is as far-reaching as this, that we should at least wait until we get an independent panel, get the results, and consider their recommendations. Would both of you comment on that or agree with that?

Mr. MCHUGH. Well, the concern I have, Senator, is that, based on over 20 years in a legislative body, myself, in an effort to do understandably good things, we tend to go too far in the first bite. So, what I would simply say—and I'd—obviously, we defer to the judgment of Congress, here—is that we take this in a very measured way and, as the Chief said, recognizing what I think most people who have had the opportunity to look at the UCMJ and the commander's role in it understand, is a positive role. Secretary Hagel, as you noted, Senator Inhofe, has proposed some changes and is pursuing some changes for one aspect, in the commander's right to overturn, in felony cases, in certain circumstances. I personally support that, but any steps beyond that, I think should be done—

Senator INHOFE. Okay, that's—

Mr. MCHUGH.—very carefully.

Senator INHOFE.—a fair answer. But, you say “a measured approach.” Wouldn't a measured approach be to take the results of a—an independent commission that is conducting an investigation, you know, as early as this summer, before making a decision? Wouldn't that be valuable?

Mr. MCHUGH. Well, it depends what the commission says. I never like to commit to an outcome before I know what that—

Senator INHOFE. Yeah. Okay.

Mr. MCHUGH.—outcome is.

Senator INHOFE. But, at least we'd have the input. Not saying that we're going to do what the commission or the committee says, but we'd have the information from their independent study. Is there any problem with that?

Mr. MCHUGH. Well, I can't, again, adjudge outcome. I'd—

Senator INHOFE. Sure.

Mr. MCHUGH. I would simply say this. To change the UCMJ would, rightfully, take an act of Congress, and I'll—we'll defer to the Congress as to how—

Senator INHOFE. Okay, that's fair.

Mr. MCHUGH.—to go forward.

Senator INHOFE. I have a couple of other questions. I may have to take some of these for the record. But, the—you've heard several of us up here talking about the cost of energy. I know, when you're cutting defense, you know, there are cuts, there are delays. A lot of times, I think the delays, like the 2-year delay on the 179 F-35s, that, you know, that could end up being a cut. But, the thing that people are not as aware of is putting the agenda, as this President has done, into the Defense budget. For example, why should the Department of Defense be paying for, you know, biorefineries and solar panels, and these things? It's my understanding that the—right now, I—the Army budgeted \$562 million and approximately 4.2 billion in the FYDP for operational energy initiative. Now, down here in the last—it says, “In addition, the Army announced, late last year, an initiative to award \$7 billion a

contract“—over a period of time, I’m sure—”to procure renewable and alternative energy.”

As I—I look at that, and I see the things, General Odierno, that you stated about the crises that we’re facing. I would like to have—and I’ll just wait and get this for the record, because I don’t think there’s time to give you adequate time to answer that.

[INFORMATION]

Senator INHOFE. But, \$7 billion in this, to me, is just outrageous. You know, I was around when they’d—established the Department of Energy. That’s what those guys, in my opinion, are supposed to be doing.

So, I’d like to have your response to that for the record, since there would not be time to do it now.

And, lastly—

Mr. MCHUGH. Senator, can I provide one point?

Senator INHOFE. Yes, of course.

Mr. MCHUGH. The MATOC, the multiple year—30-year contract you’ve mentioned, that really is private-sector investment money. What it does is allow us, as the Army, to purchase power that is produced through the investments. And those programs, by our analysis, for every dollar of government taxpayer money invested, we get \$7 of private investment and a dollar on—in return. So—

Senator INHOFE. No, I—

Mr. MCHUGH.—it’s just energy independence, it’s not a biofuel—

Senator INHOFE. I understand that. But, when you—when the Navy is forced to pay \$27 a gallon for 420,000 gallons of gas, you can get—a fuel that you can get for \$3, that’s—that doesn’t apply there.

Mr. MCHUGH. I—

Senator INHOFE. And I think—

Mr. MCHUGH. I won’t—

Senator INHOFE. And I’d like to have you—

Mr. MCHUGH.—speak for the Navy. We don’t have that program.

Senator INHOFE. Well, all right.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much.

Senator Reed was sitting right here, and he asked me if he could switch positions with Senator King, and I told him he could do that.

And so, Senator King, you would take his place, and I assured him he could leave 10 seconds early and do that so that, then, Senator Reed would take your position, which is near the end of the queue. So, that’s very gracious of him to do that.

I hope I didn’t in any way mislead you, Senator Donnelly, on this.

Senator DONNELLY. No, and if Senator Reed would like to take my position, so—[Laughter.]

Chairman LEVIN. Now, you’re really confusing things here. [Laughter.]

Senator DONNELLY. I’m fine with having Senator Reed—

Chairman LEVIN. Thank you.

Senator DONNELLY.—go before me.

Chairman LEVIN. Thank you both.

Senator King.

Senator KING. Thank you.

Mr. Secretary, we've been talking a lot about sequestering and budgets. We know that the Senate—the budget, that was passed by the Senate several weeks ago, essentially unwinds the sequester in fiscal year 14, and thereafter, through a different series of cuts and revenues. Have you analyzed the House budget that's been passed and what it does? I've tried to research this, and I'm a little confused. Does the House budget maintain the sequester on into the indefinite future?

Mr. MCHUGH. My understanding—and we do get into a level of semantics, here, that are always troubling—but, both houses, the Senate and the House, do not assume the sequester numbers. However, the two houses accommodate those sequester numbers in very different ways. I would really prefer to defer to the House to analyze their own budget. But, that's why we come here in support of the President's 2014 budget. We think that has a reasonable approach to the issue.

Senator KING. Thank you very much.

General, you were testifying about training. To put it most bluntly, when we cut training, are we putting lives at risk?

General ODIERNO. Ultimately, if you have to—if we have to deploy soldiers on a no-notice contingency, they will go at a lower training rate, which usually equates to putting their lives at risk, because they will not be able to accomplish their missions effectively or efficiently as we'd like them to be, and they will not have the experience of training, working together. The Army is, probably more than any other service—maybe the Marine Corps, as well—we're so—we have to focus so much on the team, and integrating the team in very complex environments. And if you don't have the ability to train on that, that could cost lives, if we had to deploy them without that appropriate training.

Senator KING. Thank you.

On the issue of maintenance, you have mentioned both—both of you, I think, mentioned that maintenance is going to have to be cut. In my view, cutting maintenance isn't a savings. It may be a savings this year, but it's ultimately something that's going to have to happen, and it may be more expensive in the future. Is that—Mr. Secretary, do you have a thought on that?

Mr. MCHUGH. Well, I think that's absolutely correct. The other thing it does, particularly when you talk about reset maintenance, bringing products out of theater, and platforms out of theater, ultimately that's where our equipment-on-hand ratings come from. That's how troops, both in the active and the Guard and Reserve, get their training—or, get their equipment, after we've had a chance to provide the maintenance, and, in the case of coming out of the theater, the reset. So, that degrades their equipment on hand, which degrades their readiness, as well.

So, all of these things are fiscally necessary to keep us on track, but I don't think many people would argue they're fiscally prudent or economically wise.

Senator KING. Thank you.

We had a hearing, last week, of the Personnel Subcommittee with representatives of the veterans organizations. And you used

terms, today, like “keep the faith,” “breaking faith with our troops,” in term—particularly in terms of TRICARE. What does that term mean? And the implication from our hearing last week was that the veterans assume a lifetime of health benefits at a much reduced rate as part of their employment package, if you will. Is that the way the Army sees it? What are people told when they enlist?

General ODIERNO. I would just say, is you—when you enlist, you understand you have a series of benefits that are available to you. I think when you enlist, people probably aren’t thinking about retirement, but we learn that, over time, what your retirement benefits are and what you expect when you retire.

I think what we’re talking about here, though, is not—we’re not eliminating benefits, but we’re realizing that the—we have not increased the cost of contributing to TRICARE from when we originally started this program. We started a little bit last year. And so, the benefit has actually gotten so much better, because, as inflation has gone up, the TRICARE contributions have not kept up with it. So, in reality, the benefit has gotten much better than when they first came in, because pay’s gone up, inflation’s gone up, retired pay continues to go up, and yet the TRICARE contribution did not go up at the same rate. So, what we’re trying to do is make it a bit more even now. Because if we don’t—and ultimately it’s going to—what will cost us not to bring in less soldiers into the Army, Navy, Air Force, et cetera, because the cost of a soldier will be so much to us. And so, we’re trying to get that balance. So, we think that’s a good way to get after this.

Senator KING. I was struck by your comment—I believe it was yours—that 44 percent of your total costs now are personnel. And I presume that includes these health benefits.

General ODIERNO. It does. It does. And, in fact, it was—and it will go up, frankly. It’s going to go up, it’s not going to come down, if we continue along the path—

Senator KING. Of that 44 percent, do you have, offhand, a figure of what percentage of that is the long-term health cost?

General ODIERNO. I don’t, but I can get it for you, sir.

[The information referred to follows:]

[INFORMATION]

Senator KING. I’d appreciate that.

General ODIERNO. Yeah.

Senator KING. Finally, I’m still concerned about the high rate of unemployment among veterans. And you’re talking about a draw-down, a mustering out of 10-, 20,000 soldiers. Are you satisfied with the steps the Army is taking to help those people transition? Do we—I raised, with Secretary Hagel, the idea that we—you have recruiters. How about having outplacement people, at the other end, in order to assist with that transition? Because it’s just tragic to have these unemployed veterans.

General ODIERNO. I agree with you, Senator. We have two things that we’re doing. One is, we have the Soldier for Life Program that we’ve established. We have a Soldier for Life office that is working with—is helping to place veterans as they come out. They are organized regionally. They deal with many corporations regionally to help the transition of our veterans. But, also, the execution of the VOW Act, that was passed last year, which significantly increases

the assets we have available to us in order to help soldiers transition, is allowing us to develop programs that are important.

But, we have two—the Army, having the biggest Reserve component, has two issues. One is Active-component soldiers. The second is the Reserve. And, frankly, because of the amount of deployments that the Reserve component has had, their unemployment rate is very high, because, you know, we—that’s what I worry about as we go to the future. We’ve got to get their deployments down, because they are citizen soldiers. And because they’ve been deployed so much, they’ve had—some of them have lost jobs or have had to quit jobs. And that’s not what we want our Reserve component to do. We want to have that right balance so they are able to maintain their job and not—and we think we have about a 24-percent unemployment rate with our Reserve component. Now, we’re still—those numbers are a little bit fuzzy, so—but, they’re high. And so, we have to really focus on that.

So, part of it is not deploying them so much and making life more predictable for our Reserve component, and then having capability to place them, as we work through the VOW Act and putting into place at all our installations and offices around the country to help them get jobs.

And we have some good initiatives going on. We just had one—we did a joint initiative with a union—a welder’s union, where they placed, you know, about—it was a pilot program out of Fort Lewis, Washington, and they ended up placing about 200 soldiers right into jobs, and we allowed them to train, their last 2 weeks of Active Duty, then they did—of Active duty or Reserve duty. Two weeks with—after they retired, they got immediately to a job. Those are the kind of programs we’re trying to work so they—we can place our soldiers as soon as possible.

Senator KING. Good. We can’t do anything about it here, because it’s a matter of States’ law. But, one of the things—if you can do an analysis of State laws about certification so that people can get full credit—it’s ridiculous to have a—somebody that’s trained as an electrician in the Army have to go through a year-long something or other in a State in order to be licensed. I hope that could be part of your initiative.

General ODIERNO. The one thing we’re doing is, we’re looking at where we can change our programs in the Army that at least get them closer to a standard that we think is close to a standard—or close in the States. And we’re doing that for things like medics, truck drivers—as you said, electricians—and other capabilities. And we’re learning more and more about this. And I think we are making progress, but we still have a ways to go in this area.

Senator KING. Appreciate it. Thank you.

General, Mr. Secretary, thank you.

Mr. MCHUGH. Thanks.

Senator KING. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator King.

Senator McCain.

Senator MCCAIN. I thank the witnesses for their important testimony.

General Odierno, I understand that you were commissioned in 1976. And so, as a junior officer, you were aware of the condition

the Army was in at that time. And I'm sure you recall when the Chief of Staff of the United States Army, General Meyer, came before this committee and said we had a hollow Army. Can you compare that situation with the situation we're in today, as compare—as regards to the impact of sequester? I'm sure you were much smarter in 1976 than you are now.

General ODIERNO. Back—when I first came in, in the Army, there were several things. And it's pretty similar, actually. We were just coming—we were out of Vietnam, we were kind of recovering from Vietnam, but our ability to train, our ability to sustain our equipment, was limited. We had discipline issues within the force that were really causing us to have significant problems in allowing us to assure we were able to deploy and meet our future requirements. So, General Meyer was very clear, and he was focused on moving us away from that. So, for the next 15 years, we focused on improving our readiness, improving our modernization, and improving our training programs. We've revolutionized how the Army did the business. I was fortunate enough to grow up in that environment.

What we can't have happen today—we don't have—we can't allow this to get away from us, where it's going to take us 5 or 10 years to recover. And that's what I'm worried about. And I made a comment early in my testimony, that I came into a hollow Army; I don't want to leave a hollow Army when I leave the Army. And I'm focused on that.

So, what I worry about, the steepness of cuts of sequestration could lead us back to where we were in the late '70s.

Senator MCCAIN. Inevitably? If something doesn't change?

General ODIERNO. If something does not change.

Senator MCCAIN. It's inevitable we would go—return to the era of a hollow Army.

General ODIERNO. That's right, because of—the steepness of the cuts will not allow us to maintain that right balance between end strength, modernization, and readiness—training and—

Senator MCCAIN. And—

General ODIERNO.—educational readiness.

Senator McCain:—you've stated that possibly—or, the Secretary has—you may have to eliminate another 100,000 Active and Reserve soldiers? And so, we could be near the pre-World War II low of 400,000 members of the Army.

General ODIERNO. We will be headed in that direction, Senator. And, in fact, I would say 100,000 is the minimum. If we go to full sequestration, it will probably be more than that.

Senator MCCAIN. Is it—intrigue you, as it does me, that there doesn't seem to be the concern in Congress that there was back in 1976? I mean—

General ODIERNO. Well, I think—what I worry about is, you know, our military, over the last 20 years, has been able to respond to any contingency that we've had. We've been able to do it very well. And I worry that we are getting somewhat used to that. And that—

Senator MCCAIN. And, arguably, the world is, in many ways, more dangerous than we have ever seen it. Certainly more complex and dangerous. Would you agree with that?

General ODIERNO. I absolutely agree with that.

Senator MCCAIN. So, here we are, on a steep decline, as you mentioned, with a world that is fundamentally in turmoil from one major—from Pacific to Middle East. It's intriguing.

Also, you know, one of the great intangibles of the military is, we find, particularly when we get to know other countries' military, is the morale and the willingness of very bright people to remain in the military. Are you sensing, amongst the very best, that—particularly those who are making decisions as to whether to make the Army a career, or not, a certain questioning as to whether they should remain in this organization, and perhaps even a sense of frustration that they feel about their ability to train, to operate, to maintain, to lead?

General ODIERNO. I think—I agree with you—I think right now we're in a position of strength, because of the incredibly combat experience that we have and our leaders, both our noncommissioned officers and officers. And one of the focuses needs to be—is keeping these leaders in the Army as we move to our future. We want that experience.

What we have to be careful of is, we are not seeing it yet, because we're still involved with some heavy issues with Afghanistan, and the full impact of not having enough money to train has not fully hit yet. It's just beginning to hit. But, if it continues over a 2-, 3-year period, I believe we'll have some real challenges on our hands, in terms of people saying, "I—you know, I want to stay in an—I want to stay in an organization that's the best organization in the world," they might start questioning that.

So, I think we still have time to ensure that we can keep the best in our Army. And we have to—we have to be—act now and make sure we are doing the right thing—get predictable budgets that allow us to prove to them that we're going to have an Army that is right size, trained, and ready when they're asked to deploy anywhere around the world.

Senator MCCAIN. On the subject of predictability, Secretary McHugh, you are—and the Pentagon; I asked Secretary Hagel about this—are planning on a budget that does not include the effects of sequestration. Is that correct?

Mr. MCHUGH. That is correct. We've—

Senator MCCAIN. So—

Mr. MCHUGH. Sorry, sir. Go ahead.

Senator MCCAIN. So, we're kind of in a Orwellian situation here. All of us decry the effects of sequestration, and there's graphic testimony, such has just been presented, and yet there's no request on the part of the President of the United States or the Secretary of Defense that we repeal sequester. I don't ask you to respond to that, but it's a weird experience, to hear our military leaders in uniform decry the effects of the sequestration on the military, yet I don't hear the President of the United States, the Commander in Chief, saying, "This is destroying our military—has the potential to destroy our military, and we want Congress to repeal it."

So, I hope that you will continue to—not only to Members of Congress, but to the members of the administration—convey the urgency of this situation, because I don't hear anything from the ad-

ministration saying we want it repealed, and yet we continue to have testimony as to the draconian effects.

General Odierno, in the unlikely circumstance that there is a conflict on the Korean Peninsula, are we prepared to respond?

General ODIERNO. We have—the units in Korea are obviously a high state of readiness. We continue to ensure they are. Right now, we have about—I would say, about 40 percent of the forces that would be required, that I would consider to be ready to go there now. And the cancellation of the CT—these Combat Training Center rotations, the six of them that we've canceled, is having an impact on our ability to potentially respond to the Korean Peninsula, because those decisive-action rotations would have helped them to prepare for this eventuality.

We've built—

Senator MCCAIN. So, obviously you didn't agree with that.

General ODIERNO. No.

Senator MCCAIN. Finally, in the event of hostilities on the Korean Peninsula, the—even though the—we all know the North Koreans would lose, they could inflict incredible damage on Seoul because of their capability at the DMZ. Is that correct?

General ODIERNO. Their ability to provide to—indirect fires and other things would have devastating—potentially—on Seoul.

Senator MCCAIN. Thank you.

I thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator McCain.

Senator Udall.

Senator UDALL. Good morning, gentlemen.

I would note, as a preface to the questions I'm going to ask, on the heels of what Senator McCain is discussing in regards to sequestration, that when we look at another budgetary crossroads, early in the middle of this summer, this committee could lead the way in crafting a budget deal that sets aside sequestration, with this—with a goal of some of the cuts, more broadly, but giving you all the kind of flexibility that we hear you need and you should have.

Secretary McHugh, great to see you. You and I served in the House for a number of years, and I—again, I want to just thank you for your service across the river.

Could you, focusing on the BCT reductions, talk a little bit about your process? And specifically, is the analysis that you're using include fiscal savings to the Army and strategic impacts? And have you also thought about the economic losses that would be felt by local communities?

Mr. MCHUGH. Senator, we are, as you noted, in the process of determining where our restationing will actually occur. I—there seems to be some thought, amongst some, that this is an action resulting out of sequestration. I think it's important to note that this really comes as a result of the 490,000 end strength through the end of fiscal year 2017 that was put into place in the beginnings of the Budget Control Act.

As the Chief mentioned in his opening comments, we have already reduced six of the necessary eight brigades to meet that 490,000, those two both coming out of Europe, two heavy Brigades

Combat Teams. And that needs six to be assessed across our remaining structure.

Part of the law by which we pursue this is called a—environmental assessment—programmatic environmental assessment. We went to 21 installations, where we would potentially inflict larger numbers of either increases or decreases. That process has been completed. That, from our perspective, completes our requirements under the—under NEPA and other environmental regulations and laws that essentially found that, in considering the economic impact, that, while—clearly, those bases that might lose structure or might lose soldiers would suffer some economic impact. That's just a natural. It was not of the level that would require a full economic impact statement.

We are now in the process of holding public listening sessions in over 30 locations throughout the Army to receive input from the communities that surround places like Fort Carson and others, to make sure that we have the fullest record possible to make those very important decisions.

As to the decisions, we have a listing of criteria that do, indeed, include the cost savings or loss to the Army, geographic distribution, and other kinds of measures that we would be happy to share with you, and I believe we already have shared with the committee personal staff—

Senator UDALL. When do you—

Mr. MCHUGH.—professional staff.

Senator UDALL.—when do you expect that announcement to be made?

Mr. MCHUGH. We hope to get through the hearing process, analyze it, and then come to a decision, probably by June.

Senator UDALL. All right.

General ODIERNO. Senator, if I could just add one thing to this.

One of the things we're trying to make sure everybody understands is, you shouldn't focus so much on flags, but focus on the numbers of people, because there is a—we are also looking at reorganizing our Brigade Combat Teams. We have not made any decisions yet, but we might make them larger. So, we might eliminate flags, but it wouldn't be a total loss of a Brigade Combat Team, because we would add a third maneuver battalion to the Brigade Combat Team.

So, one of the things we're trying to tell people is, don't focus on the flags, focus on the number, which will be more important, in the end, as we—depending on what decisions we make as we go forward.

Senator UDALL. General, you anticipated one of my other questions. I'm not sure I'm going to get to it, but I'll—but will submit it for the record. And that applies to how you're going to align the BCTs, the combat commands, and are you going to come up with a different structure so those realigned teams will have a different look, or will they simply be in those habitual relationships with the—

General ODIERNO. They will rotate through habitual relationships with the COCOMs. And they—but, the reorganization of the—the concept of reorganizing these brigades, we've done an extensive analysis that tries to tell us, What is the most capable or-

ganization to operate across the spectrum of conflict that we can expect? And the results are, it looks like we probably should reorganize. But, the Secretary and I have not made that final decision yet, but that would be part of this process, as we announce in June.

Senator UDALL. Yeah, you want—again, I'm going off on a tangent and ask this for the record, actually, because I want to turn back to Afghanistan.

[The information referred to follows:]

[COMMITTEE INSERT]

Senator UDALL. But, does the division structure become almost obsolete, given the ways in which we're—so, the division structure will still have application. If you—you'd respond to that in more detail for the record—

General ODIERNO. Sure.

Senator UDALL.—that would be terrific.

Okay, let me turn to Afghanistan. We all know that one of your key priorities is modernizing and restoring equipment to an acceptable level of readiness. Are we going to see real savings as the war in Afghanistan scales back, or is the cost of repairing, replacing, and modernizing equipment—is that going to overwhelm any savings we might have?

General ODIERNO. Senator, so we have about—there's just about \$21 billion worth of equipment that we have in Afghanistan today that we want to bring back. If we had to repurchase that equipment, it would cost us significantly more than it does—costs us to reset and then redistribute to the Army. And this will help us increase our equipment on hand in our Active, U.S. Army Reserve, and National Guard units. And it's essential for us to make sure this redistribution happens as we come out. So, that's why that is so important.

Senator UDALL. Okay.

Mr. MCHUGH. Could I add a—

Senator UDALL. Sure. Mr. Secretary, please, go ahead.

Mr. MCHUGH. Really, your question goes to our interest in assuring we have 3 years of OCO funding after the end of hostilities. As we bring back that \$22 billion of equipment that the Chief noted, it's essential we have the funds necessary to recoup it, to rehab it, and to get it back to the units. And OCO's a critical part of meeting that need.

Senator UDALL. Let me stay on the subject of Afghanistan. General, you mentioned, last month, that sequestration could affect the Army to the extent that we'd have to extend tour lengths in Afghanistan. Do you still have the same concerns? And have you proposed any changes to the deployment patch chart—

General ODIERNO. So—

Senator UDALL.—at this point?

General ODIERNO. So—thank you, Senator, for asking that question.

Senator UDALL. Yeah.

General ODIERNO. We have reworked—I did talk about that. That was one of the decisions that we'd have to make. So, that's one of the reasons why we have to continue, unfortunately, with 14 days' worth of furloughs, because that's allowing us to have enough money to invest in the training of the units that would replace

those in Afghanistan so we will not have to increase tour lengths. So, we've had to make some very difficult decisions, here in 2013, in order to ensure that we do not extend those tour lengths. So, they were tough, difficult decisions, but we believe, right now, that tour lengths will remain the same and we will be able to train the forces that follow up those units.

Senator UDALL. My time's about to expire, so let me ask a question for the record, and you might be able to give a general answer.

[The information referred to follows:]

[INFORMATION]

Senator UDALL. But, if you look at what you all had to say in your opening statements, 200,000 soldiers lost in the next 10 years, with cuts of that size, can you explain what an Army that size can and cannot do?

General ODIERNO. Well, we certainly—you know, we're—we just barely, with 490,000, would have enough capability to do one major contingency, maybe something a bit smaller. If we cut another 80,000 and 100,000 out, we know—we now put into question our ability to respond to large-scale major contingencies, and we certainly will not be able to do anything above that. So, it really puts into question the capabilities that we have to deter potential future conflict.

Senator UDALL. Thank you, gentlemen.

Chairman LEVIN. Thank you, Senator.

Senator VITTER.

Senator VITTER. Thank you, Mr. Chairman.

And thank you both, again, for your service.

I wanted to go back to the assessment—ongoing assessment of the restructuring of Active Brigade Combat Teams. And I was happy and honored to participate in one of those listening sessions at Fort Polk by Skype very recently. And I'll just quickly mention some of the significant factors there in Fort Polk's favor.

The Army's own analysis indicates there wouldn't be any need for military construction to not only retain its BCT, but could accommodate 1,000 more soldiers. And it's one of the few Army installations with an active land acquisition program, which is ongoing. And there's a very unique Joint Readiness Training Center there, capable of training forces for the—exactly the sorts of conflicts we're facing today.

Mr. Secretary, with all that in mind, can you reaffirm to the committee that this process is going to be fully open and transparent using objective criteria, and that you'll release that grading, if you will, based on those criteria?

Mr. MCHUGH. The means by which we arrive at these decisions will be released. I want to assure, not just the good people of Fort Polk, but all across this great country, that we're doing this in the most deliberative, the most objective way possible. And I would note, as well, the reports I received on the public listening opportunity outside Fort Polk was extraordinarily well attended, so we appreciate that kind of interest.

Senator VITTER. Yeah, great.

Can you also confirm that the process will certainly consider the factors I mentioned, including that Fort Polk has a land acquisition

program, is growing for mission expansion, and would not need any additional MILCON?

Mr. MCHUGH. Yeah. All of those factors are critical to establishing military value, are critical to judging the kinds of investments that may be needed in the future. So, anything that a post, camp, or station is in a posture to do, like adding land, is certainly something we have to judge.

Senator VITTER. Right.

And I can't speak for anyone else here, but I think it's going to be a very widespread concern if there's a big MILCON bill to shrink the Army in the context of the fiscal situation we've been discussing today.

And finally, on this point, will you be releasing the grading, if you will, of facilities according to these objective criteria and the weighting guidance about these different criteria?

Mr. MCHUGH. The commitment we have made to the committees is to ensure both the inputs—in other words, the various criteria—and also to share with the professional staff members the weighting that attends those. That—those have not been decided, as yet. Those are still something that I—that the Chief and I need to take a look at and make final determinations. But, based on my experience in past force-changing initiatives, it does not inure to the Army's interests to try to be secretive. We want to be as open as possible, but also as fair as possible to everyone as we go forward.

Senator VITTER. Okay, great.

And, General, on the same topic, I know one factor listed is proximity, which appears to mean the Army's desire to have the BCTs close to division headquarters. Why is that important, particularly these days, with all sorts of distance communications available?

General ODIERNO. Well, first, one of the—one of the lessons we've learned out of the last—specifically, the last 5 or 6 years, when we went to full modularity of brigades, is that the oversight—the training and oversight necessary that a division headquarters gives, both from a training perspective, a discipline perspective, a standards perspective—we saw some degradation in that. And so, we're trying to make some subtle adjustments to get the divisions once again more involved with having training oversight with the Brigade Combat Teams to ensure standards are being sustained, proper training requirements are being met. The development of officers and noncommissioned officers becomes a very important criteria as we move forward. So, those are the kind of things.

So, that said, it doesn't mean they necessarily have to be co-located to do that, but it is something we want, is to have the divisions more involved with the Brigade Combat Teams.

Senator VITTER. Okay. So, just to be clear, it doesn't absolutely require physical—close physical proximity.

General ODIERNO. It does not.

Senator VITTER. Okay.

Okay, thank you very much.

Chairman LEVIN. Thank you, Senator Vitter.

Senator Manchin.

Senator MANCHIN. Thank you, Mr. Chairman.

And, to Secretary McHugh and General Odierno, I want to thank you for your service and being here today to testify.

Also, I think you know, in the State of West Virginia, we have the utmost respect for all of our servicemembers and all of the veterans. And we have a high percentage of veterans in a little State of West Virginia. And we're proud of what we've done. And we recently saw the National Guard people—it was just so moving to see, in Boston, as horrible and horrific as that was, to see all men in uniform, and women, and National Guard especially, running towards the area of danger. And that just speaks volumes of how they're trained and the people that you're attracting to there.

And, Secretary McHugh, I would like to say that the—I know the Department of Defense was instructed, in 2012, really not to plan for the sequester. No one thought it would come to fruition. And I know that the Army has always been good at planning for every type of situation. Hindsight being 20/20, do you think that was—maybe could have been handled a little differently?

Mr. MCHUGH. I don't think our real problem is that we didn't plan. Our real problem is the depth and the breadth of these cuts. And, as the Chief noted, and as I've commented, as well, it really didn't come just from sequester. We have a \$7.6—or \$7.8 billion hole in our overseas contingency—

Senator MANCHIN. Yeah.

Mr. MCHUGH.—accounts, which is really unrelated to sequester, per se. The fact that we've had continuing resolution after continuing resolution that has caused us to do what, in the longer term, were inefficient things. So, we can do the math of sequester. The problem is, the math is so hard and it's so devastating—

Senator MANCHIN. Well, let me ask both of—and maybe, General, you might want to chime in on this one—but, right now the—you have 42-and-a-half billion dollars of cuts that have to come under sequestering between now and September 30th, right? October 1? If we in the Congress were able to give you the flexibility to make those adjustments—and you—and I have every—I have every confidence that you'll make the 42-and-a-half billion—would it be a lot different than what we're seeing today if you had the ability to recommend to us what you'd want to change and cut?

General ODIERNO. Yeah, I would say—so, for 2013, there's nothing we can do. I mean, because there's flexibility—there is no flexibility—

Senator MANCHIN. If we could give you—if we came right back now and give you the flexibility—

General ODIERNO. 2013?

Senator MANCHIN. Right now, for the rest of 2013, and says—

General ODIERNO. Yeah.

Senator MANCHIN.—“General, tell us how you could do it.”

General ODIERNO. Yeah. So, what would—it would help us if we could move more money between accounts, because if we would do that, we would be able to probably invest a bit more in our operations and maintenance accounts. That would allow us to mitigate much of this.

Senator MANCHIN. So, by Congress not giving you the flexibility, we're basically just—I mean, we're shooting ourself in the foot, if—literally.

General ODIERNO. We all—it's making it more difficult.

Senator MANCHIN. More difficult.

General ODIERNO. Now, what I want is in the—and then, in the out years—you know, that's why we talk about backloading. If you backload it, it then gives us the ability to plan and do this right. Because you can't take—you can't take the amount of people out you have to in an efficient way, the way it's set right now. It costs too much to take the people out, because you have to pay benefits—

Senator MANCHIN. Right.

General ODIERNO. So, you lose the ability to do the right balance of modernization, readiness, and end strength.

Senator MANCHIN. Well, with that being said, let me ask you—I know you're going to—you're thinking about 100,000 troop-level cut, in that neighborhood, correct? Why wouldn't you move those to the National Guard?

General ODIERNO. I'm not going to move all of it to the National Guard. There'll be more out of the active component. But, there's got to be a—we—see, there's a balance that we have to maintain. We have a total Army—and I think we've proven the value of the total Army over the last 10 or 12 years—we need an Active component that is—can respond to crises, are at a higher readiness level. We need our National Guard and our U.S. Army Reserve to provide us depth and capabilities to have long—to give us operational depth, to conduct operations as well as they need capabilities to respond to the Governors. So, it's got to be a combination of that. We've already taken 80,000 out of the Active component. We've already said that. If we have to take 100,000 more, at least 50,000 of that's going to come out of the active component.

And so, as I look at the formula and the capabilities that I need across the total Army, we're going to have to take a little bit out of the National Guard and U.S. Army Reserve in order to continue that right balance.

It is about sustaining the balance of the different qualities and capabilities we have in each one of the force. They are all valuable. They are all valuable. And we've got to keep that right balance.

Senator MANCHIN. From the business standpoint, I'm just looking at it—if I had—and I know it's not a business model, but a business model would be, if you had this type of expertise that's been well trained, and you can bring them up when you need them, and basically keep them in a readiness state, that—

General ODIERNO. No, because in order to do that, the cost goes up. If you want to keep them at the same readiness level as an Active component, you've got to spend more and more money. So, it doesn't work that way.

What we're investing in our National Guard is an ability to expand over a period of time. Thirty-nine days a year, they train. Active component trains over 250 days a year. There's a huge difference in readiness levels.

So, if you decide to go that way, you're taking significant risk in being able to respond to unknown contingencies—

Senator MANCHIN. But, they've been able to—

General ODIERNO.—with—

Senator MANCHIN.—just about meet every—

General ODIERNO.—with predictability. Two years' notice to—for deployments to Iraq and Afghanistan. Two years. If we have to respond to Korea, I can't give them 2 years' notice—

Senator MANCHIN. Gotcha.

General ODIERNO.—and slowly build up readiness. I need both.

Senator MANCHIN. I—

General ODIERNO. I'm not telling you I don't need the National Guard or the U.S. Army. I need both.

Senator MANCHIN. If there's an opportunity, I'd love to come and sit down and—

General ODIERNO. Sure.

Senator MANCHIN.—make sure I understand it better.

General ODIERNO. Sure.

Senator MANCHIN. And, Secretary McHugh, if I may ask you—I asked this question, I believe, about the expense of the contractors—private contractors that we have in—with all different branches. You told me one of the major initiatives we have is to diminish significantly the number of contractors that we employ. And so, my question would be pretty straightforward. How many contractors did the Army have last year, and how many do they have this year?

Mr. MCHUGH. I'd have to get you the actual numbers for the record.

[The information referred to follows:]

[COMMITTEE INSERT]

Mr. MCHUGH. I can tell you, from—and it depends how you define “contractor.” But, one of our major initiatives, in part to respond to the current challenges we're facing, was to go through all of our hundreds upon hundreds of thousands of contractors and to change up the requirements. And we've actually reduced our contracting cost by double-digit—

Senator MANCHIN. I basically look at contractors—those jobs that the military men and women can do, and have done in some period of our past, that have been taken over by contractors. And if you look at the graph, it basically starts post—our postwar era, from—whether it be Korea to Vietnam to the cold war to today. And it looks—it's just exponentially what are increased amounts of people and costs in contractors verse what military used to do. Some of that could have been because of the draft. You had more people you were using differently.

Mr. MCHUGH. I think probably it had more to do with the war. Over the last 10 years, we've needed every man and woman, or certainly every possible man and woman in uniform, to go do things that contractors can't do.

Senator MANCHIN. Contractors are over, doing the same job as some of our military, side by side.

Mr. MCHUGH. I'd—in some places, that may be true, but if you're saying they're fighting the war, I wouldn't agree with that.

Senator MANCHIN. You don't agree that we have contractors that we're paying to do the same exact job as a person in uniform?

Mr. MCHUGH. It depends what job you're talking about.

Senator MANCHIN. Well, I mean, I'm talking about—

Mr. MCHUGH. Carrying a rifle out—

Senator MANCHIN.—fighting FOB.

Mr. MCHUGH. Well, that's why we were——

Senator MANCHIN. Security?

Mr. MCHUGH. That's why we rely upon contractors. I'd also note that we're using——

Senator MANCHIN. How can a contractor carry a rifle better than a military person trained to do it? I'm just saying——

General ODIERNO. Excuse me——

Senator MANCHIN.—why would we have anybody in contractor doing what the military——

Mr. MCHUGH. Because if you don't use contractors, you have to use military, and that takes away from the warfight.

General ODIERNO. Yeah. I mean, the missions that they do are missions that are nowhere near what we ask our military to do, carrying a weapon. But, I would say this. If you don't want contractors to do that, you've got to significantly increase the size of the Army. So, the reason we've gone into this strategy is, we can't afford an increased size in the active and National Guard and Army. You'd have to increase it 2- to 300,000 to—in order to be able to meet these commitments, if we had to go to war.

Senator MANCHIN. But, we have as many contractors—or more contractors now than ever. You're paying high prices. It would be cheaper to increase the——

General ODIERNO. No, it's not.

Senator MANCHIN.—end-strength size.

General ODIERNO. The analysis has been done that says, in order to sustain 300,000 for a lifetime—now you're—you're now—it's about benefits, it's about retirements, it's about—it's significantly more than hiring contractors for short periods of time. I would love to be able to use soldiers for this. I would much rather have soldiers doing all of those jobs. But, I don't think we can afford it. I mean—I don't think we can—hell, we're cutting 100,000 more right now. I mean, this sequester, I'm going to cut 200,000 soldiers out of the Army.

Senator MANCHIN. How many——

General ODIERNO. That's going to require——

Senator MANCHIN.—how many contractors? No one can ever get—every time I ask the question, I never get an answer. I get—this is not disrespectful—I never have gotten an answer——

General ODIERNO. It's because we—when we contract out, you contract for a capability. And the number of people that do that capability changes from month to month, based on what's needed. And that's why it's difficult to give an exact number of contractors, because it's based on the dollar figure of the contract.

But, the point is, when we go to war, we get OCO funding, we get operational funding that allows us to do this. We do not have the base budget to sustain the Army at the size necessary for us to fill all the needs we have. So, unless we're willing to increase the base budget of the Army significantly, we're going to have to live with this—contractors on the battlefield. As a commander, I'd much rather have military. I'm with ya, Senator. I really am, I'm with ya. But, we can't do it in our base budget.

Senator MANCHIN. Thank you.

And my time is up. And I'd like to continue this later.

Chairman LEVIN. Thank you, Senator Manchin.

And, Secretary McHugh, you will get these numbers to Senator Manchin, at least as of one particular point in time, how many contractors we have. Because that is a knowable number. So, if you—
[The information referred to follows:]

[COMMITTEE INSERT]

Mr. MCHUGH. That absolutely is. I just—

Chairman LEVIN. All right.

Mr. MCHUGH.—wasn't prepared to answer it exactly—

Chairman LEVIN. Well, that's fine.

Mr. MCHUGH.—one year to the next.

Chairman LEVIN. That's fine. But, I think that—anyway.

Mr. MCHUGH. Absolutely.

Chairman LEVIN. Thank you.

Senator BLUNT. No, wait, excuse me. No, I think Senator Ayotte came back here in time, beat you out.

Senator—my note says “Blunt,” but my other note says “Ayotte.” So, Ayotte is next.

Senator BLUNT. Go with your heart. [Laughter.]

Chairman LEVIN. Senator Ayotte.

I was half tempted to say that, but I avoided it. Politically incorrect.

But, Senator—

Senator AYOTTE. Thank you, Mr.—

Chairman LEVIN.—Senator Ayotte.

Senator AYOTTE. Thank you, Mr. Chairman.

Thank you, Senator Blunt.

I appreciate, certainly, General Odierno, Secretary McHugh, your service during challenging times.

In your prepared statement, you discuss the serious problem of suicide in the Army. And, as I understand it, in 2012 there were 182 potential Active Duty suicides—some have been confirmed, some are under investigation—and 143 potential suicides in the Guard and Reserve.

You've mentioned that the Army's partnering with a number of agencies to identify the most important risk and protective factors, and then act on them for best practices. Obviously, we want to do everything we can to prevent suicides and to give people the support that they need in difficult circumstances.

As you may know, we have a program in New Hampshire that has received national recognition. And it's achieved tangible results. We've prevented at least one suicide directly, but also, we've also assisted many servicemembers and their families with mental healthcare, employment, and homelessness, many factors that can contribute to someone feeling that they have to take their own life.

So, it's called the Deployment Cycle Support Care Program. It's a unique program. And in 2012, actually, we intervened successfully in 29 suicide-risk situations in the State of New Hampshire, alone. And so, I recognize this is a difficult problem, so I would ask that—I believe, if—are you both aware of the program in New Hampshire?

General ODIERNO. I am, Senator.

Senator AYOTTE. To what extent are you looking at best practices around the Nation, both within the Army, Active Duty, and then—obviously, with the Guard and Reserve, we have different chal-

allenges, because they're going back in their communities. And one of the things I'm very proud of in New Hampshire is that we be able to bring the private sector in this to leverage resources. So, what are your thoughts on this issue? And what more can we do?

Mr. MCHUGH. Well, we absolutely are looking at best practices. And you mentioned the Guard and Reserve, very correctly. The way by which they redeploy and disperse makes reaching out to them and making sure that, you know, we're detecting any emerging problems as quickly as possible particularly challenging.

The Guard has done a good job, nationally, through a variety of programs, particularly what's called the R3SP, Resilience, Risk Reduction, and Suicide Prevention program, that establishes councils in every State and territory to help coordinate and, in places like New Hampshire, take advantage of things that are working particularly well. As part of that, they have appointed 54 suicide prevention program managers and 78 directors of psychological health to ensure that a soldier knows where he or she can call or go and get the kind of referral that's necessary.

But, one of the things that we're working on—and it isn't just for the Guard and Reserve, but I think it's particularly well suited to them—are telebehavioral health programs. We have increased those programs. I believe the contacts have gone up by over 900 percent—about 10 percent of those are Guard and Reserve, the increase—that allows people in remote locations to get somebody and actually do a face-to-face discussion, and to get a referral, if absolutely essential.

Of course, while the Guard and Reserve are deployed and coming back for redeployment, we put them through the same behavioral health screenings that we do every deploying soldier. There's five touch points, both predeployment, about 90 days after they're—before your sector redeploy, and three times after coming back.

So, what—we're trying to make sure that we have both the behavioral health specialists necessary—for the first time in my nearly 4 years as Secretary, we're actually exceeding the requirement for those behavioral health specialists—and trying to destigmatize the continuing challenge of helping soldiers realize it's okay to ask for help, that it doesn't make you any less of a soldier, and that it won't ruin your career.

And I think we're making inroads. But, as you noted, Senator, this is something that plagues, yes, the military, but, as a member of the National Alliance on Suicide Prevention, that I am, as appointed by Secretary Gates, I can tell you it's something that plagues the civilian sector, as well, as you, of course, understand very clearly.

General ODIERNO. Senator, if I could just add—unfortunately, in the 2013, we're seeing a rise in suicides, specifically in the National Guard and U.S. Army Reserve, so it's very concerning to us. And it's—and they have the most difficult problem, as you know; I don't have to tell you this. But, because the commanders don't have control of their soldiers all the time, because of their civilian jobs, although they do—they're doing a great job of trying to outreach and stay in contact. So, this private governmental relationship is critical for us to help our National Guard, U.S. Army Reserve. So, we've got to figure out ways how we can get this—and it's—work

with the States in order for them to adopt this program, because it's critical to what we want to do as we move forward.

Some other things that we've done is, we've also improved our ability to share information. We're working very hard and getting to better share information with people who have some discipline issues, with their health issues, with other issues that all contribute to potential suicide. And our ability to share this information and bring that together is helping to identify those who are at risk.

And then, as the Secretary mentioned, in my mind the most thing is the intervention or what I call bystander mentality, those who are willing to not only come forward themselves, but those people who are closest to them who start to see the signs, to come forward. And we're starting to gain some traction. We're not where we need to be yet, but we're starting to gain traction.

But, I'm worried, because we're doing a lot, and we're putting a lot of assets, but we are not seeing any substantial improvement yet in the lowering of suicides. And I think this has become a societal issue that—and we're trying to—we have a bit more controlled environment to try to deal with it, but we are not yet seeing the success that we need to see in this. And so, there's lots of work that needs to be done yet.

Senator AYOTTE. Thank you, General. And I do hope—obviously, I know you're familiar with our program, but I think it is a very important model. And not every State has had this—everyone coming together around this issue like New Hampshire. And we hope that we can, obviously, continue to improve our program—it's a terrific program—but also to bring it to the rest of the Nation, because this is a huge issue and something we have to address, not only in the general population, but, in particular, for our military, with this rise that we're seeing. So, I appreciate very much how concerned you are about this.

I also wanted to follow up—there's one—there's something that—serving on the Readiness Committee, that I think it's important for everyone here to understand. I serve on the Budget Committee, other committees, and everyone around this place seems to have their eyes on OCO funding for some other purpose. Go into any other committee in this body, and you'll find somebody else with their eyes on OCO.

So, let me be clear. General, the Army needs 3 years of OCO funding for reset after the last piece of equipment returns from Afghanistan. Why is that? And I think it's very important that people understand that, that if we don't do that, we will have a hollow Army, and if—we will not be able to reset, because—people need to understand that, so that this money isn't grabbed elsewhere.

General ODIERNO. So, what this does is, as the equipment comes out, it goes through—it's—immediately goes to a depot or some other commercial entity that allows us then to upgrade it or—because of years and years of use in combat environment. It then goes back to the units, in the National Guard, Reserve, and Active component, to ensure they have the equipment on hand so they're ready to use it, wherever it might be, for whatever mission we give them.

And the reason it takes 3 years is because of the load that we have in our organic industrial base. It takes a period of time to get the equipment through there. If it does not get funded, that means it has to come out of our base budget, which has not been budgeted for, and it'll take money away from the daily readiness that we need in order to be prepared to meet any operational missions that we have.

Senator AYOTTE. Thank you.

Chairman LEVIN. Thank you, Senator Ayotte.

Senator Donnelly.

Senator DONNELLY. Thank you, Mr. Chairman.

Secretary McHugh, it's wonderful to see you again. It was an honor to serve with you in the House together.

And, General Odierno, thank you for your leadership. Thank you for your service. We're greatly appreciative of it.

And this is a little bit of a followup in regards to the Guard that we were talking about. And we had two groups from Indiana ready to go, and they were off-ramped less than 6 weeks before. And so, they're now dealing, right now, with loss of TRICARE, trying to figure out where they're going to go to work, because, in many cases, their jobs were—you know, they went back, and somebody had already gotten in that position, and the employer is wondering what the heck to do. And so, I'm just following—and we're willing to take our cuts. We understand that. We're willing to take our chunk and then some extra. All we're trying to do right now is—yesterday—or, the 21st is a day that their TRICARE ended. And all they ask for is, "Can we extend it for 180 days?" And in regards to—they reenlisted to go to the Horn of Africa, to go to Egypt. A lot of them had to reenlist. And they got a bonus with that. And all the Guard is asking for is, "Can we keep our bonus? Can we have 180 days of TRICARE?" Because they're trying to figure out a whole lot more than that right now.

And I wanted to ask both of you. I had talked to Secretary Hagel about this, and he said, "You know, we're going to look into this." And we were told, yesterday, it's in the front office. So, I don't know who the front office is, but you look like the general manager to me, Secretary. So—

Mr. MCHUGH. Well, I'll do—

Senator DONNELLY. Or whoever.

Mr. MCHUGH. First, let me say that these kinds of off-ramps—and the Indiana Guard and the people of Indiana should be aware of how forward-leaning you have been in trying to present their interests—is not something we—as I said, that we do lightly or do easily. This was something, in light of the current fiscal circumstances, that we felt we had to do to save some \$85 million in the process. And I would say, just generically, in light of where we find ourselves financially, it's likely that we'll have to take similar actions into the future.

I would defer to the Chief as to the actual discussions that occurred, leading up to this, with—

Senator DONNELLY. Great.

Mr. MCHUGH.—with Guard officials. But, I assure you, we will do everything we can to maximize every benefit that is available to them.

My understanding—and I would ask for a little time to check this—

Senator DONNELLY. Sure.

Mr. MCHUGH.—more fully—but, my understanding is, the availability of TRICARE for 180 days pre and 180 days post, it would not be available to these soldiers, given their—the conditions of their off-ramping. I do believe, however, that they are eligible, and I would certainly encourage them to pursue TRICARE Reserve Select, which is paid for—about 74 of that is paid for by the Federal Government. And—

Senator DONNELLY. And I had just—I wanted to ask you another Indiana-specific question. And that is in regards to the Humvees. There's 100 million that's been appropriated as part of the fiscal year 13, to be spent to purchase the adjutant generals'—it was allocated to be spent to purchase new Humvees. The adjutant generals have asked that it be spent for new Humvees. And it is the Army's decision. And it is—it is being talked about that it will possibly be used for recapitalization instead. And, you know, the adjutant generals have asked for new ones. So, I just—

Mr. MCHUGH. I—

Senator DONNELLY.—wanted to put that on your—

Mr. MCHUGH. Yeah. We need to get into that, as well. My understanding, previously, was that the Guard—the Bureau—the Guard Bureau and the U.S. Army—us—were in agreement on the recap proposal, but we'll check that—

Senator DONNELLY. Maybe we can talk a little bit more about that.

Mr. MCHUGH. Yes.

Senator DONNELLY. And then, General, what is your biggest fear over the next 6 months in Afghanistan?

General ODIERNO. I think, in Afghanistan—not fear, but I think what we have to watch—

Senator DONNELLY. Biggest challenge, then.

General ODIERNO. The biggest—what we have to watch is the confidence of the Afghan Security Forces as we go through this fighting season. We think they're ready. They're in the lead in about 73 percent or 75 percent of the country. So, it is about helping them to ensure they're able to, themselves, get through the fighting season, protect their citizens in a way where they continue to have the confidence, so when we leave, in 2014, they are prepared to do this on their own. So, for me, that's the most important thing. And—

Senator DONNELLY. Are we—

General ODIERNO.—so far, we're pretty confident—

Senator DONNELLY. Are we on target right now? In the planning we have, as to the end of 2014, are we where you expected to be?

General ODIERNO. I think, actually—I was over there 2—a couple of months, and, frankly, a little ahead of where I thought we were, to be honest with you. I think the Afghan Security Forces has had an exponential improvement, based on these—because of the teams that we've put with them, and how we've readjusted, it has increased their capability quite significantly. So, we—I think they are prepared to take this over.

The thing that we have to do now is make sure they have the right enablers as we leave, because we now still provide them of some enablers, whether it be IED protection, whether it be some aircraft capability, whether it be logistics capability. We now have to make sure that they have the right enabler. So, I guess that would be my biggest concern, is that they would build the enablers necessary for them to be successful once we leave.

Senator DONNELLY. Okay. In regards to North Korea—and this is to you, General, or to you, Mr. Secretary—have you seen any change in the last week or two? Is there any walking back on their part, or is it right where it was, or getting worse, at this point?

General ODIERNO. Well, I mean, I try to defer all of these to General Thurman, but, from what I've read, I think things are calming a bit, but I think we have to watch it very, very carefully. And I know that we're doing that.

Senator DONNELLY. Have you seen any indication that Kim Jong has even thought about a potential off ramp for himself or for the country in this process?

General ODIERNO. I think it's hard for all of us to predict what Kim Jong-un is doing, or will do, and that's what makes this such a, in my mind, tense situation, because we simply don't know what he's thinking. And so, I think that's what makes it even more problematic for us.

Senator DONNELLY. And I know I have less than a minute left, and it is certainly not a fair amount of time for you to answer this question, but, in regards to Syria, what do you see as the best path forward for the United States at this point?

General ODIERNO. Well, I would just say, I think we have to continue to watch and leave options open, because Syria is dynamic. I think deploying the command-and-control headquarters into Jordan is a good—it's a good capability that allows us to do planning and allows us to develop several different options. They've been working very closely with the Jordanians and others. So, I think things like that help us, whether it's dealing with—if we have to—so, it then provides the President options. And that's what we owe him. We owe him a range of options that allows him to choose from—based on what happens this year. Because it's still not quite predictable enough to really figure out what's going to happen in Syria. We're all obviously watching very closely about the use of chemical and biological weapons, which is something that we think is quite significant. And we'll continue to watch that very carefully. It's also important for us to ensure that we take care—we help and assist and take care of some of the citizens, which we've been doing.

So, it's a combination of all these factors, but it's about working with our friends and allies in the region to come up with a solution that we do together in order to solve this problem, and I think that's what we're trying to work towards.

Senator DONNELLY. Well, General, thank you and your family for all your dedication to the country, and, Mr. Secretary, for all your service.

Thank you.

Chairman LEVIN. Thank you, Senator Donnelly.
Senator Chambliss.

Senator CHAMBLISS. Thanks, Mr. Chairman.

And, to both of you, you're not only my personal friends, but you're heroes, and I'd just thank you for your service to our country.

With respect to what's going on in the Army now—and the same is true for other branches—there seems to be a lot of uncertainty. We've got sequestration staring us in the face, and you guys are struggling with that, just as we are, to try to make life easier for you there. And, second, you know that you're going to be downsizing your force structure.

Number one, how is this affecting those individuals who have been a part of this great Army that we have developed over a couple of hundred years into the finest Army in the world? How are those men and women who are coming back from 10 years of experience in combat dealing with these issues? And what are you doing about the potential for sort of combat brain-drain loss, with that uncertainty steering a lot of your NCOs and a lot of your, particularly, younger officers?

General ODIERNO. Senator, if I could, the—so, what we're seeing so far is, the trends are good. In fact, our attrition rates, right now, of NCOs and officers is the lowest it's been for some time.

That said, I have the same concerns you do. So, we have to—we are working this very carefully and making sure that they understand about the path ahead for the Army. Because we need them to help us to bring the Army forward, where we want to be 5 years from now, 10 years from now. We need their leadership. And so, we're going to—we're looking at our new leader development program to help adjust them and help them stay interested in order for them to help us to develop what we're going to look like.

I think it's exciting for them to look at how we will develop our Army in the future. But, the one thing that would help us tremendously in doing this is predictability. And, as I said earlier, it's predictability in our budget so we can clearly outline where we are headed as an Army. And if we don't get this predictability, it's going to cause all kinds of problems. It's going to cause potential hollowness in the Army. It's going to cause potential loss of leadership that we developed over a long period of time.

So, for me, if we can just get some predictability that allows us to put a solid plan together, that Congress and us have worked together on for our Army, that will, frankly, reduce a lot of angst that's out—in both the civilian and military workforce.

They still want to serve. That's not the issue. But, if we continue along this unpredictability, it's going to start to whittle away at our leaders, and I think it's a—it becomes a real problem if we don't solve this predictability issue.

Mr. MCHUGH. Could I add just—

Senator CHAMBLISS. Sure.

Mr. MCHUGH.—a couple of words?

The Chief's absolutely right. I think, so far, the folks in uniform are willing to see if we can get this right, even though they are concerned.

And, Senator Chambliss, I know you've been to Iraq and, of course, Afghanistan, and you've seen, as I have, these captains and lieutenants, young men and women, out there making decisions

that usually had to have an O6, full-bird colonel insignia, to make. They want to come back into this Army and stay challenged. And one of the biggest problems we have as we attempt to deal with sequestration is funding the training opportunities, the schoolhouses, the kinds of things that we're going to need to make as robust as possible and as available as possible to these young leaders so that they stay challenged and they stay excited about being in the Army. So, that's why predictability is so critical for us.

The other side the Chief mentioned: civilian workers. I'm deeply worried about the morale of the civilian workers. As this committee knows, we're discussing, in the Department, 40—14 days of furloughs, or some variant thereof. That comes on top of 3 years of pay freezes for the civilian employees. They feel a part of this Army, as well, and we believe they should; they've been critical to the fight. And their morale is, I think, on the downswing.

And then, I—there are 50,000 U.S. Army civilians who, today, could walk out the front door with full retirement benefits, and another 25,000 who are eligible to go and receive early retirement benefits. And I'm concerned, again, if we don't get this straightened out so we can at least see a straight path forward, whatever that is, those civilians are going to start to walk on us, as well. And, in their own way, they're absolutely as important to this fight as every soldier is, as well.

General ODIERNO. As an anecdotal example, I was down at the San Antonio Medical Center, down BAMC—or SAMMC, we call it now. They are starting to be concerned because of the furloughs and the unpredictability of future budgets. They're starting to see some of their—as they get offered jobs, they're starting to walk away. They're walking away to the VA, they're walking away to other facilities, because there's more predictability in their future.

And so—I mean, you know, so we're starting to lose some people because of this unpredictability. That's an anecdotal example, but that's the kind of thing that we'll continue to face unless we can tell them, "This is what our future is going to be."

Senator CHAMBLISS. Yeah.

As you look at downsizing and make your plans for the next couple of years, what are you doing with respect to flag officers? Are we going to be downsizing there also?

General ODIERNO. We are in the process of downsizing. And I would just say, I don't—the Army has the lowest ratio of general officers to soldiers than any other service. I think we're one to 1700 or 1800. And so, we have been very cognizant of doing this. And we have—we are going—we have met, or going to meet, the initial reductions that we put in for ourselves by the end of next year. We'll continue to review this as we downsize the Army.

Now, I will say that a lot of our general officers are now in the joint and combatant command world, and so we have to work with the joint and combatant commands to work some of these positions. But, within the Army itself, we have downsized, we have reduced ranks, and we have the—again, the lowest general officer to soldier ratio of any service, to include the Marine Corps.

Senator CHAMBLISS. General, as we come out of Afghanistan—I heard what you just said in response to Senator Donnelly, there—but, I look at what's going on in Iraq now. And it appears—the vio-

lence appears to be on the rise. We have no idea, obviously, what difference it would have made, had we left a residual force in Iraq. But, I know that's under consideration right now, as to what we're going to do, what size of a residual force needs to be, there. What's your thought with respect to how we're going to ensure, number one, that that violence in Afghanistan does not start on the upswing like we're seeing in Iraq? And then, second, what size residual force do we need to have to make sure that the Afghans are able to do what we expect them to do?

General ODIERNO. There's a couple of things. I would just make a quick comment about Iraq.

You know, I don't think that's a sense—that's not a mark against the capability of the security forces. I think those are political issues that are driving that violence. There's been some political divide within the country that's causing, I think, some violence. I think it can be fixed by some political agreements and other things between the parties there.

In Afghanistan, it's important that we sustain a long-term commitment from, not only the military, but a governmentalwide commitment to them. And, if we do that, continuing to help fund, for a period of time, their security forces, to continue to help them develop in several different areas, I believe that will help us significantly in tamping down the violence. Because the security forces, I believe, will have the capability, based on the trajectory we were on in Afghanistan. So, it's now solving some of the other issues that are necessary to go along with the security capability that will be key to ensuring violence remains low once we leave, Senator.

Senator CHAMBLISS. And the size of the force?

General ODIERNO. Well, I think—you know, I think they're looking at anywhere from, you know, zero to 12- 13,000. I think it depends on the type of missions you want them to do. I think we want to do training and advising at higher levels. I think we want to be able to have some special operations capability on the ground. So, I think—my opinion is, somewhere around 9,000, 8,000 is probably about the right number. But, we're continuing to work that, and I'd leave that up to the commander on the ground—General Dunford.

Senator CHAMBLISS. Thank you.

Chairman LEVIN. Thanks, Senator Chambliss.

Senator REED.

Senator REED. Well, thank you very much, Mr. Secretary and General Odierno, for your—not only testimony, but for your service. And a lot of the questions that have been raised today go to the reduction in force of the Army. And let me ask a question—and whether the Secretary or the Chief, you want to take it.

In terms of force structure, where is the excess personnel? At what ranks?

General ODIERNO. So, it's—in reality, as we've gone through natural attrition, where we'll see some access right now is at the O6 level, the O5 level, and then, for some year groups, O3s, and then senior NCOs, sergeant first class, master sergeant, sergeant major. Because we've been able to do everything else by attrition, so we'll have to see where we'll have some actions where we will have to make some selections, and it's going to be by year group, because

it's about balancing it across the years as we go forward. And we'll have to make some of those decisions, here, pretty shortly.

Senator REED. And you, in fact, are contemplating a selective early retirement board.

General ODIERNO. We are. I think we've already announced it, Senator, for August.

Senator REED. Which is, in the old terminology, a RIF.

General ODIERNO. Well, except that they get to retire.

Senator REED. Okay.

General ODIERNO. Yeah, so it'll be—this'll be for lieutenant colonels and colonels.

Senator REED. Who have been vested, then will retire, but they'll—they will—

General ODIERNO. But, they—right.

Senator REED.—they'll be—or get to retire. No? So, you don't contemplate the need, given the force structure, to go in, hand to—having involuntary separations?

General ODIERNO. We don't yet, but, I think, before we get done with this process, we're going to have to have involuntary separations.

Senator REED. Okay.

One of the, I think, consequences of the—not just the budget, but the completion of operations in Iraq and, soon, Afghanistan, is a shift from almost an exclusive focus on COIN, in terms of training, in terms of equipping, in terms of everything else, to what I think you described as a more full-spectrum approach. Can you sort of give us a—an indication of that? And just as sort of a footnote is that one of the most labor-intensive and one of the most difficult challenges is Phase 4 in COIN. And so, as you shift away from that and shift to more conventional forces, what does that do to your flexibility and to force structure and to the need for resources?

General ODIERNO. Sir, we are not shifting away, in our training base, from counterinsurgency. However, we are—so, what we are doing is, we've—as we do our decisive-action rotations, which are being developed at NTC/JTRC—that's a combination of stability, counterinsurgency, and combined arms operations, all going on at one time, because that's what we believe we will see in the future. It will be a combination of all of those, because our enemies learn from what they've seen, and we'll have to conduct that simultaneously. So, we're training our units to do that, both in our leader development programs, as well as our training centers, both for divisions and corps, as well as brigades and below.

So, I think we're integrating what we've learned over the last 10 years into this, and we're developing scenarios that are very complex and very difficult. But, that's what we think our leaders will face in the future.

In terms of force structure, there has been some decisions, in the 2012 guidance that we were given, that we would not be sized to conduct large-scale stability operations. So, although we will still be able to do them, we would not be able to do them at the size we have done over the last—and duration—of what we've done over the last 10 or 12 years.

Senator REED. Let me ask a related question. And that is, a lot of the equipment that we required was very specialized for both Af-

ghanistan and Iraq—the MRAPs, the type of suspension systems, the—everything was necessarily thrown in to protect our men and women in these situations. Do you find yourself now with equipment that you don't need because of this shift from the one—the full-scale operations together with a deliberate decision to conduct much smaller-scale counterinsurgency operations?

General ODIERNO. I think—for example, the problem we have now is, we're out of balance. We have to always balance mobility, survivability, and lethality in all our equipment. Right now, we're out of balance towards survivability. So, we've limited our mobility and given up some lethality because of the counterinsurgency. So, as we develop our new systems, it's important that we integrate them where they have all three of those at the right balance.

In terms of MRAPs and things like that, we will have to divest ourselves of MRAPs. We've got to keep—we have a strategy to keep a portion of the MRAPs that we'll lead, and we'll invest in the force, and we'll also keep a portion of them, where we put in storage, so if we need them for other small-scale contingencies, that they would be available.

So—but, we will divest probably of about 60 percent or so, a bit higher, the number of MRAPs now. We'll keep about—and we'll do it in such a way where it's efficient and effective for us to—

Senator REED. And that will allow some limited cost savings, nothing spectacular, but—

General ODIERNO. Right.

Senator REED.—some limited—

General ODIERNO. That's right.

Senator REED.—cost savings.

General ODIERNO. That's right.

Senator REED. There's another aspect of this, too, is—particularly as sequestration rolls forward. That is, some functions that have routinely been done for the last 20 years by contractors, like mess halls, like cutting grass, et cetera. In fact, I think there's a whole generation of soldiers that post support is something that their fathers spoke about. Do you anticipate that you're going to have to make adjustments along those lines, too?—which—

General ODIERNO. We—

Senator REED.—has a definite tradeoff with training and readiness.

General ODIERNO. We've already done that, Senator. Guarding gates is another one.

Senator REED. I remember.

General ODIERNO. Roger. And so—you know, so dining facility, guarding gates, maintenance of facilities—there'll be some more troop labor used to do that. I think it's okay. We can work our way through that. You know, and all of those things requires leadership and organization, so there's always some training value in it. So, I believe that we'll do that.

We do have to be careful that we don't trade off so much that it does impact our training. And that's that balance that we have to meet. But, we've already started to do that, and I see that continuing beyond this fiscal year into next, and the close coming up.

Senator REED. I remember the training time being a mess officer. It was—

[Laughter.]

Mr. MCHUGH. For whatever it's worth—

Senator REED. Mr. Secretary, I'd like you to just finish up my time by making any comments you have on the range of questions I posed.

Mr. MCHUGH. Well, I appreciate it very much. I just wanted to piggyback onto the Chief's comments about what we're calling, in the near term, borrowed military manpower, that trading in to— for contractors, the military. And we had planned about 8,000 of those switches this year. We're actually running a little bit lower than that. But, I think that'll still come to be pretty close to the number. And, as the Chief said: In a very careful way, we need to ensure that we continue along that path, but don't do it in a way that excessively erodes the readiness levels that are already, as we've discussed here today, a challenge.

Senator REED. Thank you very much, gentlemen, for your service.

Thank you.

Chairman LEVIN. Thank you, Senator Reed.

Senator Blunt.

Senator BLUNT. Thank you, Mr. Chairman. The advantage of waiting is, you get to hear lots of good questions. And I was glad to get to hear my colleagues' questions.

It's good to see both of you here today, particularly Secretary McHugh, who—we worked so closely together for so long.

Secretary McHugh, you mentioned the problem of CR after CR. How much of that was taken care of in what was done last month? And what are your priorities, moving forward, in terms of structuring for the next spending year what you'd hope would be there?

Mr. MCHUGH. Well, the TL113-6, I believe was the number, gave us what the Chief and I have been talking about. That is, predictability and stability. And it was an important step with respect to being able to redirect funds. We were initially estimating that a year-long continuing resolution would cost us about \$6 billion. So, by interrupting that progression, it saved us some money, but, most importantly, allowed us to take funds and do what we consider our prime objective, for the moment, and that is continue to provide for the warfighters.

As to the way ahead, I think it's important for everyone to understand that the things that we're going to have to do, the things we've already done here in 2013, will, in some instances, take a year, multiple years, to fix, regardless of what we may do in 2014 in adopting either the Senate resolution, the President's proposed budget, or the House resolution, because we're just creating holes that don't get fixed overnight.

For example, at the Aviation Center of Excellence at Fort Rucker, sequestration will probably require the reduction of more than 500 training seats. Those just don't get recreated in a year's time. The Chief mentioned about how we'll only be able to do two BCT rotations at our NTC. All of those other rotations will be put back into the queue. It's not like they'll make up that readiness in a 6-month period.

So, those are holes that are—even under the best circumstances, as we can see it, that we're going to be dealing with for some time.

But, at least with predictability and an on-time budget and, you know, if not the elimination, certainly the control of CRs, we're going to be significantly challenged in the way ahead.

Senator BLUNT. That'd be great if we could eliminate CRs. And it's our job, and we ought to do our best to do that.

And you mentioned the overseas contingency accounts. I want to be sure I understood what your concern was there.

Mr. MCHUGH. Well, money.

Senator BLUNT. That there's too much money in contingencies you no longer need?

Mr. MCHUGH. No.

Senator BLUNT. Or there's not enough money—

Mr. MCHUGH. There's not enough—

Senator BLUNT.—in contingencies?

Mr. MCHUGH.—money. In the current OCO account, the overseas contingency account, our estimation is that we're about \$7.8 billion short of what the Army needs to fund the warfighters through the end of this year. That's why we're having to make all of these cuts that degrade readiness, that go into our base budgets, because we're moving money out of our base into the—what should be the funded OCO accounts, in our view, to support that warfighter. Our prime goal is not to send anyone into harm's way or into Korea or as part of the global response force that has with—without what they absolutely need. And that's the commitment we make. But, right now, we're hard-pressed to do that.

Senator BLUNT. Okay. Thank you.

General, you—with—following up on your conversation with Senator Reed, how has the recruitment strategy been impacted by the reduction strategy?

General ODIERNO. Sir, the one thing that we have to be able to do is sustain the balance of people coming in the Army as they leave. So, for example, because we had a larger number of people leave the Army this year than anticipated, we increased our recruiting level by about 5,000 this year. And when—and, in the active component, we're meeting that.

So, it's—we have to always sustain the balance between recruiting and as soldiers leave, because it's—if you don't do it by year—by year group—and you get out of balance, you create holes in your force over time. So, as we've increased the amount of soldiers leaving, we've had a small increase in those we're recruiting.

The quality of recruits that we're bringing in this year are the highest they've been, and it—over the last 3 years, we've had the least amount of waivers, the highest level of education that the Army has seen in a—since we've been keeping track of records.

So, for now, we're doing okay. But, we are worried, 2014, 2015, 2016, as the economy continues to get better—and, frankly, this unpredictability that we have—how will that contribute—

Senator BLUNT. Right.

General ODIERNO.—to people wanting to come into the Army? So, we're concerned about the out years, because, even though we're reducing, you've got to keep those fresh people coming in every single year.

Senator BLUNT. And the reduction of—some of the reductions would actually not impact, in a negative way, your intake numbers.

Your intake numbers are still going to be pretty high. Is that what I understand?

General ODIERNO. It is. I mean—so, when we were growing the Army, they were much higher, but they're about 65,000 this year, is how many we're bringing in to the active component, and we're bringing in more to the National Guard and U.S. Army Reserve. And so, that number continues. We've got to stay consistent with that number.

As the overall end strength of the Army goes down, that will reduce. It'll probably get down sometime in—2 or 3 years from now, to about 55,000 a year. But, we have to continue to bring people in every single year.

Senator BLUNT. Right. Well, the—to repeat some of what's been said—as you look at the brigade combat—the BCT restructuring, you know, the Fort—the facility I'd be most familiar with would be Fort Leonard Wood. And just—the two things that occur to me there are the proximity to the schools, to the training and doctrine schools, and then the location of that and other bases if, at some point, you need to support civil authorities because of incidents that happen here. I would hope those would be two of the things you'd put into the matrix of trying to make that decision.

Mr. Secretary, do you want to respond to that?

Mr. MCHUGH. Well, I would tell you, one of the newer criteria or factors is that geographical balance. And so, that's something we're going to look at very carefully. That, frankly, responds to the issue you said, so that we are located to work and support our civil authorities, where and when, as necessary, but it also helps with keeping the Army relevant to the American population, as a whole. I worry about us becoming isolated unto ourselves. And the more places we can maintain presence and American communities can look across a patch of land or a piece of water and see a—in this case, an Army base, a camp, post, or station—I think is a good day.

So, geographic dispersal in equity is part of our consideration.

Senator BLUNT. Okay.

General Odierno, we had General Alexander, from Cyber Command, in the other day, and when you—you were talking earlier, I think with Senator Manchin, about Guard versus the readiness of the full-time force. I actually, in talking to him and some things we're looking at, I think Cyber Command could be a place where guardsmen and reservists are likely to be doing every day, in the private sector, the same kind of skill set that we are going to need in Cyber Command. And I—would you like to respond to that?

General ODIERNO. Yeah. As we—so, as we look at cyber warfare as we go forward, there are several things. One is national cyber capability, and then we have both operational/tactical cyber capability that we have to sustain in the Army as we go forward. So, what we have to do is, we're building structure in the active, and we have to have mirrored structure in the National Guard and Reserve, because we—as you say, we think that's a good place for us to have some of this key capability that we would need to do operational, tactical, national-level cyber capability. So, as we are looking—as we're waiting for Cyber Com to develop its requirements, and then we will develop to meet the requirements they have for

each one of the services, and then we have to develop our own requirements for operational and tactical cyber.

And so, what we want the National Guard/Reserves to do is mirror our structure, because we're going to need them as we move forward. And then, of course, that—what comes along with that is training and everything else. So, we'll make sure that they get the matched training, because that's something I think would be an important mission.

So, what we have to balance, though, is the requirements of the State with the requirements that we have, federally. And that's what we have to think our way through.

Senator BLUNT. That's true. At one time, when I was Secretary of State of Missouri, the securities responsibilities of the—you know, of investment were in my office, and the securities commissioner worked for me and others. And my view was that every time we brought in somebody from the private sector, they were—they actually had some strengths that diminished as they got away from that daily contact with the bigger of the private sector.

I think, in cyber, you're going to see some of that same thing, so people who are out there trying to protect their own networks, trying to do the things that are going to be critical in that responsibility. I think this is a place where the Guard/Reserve component is more likely, frankly, to be—particularly if they're well placed in their civilian role—more likely to be kept up to date than they might be in some of the other areas you were visited about earlier. And I just would hope we'd all keep that in mind as we look at the potential of some of these cyber units in the Guard.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Blunt.

Senator Blumenthal.

Senator BLUMENTHAL. Thank you, Chairman.

And thank you both for your service to our Nation. Thank you for being here today and for your leadership in difficult times.

If I may begin, General, by focusing on part of your testimony dealing with the service of women in new career opportunities, particularly in combat positions, I note that the Army has opened more 13,000 positions to women and is in the process of developing occupational and validating standards, as you say in your testimony.

Could you give me some idea of how soon women will be integrated into infantry officer positions in the Army?

General ODIERNO. Well—sorry, Senator—we don't know exactly yet. What we're trying to do now is, we're doing the studies of standards in order for us to make sure we integrate them properly. So, we're looking at—probably in the next 2 to 3 years, we'd be able to do that.

We actually are doing a pilot right now with field artillery officers. Now, women were always able to serve in field artillery, but they were limited in the units they could go to. We are now doing a pilot that will put them in the positions for them to do this. So, we're doing that first, and then we'll move—and as we get the standards developed and what we need them to do—and they would be standards that are the same for everybody—and once we establish those and everybody understands what those are, we will

start to attempt to begin to run pilots with the women. I see that about 2 years down the road from now. We're going to slowly move our way towards that.

What we don't want to do is rush to failure. In other words, I want to set our females up for success. So, when we give them the opportunity, they have the opportunity to succeed in what we're asking them to do. And I'm afraid, if we rush too quickly, they might not succeed, which would cause problems for them to integrate fully when we really need them to.

I'm a believer it's about talent management. I've got to make the most of the talent that's available to us, and we've got to take advantage of the talent that our females bring to us. And so, I want to make sure we set them up to be successful when we make this decision and—to move forward.

Senator BLUMENTHAL. So, 2 years would probably be the timeline for—

General ODIERNO. It might be sooner, but it—within the next 2 years, when we first begin to integrate officers. And it'll be done after we do some assessments and what's the best way for us to do that, assess them and set them up to be successful as we go forward.

Senator BLUMENTHAL. And enlisted would probably be—

General ODIERNO. They'd—

Senator BLUMENTHAL.—sometime—

General ODIERNO. They would be—follow that.

Senator BLUMENTHAL. Following in the—

General ODIERNO. That's right.

Senator BLUMENTHAL.—in 2 years—

General ODIERNO. And noncommissioned officers—you know, because—see, the issue is, you want to develop a cadre of officers and noncommissioned officers. So, since you can't grow 'em, we're going to have to move them from other positions, and train them, and we've got to figure out how we do that to make them successful. And then, the soldiers would follow. That's the model that we think is the most successful model.

Senator BLUMENTHAL. Let me shift, if I may, to a subject that I don't think has been covered. And you and I have discussed it in the past: the continued threat of improvised explosive devices in Afghanistan. I know you've been very active and concerned and devoted to the well-being of our troops, in protecting them from these devices. Am I right in assuming, as I've been told within at least the past couple of months, that IEDs continue to cause more than half of all the casualties in Afghanistan to our troops?

General ODIERNO. That's correct.

Senator BLUMENTHAL. And do you note any progress in either protecting troops on the ground or stopping the Pakistani sources of the fertilizer and other components of the bombs?

General ODIERNO. Well, first, the number of casualties, although it's still greater than 50 percent, is way down. And so, that shows some of the progress that we've made in protecting our soldiers. So, we are continuing to make progress.

This is a very dynamic piece. We adjust, they adjust; we adjust, they adjust. And we have to constantly figure this out.

I think there's been some things put into place that have been able—that has enabled us to slow the movement of capability from Pakistan into Afghanistan. They just did some work with the Pakistani army. I think we have put some procedures in place with the Afghan army and ourselves to prevent that. We certainly have not stopped it, but there's some progress being made in the interdiction of this.

But, IEDs are still being used. And so, we continue to try to come up with capabilities that allow us to detect, at the point of attack, but we're still really focused on: How do we get there to the left? And that's where we're made our most progress, in trying to develop and understand the networks, and get involved with the networks, identify the things necessary that are made to use and build IEDs. And we've made some good progress there.

But, we still have an issue with IEDs.

Senator BLUMENTHAL. Do you think the threat from IEDs will grow or diminish as we draw down?

General ODIERNO. I think it's—it is a weapon that the enemy will continue to use. It's cheap, it's inexpensive, and it gets them the effect that they want.

And I also believe that IEDs will be used by many people into the future. It is a weapon system now that will be used quite regularly. And, frankly, that's what we saw in Boston, was—it was an IED. I mean, so, you know, that's what people are—that's what people, when they try to make a statement or they try to conduct operations against a military that they know they're overmatched against, they will continue to find irregular ways to attack them. So, we're going to have to be prepared to deal with this for a very long time, in my opinion.

Senator BLUMENTHAL. Yeah, I——

Mr. MCHUGH. Could——

Senator BLUMENTHAL. Sorry——

Mr. MCHUGH. Sorry. I'm sorry, Senator.

Senator BLUMENTHAL.—Mr. Secretary.

Mr. MCHUGH. But, if I could, just add on, because it really goes back to an earlier discussion we had about, you know, what we're doing to get ourselves more modernized for the future. And one of the things we're keying upon as we look at such future platforms is the ground combat vehicle, the JLTV, joint light tactical vehicle, and others, is to be able to operate, with mobility, as the Chief mentioned earlier, but also in an IED environment. Because we have no reason to suspect we will see anything but more of those into the future.

Senator BLUMENTHAL. Yeah, we have—you and I, and the General and I, have discussed this issue over the years. And I think the investments we've made in Afghanistan in combating IEDs will pay off in the future, because it is the asymmetrical weapons platform for terrorism in the future. And, unfortunately, it also, obviously, is the type of device that was used in Boston, tragically and horrifically there. And that was one of my first thoughts when I saw and heard more detail about the explosion, that it fit all the criteria for an IED that you've been seeing in Afghanistan over many, many years.

Let me just finish talking about Afghanistan. Is there an estimate as to the total amount—the value of equipment and hardware, so to speak, that we have on the ground in Afghanistan?

General ODIERNO. Senator, there's \$28 million worth of equipment on the ground now, is our estimate. That's all equipment. There's about 21 billion of that that we think we'll bring back in order to reset and redistribute to the force.

Senator BLUMENTHAL. And what's the estimate—and I apologize if I'm asking you to repeat testimony you've already given—what's the estimate on the cost of how much will be necessary to bring the 21 billion back?

General ODIERNO. I would have—I will get you that number; I have not said that.

[The information referred to follows:]

[INFORMATION]

General ODIERNO. But, it's a combination of transportation costs and others. But, it's—I will tell you, we've done the analysis, and the cost of the transportation and the cost to reset is much cheaper than the cost to have to repurchase new equipment.

Senator BLUMENTHAL. Despite what you very aptly describe in your testimony as the harsh weather conditions, the adverse—

General ODIERNO. Correct.

Senator BLUMENTHAL.—geography, and the need for sufficient funding to do it—because I think, to state the obvious, although it may not be obvious to most Americans, the difficulty of withdrawing that equipment from Afghanistan is far, far greater than it was in Iraq—

General ODIERNO. It is, yeah.

But, I—we'll get you the specific numbers—but, the calculations—there's quite a difference in the cost if we had to repurchase this equipment new, and we think we can reset it—you know, as I've walked through our depots and everything else, when we reset equipment, it is like new. And our ability to do that and bring it back, we'll do it much cheaper than if we had to buy it new.

Senator BLUMENTHAL. Thank you. I look forward to that additional information and thank you so much for being here today.

Thank you.

Chairman LEVIN. Thank you, Senator Blumenthal.

Senator Hagan.

Senator HAGAN. Thank you, Mr. Chairman.

And, Secretary McHugh and General Odierno, I—I'm always honored to have you before our committee, and I thank you both for your service and your commitment to our country. So, thank you. And it's a pleasure to see you.

The Army's fiscal year 2014 MILCON request is over 35 percent less than last year's. And the Army has stated that this request reflects a return to a more historical level of funding, following the completion of the Grow the Army and the 2005 BRAC changes and investments. And one of the concerns that I have with this is that there are no transportation projects at Fort Bragg in fiscal year 2014, and there's also nothing planned for the Future Years Defense Program, either. And roads and these other projects have not kept up with the facilities projects in the growth of that base. It's created a serious safety problem at one of, I believe, the Army's

most elite bases, including an increase in over 400 percent of traffic accidents since 2005. And with an increase of over 200 percent in injuries also during the same period, it appears to me that investing in transportation infrastructure there would be a smart and critical safety investment. In our current fiscal environment, this seems like low hanging fruit, in terms of payback to the Army.

So, my question is, the—you know, if you could give me your thoughts on my concern on the lack of transportation projects at Fort Bragg.

Mr. MCHUGH. Senator, I have no doubt that there are projects such as that spread across the Army that, had we the money, we could expand upon. What this budget, as I mentioned in my opening comments, attempts to do is balance the wide range of needs against the available funding. And the statements that—you absolutely are correct, and the posture that notes this is historically a number that reflects our past MILCON numbers, that doesn't necessarily reflect the statement that we're meeting every one of our needs in this budget.

We try to do the best job we can, taking the MILCON appropriation availability and dispersing it across the projects, as necessary. That doesn't mean we get it perfectly correct every time. We're certainly happy to sit down and take a look at whatever description and materials you might want to make available to us. We begin a next budget cycle as soon as we've completed the last. I don't want to make any promises, but I'm sure we can do better.

But, we do feel, given—as was noted in the posture statement, the significant—the very significant expenditures on new construction embedded in the 2005 BRAC that met so many of our needs, and the high level of MILCON investments that have been occurring over the last 10 years, that this budget account is reflective of our affordability.

General ODIERNO. Yeah, I would just say, Senator, certainly would—we'll take a look at it. I think, you know, we are—we do have some money in for Polk, which I think is important. And that's something that has to be taken care of. So, we put that probably at a higher priority, based on the MILCON dollars that we were able to allocate, and we believe that's in very much need of help down in Fort Bragg.

As I—you know, I've—as I go down there, first, I'm very pleased with the work that the State is doing outside, increasing the road network coming into Fort Bragg, which I think will help a lot—

Senator HAGAN. It will.

General ODIERNO.—coming off of 95, there. And it—so, I hope that that will help us. So, as we—as that project gets developed, we'll probably have to review, How does that impact the rest of the transportation network around Fort Bragg? And is there some things that we have to do as we do that? So, that'll be something that we'll ask our commanders down there to take a look at and get back with us.

Senator HAGAN. Okay. I appreciate that. And I am concerned about the traffic issues, the accidents, and obviously the injuries associated with that.

I want to ask a couple of questions on sexual assault. Recent research by the Department of Veterans Affairs suggests that about

half of the women who have deployed to Iraq and Afghanistan report being sexually harassed, and almost 25 percent say they were sexually assaulted. You know, I've spoken personally with a number of the female servicemembers and veterans, that, when they were deployed, they actually stated that, when they were at a FOB, they had to decrease their water intake so they wouldn't have to use the latrines at night. And I know there's been significant changes with lighting and safety conditions, and things like that, but it is—it's an issue that you're thinking, "Oh, my goodness. You know, why in the world, when we have our women serving us overseas, fighting for our country, do they have to think about an issue like that?"—how much water they take, much less the threat of a sexual harassment or sexual assault.

So, what's the current state of the problem with our deployed Army units? And what's specifically being done to address the issue of sexual assault while on deployment?

General ODIERNO. Well, first off, having just been over there—and actually, I had a discussion about this with all of the commanders on the ground, about this specific issue, not only while deployed, but also when they come back. And, first, it—I know people are tired of hearing me say this, and—but, we have to change the culture. And we—it's about commanders setting the environment that becomes nontolerant of any of this activity. And we've got to start from the time—you know, there are cadets at West Point, ROTC cadets, basic training, and we're really starting to make a difference, and try to emphasize this.

But, that said, let's put that aside, because that's a long-term solution. It is about commanders' awareness of being able to see themselves. So, I asked them, What are—we have to increase the assessment tools that you have in theater that allows you to assess, Where are the problem areas, and what are you doing to reduce the risk to our female soldiers that are forward deployed? And so, they are increasing the amount of sensing sessions, they're increasing surveys, they're increasing other techniques that they use in order to understand that environment so they can make the corrections.

And then we emphasize, obviously, that it's about, you know, maintaining discipline and standards, and taking swift action when something is found, so that people realize that this kind of behavior simply will not be tolerated.

So, it's a combination of those kind of things that we have to do, and then the constant awareness training and lecturing and everything else you need to do to make soldiers aware that this is not acceptable.

And we have to just—it is just about constantly talking about this problem, and constantly ensuring that people understand we are going to take this seriously. And it's as frustrating to all of us, I know, as it is to you, Senator.

Senator HAGAN. General Odierno—

General ODIERNO. I wish I had a better answer for you, frankly.

Senator HAGAN.—all these commanders that you're talking to, how many are women?

General ODIERNO. Probably about 20 percent—15 to 20 percent.

Senator HAGAN. Okay.

Let me ask about reporting the sexual assault. Part of the challenge faced by soldiers in deployed units relates to the geographical dispersion and remoteness of many of these units, which obviously necessitates creative and adaptive measures to ensure that the reporting resources are readily available and that the victim's privacy is protected. So, if—and I know you're talking about the extra training, sensing sessions, but what are you doing to ensure that the deployed units are prepared to process reports of sexual assault and that the deployed victims are also cared for equally with those in the garrison? And if you could just emphasize a little bit about the predeployment training that's required to ensure that our deployed servicemembers actually know what the services are available to them while deployed, if—hopefully, not needed.

Mr. MCHUGH. If I could just start and then defer to the Chief.

As to predeployment, it goes to the—part of the comments that the Chief made about making sure that our lessons on sexual harassment, sexual assault are not just confined to a single touch point during initial entry training. We have embedded this into virtually every aspect of our training, through all ranks and through all processes that we offer to our soldiers, and not just for one day, not just one time, but repeatedly. And that includes part of their predeployment counseling.

The way in which we're attempting, in part, to deal with the problems in theater are, as directed by this Congress, to ensure that every brigade has a sexual advocate, an assault advocate and a SARC, there so that soldiers feel confident they can go to someone whose responsibility is to be caring about these—to know—kinds of things—to know about the process, and to protect their interests so they don't feel like they'll be victimized again. The deployed environment is a very, very challenging one, but if you look across the Army—and I haven't seen the breakout of the data specifically for in theater, but our propensity to report has gone up significantly. It was about 28 percent, just a few years ago. Our latest statistic is at 42 percent.

Now, that's not perfect, and it's a long way from where we need to be. But, I do think it shows that soldiers are—that female soldiers are no longer willing to just sit back, that they're going to take action. And the data seems to confirm that.

But, this is something that has to be imbued at virtually every level of our Army. I was out, just a few weeks ago, at Charm School, as they smilingly call it, for our new brigadier generals, and I told them very frankly, "You can succeed, from this day forward, in virtually every aspect of your military career, but if you fail at this"—and that is leading on the issue of sexual assault—"you've failed the Army," because there's nothing more important to the very bedrock upon which this Army is built. And clearly, a long way to go, but I can only tell you, Senator, we're dedicated to doing everything we possibly can to help fix it

Senator HAGAN. Thank you.

General ODIERNO. Senator, if I could just add a couple of things.

One is, we've also increased the number of—we've trained CID-qualified experts, we have also trained prosecutors, and we've increased those numbers in Afghanistan, so they are available to—if—to conduct investigations and make sure that we have the ex-

expertise over there as we move forward. So, as we have increased them around the Army, we also have that increased expertise there, as well.

So, anyhow, we're doing what we can. But, as I said, this is about commanders, and this is about them setting the right tone, at all levels. I have very—a lot of confidence in our brigade and battalion commanders, but it's how that translates down into our company commanders, our platoon leaders, our platoon sergeants, our squad leaders, because they're the ones who actually touch—are the first ones to touch these women, in many cases, and we've got to make sure they understand, and they understand the requirements that we extended.

Senator HAGAN. Well, I know my time is running out, but, Secretary McHugh, you said that 42 percent of the sexual-assaults reporting has increased, but are you seeing an increase in the number of sexual-assaults percent, or a decrease?

Mr. MCHUGH. The actual number reported went down by, I believe, about 16 percent, with the propensity to report going up.

Senator HAGAN. Thank you.

My time is out. Thank you.

Chairman LEVIN. Thank you very much, Senator Hagan.

We're in a second round. I am—I have a few questions for the record, which I would ask you to reply to.

[The information referred to follows:]

[COMMITTEE INSERT]

Chairman LEVIN. Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

I—Mr. Secretary, in the—I was out of time when you corrected my assumption concerning some of the commitments that we're making, in terms of energy policy. And I wanted to ask the question about the—because there was an Army's plan that was announced that said that 7 billion—that's where the number came from, the \$7 billion—

Mr. MCHUGH. That's correct.

Senator INHOFE.—would be over a period of time. There's going to be contracts that would be let that, over a period of time—maybe 10, 30 years—that that—that it would—the—in terms of the amount or the percentage that would go to renewable sources. And I guess the MATOC contract would use the power purchase agreements by the Army for a long-term contract. Is that correct?

Mr. MCHUGH. That is correct, yes.

Senator INHOFE. Which would be 10 to 30 years.

Mr. MCHUGH. Probably 30 years, I believe, is the MATOC length, sir.

Senator INHOFE. Well, and those contracts would commit the Army to a specific price for the purchase of renewable energy, I assume. Is that correct?

Mr. MCHUGH. It would commit us to purchasing energy from—

Senator INHOFE. At a—

Mr. MCHUGH.—a private developer—

Senator INHOFE. At a price—

Mr. MCHUGH.—at a set price, that the objective—the objective is to reach a price that is at least at parity, if not lower, than what we would pay otherwise.

Senator INHOFE. Well, that may be the objective, but you're projecting out a number of years and decades, in this case, and how would you—how in the world could we accurately do that? I just wonder at the wisdom of why we would want to lock in a price and not allow the Army, at some future date, to take advantage of the many changes that are taking place out there, whether that's a wise thing to do.

Mr. MCHUGH. Well, the—a couple of things. One, the creation of—and the generation of energy, as you know, Senator, is an incredibly expensive undertaking, one that, frankly, we don't think the taxpayers, insofar as the Army base budget is concerned, can afford to bear. And where we can encourage private investment to come in and to make those kinds of commitments, as we did with RCI and privatized housing, can be a good value for the United States Army. It also helps us posture ourselves to bring energy independence, of a kind, to our individual bases, which we consider to be a very critical—

Senator INHOFE. Is the—

Mr. MCHUGH.—strategic—

Senator INHOFE.—RFP already out, or is it planning to be out?

Mr. MCHUGH. On the MATOC, has been released, yes.

Senator INHOFE. Oh, it has been released.

Mr. MCHUGH. My understanding. I'll check that—

[INFORMATION]

Senator INHOFE. Okay. What I'd like to get—and I think it's a reasonable request—is a copy of it. I'd like to see how the wording is—

Mr. MCHUGH. Of course.

Senator INHOFE.—and to be—

Mr. MCHUGH. Absolutely.

Senator INHOFE.—able to look at it. And if the concern, of course, is, in the future, to be able to take advantage of our independence, there's a lot easier way of doing it than exploring new technologies in the future. And I think, going back to what I stated a little bit earlier, that's what the Department of Energy was supposed to be doing, initially.

Mr. MCHUGH. Well, we'll—

Senator INHOFE. Just—

Mr. MCHUGH.—be happy to come and to provide you all the materials that is—are available, and certainly to talk and try to answer any questions you have—

Senator INHOFE. Yeah, because we have enough problems, as pointed out by both you and General Odierno, with the current problems that are there, and then relating that, as General Odierno did, to other times in our history when we've had a hollow force, and all that—the things like that that are coming out there. I just would like to see how it's worded, then be able to sit down with you and discuss where to go—we go from here and—

Mr. MCHUGH. Absolutely.

Senator INHOFE.—how I might be able to impact that.

Mr. MCHUGH. Absolutely, Senator—

Senator INHOFE. Thank you. Thank you very much. I appreciate it.

Chairman LEVIN. Thank you, Senator Inhofe.

I think, actually, all of us would be interested in seeing that RFP, if you could submit—

Mr. MCHUGH. Sure.

Chairman LEVIN.—that to the committee. Actually, one of my four questions that I'm going to ask you to answer for the record does relate to the renewable energy technologies and how they in— actually, in some cases, can enhance combat capability. But, we'll save that for the record.

We thank you both very much, again, for your service, for your testimony.

And we will stand adjourned.

[Whereupon, at 12:26 p.m., the committee adjourned.]