

**HEARING TO RECEIVE TESTIMONY ON THE  
CURRENT MATERIEL READINESS OF U.S.  
FORCES IN REVIEW OF THE DEFENSE AU-  
THORIZATION REQUEST FOR FISCAL YEAR  
2012 AND THE FUTURE YEARS DEFENSE  
PROGRAM**

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**WEDNESDAY, MAY 18, 2011**

U.S. SENATE,  
SUBCOMMITTEE ON READINESS AND  
MANAGEMENT SUPPORT,  
COMMITTEE ON ARMED SERVICES,  
*Washington, DC.*

The subcommittee met, pursuant to notice, at 10:09 a.m. in room SR-232A, Russell Senate Office Building, Senator Claire McCaskill (chairman of the subcommittee) presiding.

Committee members present: Senators McCaskill, Udall, Shaheen, Inhofe, Chambliss, and Ayotte.

Committee staff members present: Leah C. Brewer, nominations and hearings clerk; and Jennifer L. Stoker, security clerk.

Majority staff members present: Peter K. Levine, general counsel; John H. Quirk V, professional staff member; Russell L. Shaffer, counsel; and William K. Sutey, professional staff member.

Minority staff member present: Lucian L. Niemeyer, professional staff member.

Staff assistants present: Hannah I. Lloyd and Breon N. Wells.

Committee members' assistants present: Tressa Guenov, assistant to Senator McCaskill; Christopher Kofinis, assistant to Senator Manchin; Patrick Day, assistant to Senator Shaheen; Anthony Lazarski, assistant to Senator Inhofe; Clyde Taylor IV, assistant to Senator Chambliss; and Brad Bowman, assistant to Senator Ayotte.

**OPENING STATEMENT OF SENATOR CLAIRE McCASKILL,  
CHAIRMAN**

Senator McCASKILL. Good morning, everyone. I will begin with an opening statement, and then turn to my colleague Senator Ayotte for her opening statement, and then we will take your testimony. I appreciate you all being here today.

The Subcommittee on Readiness and Management Support meets this morning to hear testimony on the materiel readiness of our military. Today, we'll hear from Lieutenant General Mitchell Stevenson, Deputy Chief of Staff, Logistics, for the Army; Vice Ad-

miral William Burke, Deputy Chief of Naval Operations for Fleet Readiness and Logistics; Lieutenant General Loren Reno—is it “Reeno” or “Renno”?

General RENO. “Reeno.”

Senator MCCASKILL.—“Reeno”—Deputy Chief of Staff for Logistics, Installations, and Mission Support for the Air Force; and Lieutenant General Frank Panter, Deputy Commandant for Installations and Logistics for the Marine Corps. I welcome you all and thank you, not only for your testimony, but for your contributions and service to our Nation.

After almost a decade of combat operations, we have significant gaps in our materiel readiness accounts. While I want to support the services with every possible resource, I also want to ensure that we do a better job at matching up funding to requirements. For this reason, I continue to be concerned by the longstanding failure of the military departments to full fund our maintenance requirements. At a time when we already have significant equipment backlogs, the continuing lack of full funding can only increase the scope of the problem. It’s a classic case of pay now or pay dearly later.

As result of our decade-long military operations in Iraq and Afghanistan, both the Army and the Marine Corps face significant military readiness issues, particularly as regards to nondeployed units. The Army has said it will need 2 to 3 years of reset funding beyond the end of combat operations, while the Marine Corps has said it will face a \$5 billion bill for reset and an additional \$5 billion bill to reconstitute the force, yet have only allocated 250 million in the fiscal year 2012 budget to address this looming funding request.

The Navy and the Air Force also face significant backlogs in maintenance and repair of equipment. For example, because the Navy has failed to fully fund their depot maintenance accounts over the past few years, we currently have a \$367 million maintenance backlog.

Similarly, the Air Force has failed to fund their readiness accounts, at 83 percent in fiscal year 2011 and 84 percent in fiscal year 2012. This inadequate funding has resulted in a significant backlog of aircraft in great need of repair.

Last year, we attempted to address this problem in this committee by adding 532 million to address unfunded requirements for ship depot maintenance, aircraft depot maintenance, and spare parts identified by the chief of naval operations, and 337 million for unfunded requirements for weapon systems sustainment that were identified by the Air Force Chief of Staff.

I hope that we will hear, from our witnesses today, whether their depots are operating at capacity or could repair equipment faster and enhance unit readiness if any additional funding were available.

I hope we will hear from each of our witnesses today what steps the plan to take to address these backlogs of deferred maintenance and reset requirements and ensure that all of our units, not just deployed units, reach the level of readiness that we need and expect. This effort will undoubtedly require a long-term strategy

which extends beyond fiscal year 2012, and probably even beyond the scope of Future Years Defense Program.

Finally, as I have said at our previous hearings, I do not believe there is anything the Department is doing that we cannot do better. And I do not believe there is any part of the budget that can be off limits as we look for savings. While we are not about to cut funds that are needed to support forces engaged in ongoing military operations, I am convinced there are things that we can, and should, do better.

In this regard, I am particularly concerned about the extent that we have become reliant upon contractors to provide logistics support for these operations. As the Wartime Contracting Commission recently concluded, there are too many areas in which the contractors have become the default option. I recognize that our witnesses today are not contracting experts, but you are responsible for providing logistics support, including contractor support, for ongoing military operations.

As I understand it, the military departments are responsible for: ensuring that operational contract support requirements are identified and integrated into the operation plans; ensuring that contractor management plans are incorporated into operation plans; ensuring that contract oversight processes and manpower requirements to execute oversight are incorporated into operation plans; integrating identified contract requirements into training simulations, mission rehearsals, and exercises; ensuring that military personnel outside the acquisition workforce who are expected to have acquisition responsibility, including oversight responsibility, are, in fact, properly trained; determining requirements and qualifications for contracting officer representatives, making sure that the corps are properly trained and certified; and collecting and distributing operational contract support lessons learned.

I intend to ask our witnesses today what actions they and the services they represent have taken, and plan to take, to carry out these important responsibilities.

I look forward to the testimony of our witnesses, and I now turn to Senator Ayotte for any opening remarks that she might have.

#### **STATEMENT OF SENATOR KELLY AYOTTE**

Senator AYOTTE. Thank you, Madam Chairman, for calling this important hearing on the materiel and logistics—logistical readiness of our armed forces.

I want to also welcome Senator Inhofe here, as well.

I also thank the witnesses for appearing before our committee today, and for your service to our country, and for all of those that are serving beneath you.

I believe it was Napoleon who first observed that, in warfare, while the amateurs discussed tactics, the professionals discussed logistics. Our committee has no greater role than ensuring our military personnel are properly equipped to succeed in their missions. In tough fiscal times, with decreasing budgets across all Federal agencies, it is especially important to review department resource decisions regarding logistics programs to understand their impact on readiness. We need to be clear about what risks to the force we are willing to assume in the short term, and in the future,

based on the declining availability of resources. While the Pentagon must relentlessly pursue efficiencies and eliminate waste—and I certainly agree with the statements made by the Chairman—we must devote sufficient resources for weapon systems, sustainment, pre-positioned stocks, equipment accounts, and depot operations. Given the current state of world affairs, tasking our warfighters to do more with fewer resources is going to extend the strain on the force, resulting in longer deployments and shorter amounts of downtime needed to allow our troops and their families to recuperate, units to train, and equipment to be reset.

I look forward to receiving the details from the witnesses on the risks associated with each of the department's efficiency initiative in the 2012 budget request affecting logistics. We also need to remember that the services have already assumed risk, for years, in certain aspects of readiness, such as facility maintenance and adequate training for all aspects of roles and missions. For example, the Department of the Navy recently estimated that they already have a backlog of over \$3.5 billion for estimated costs of facility repairs at their four public shipyards alone, and almost \$40 billion in other shore infrastructure requirements. Another example all services have acknowledged in their testimony this year, that the readiness of nondeployed forces has been sacrificed in order to ensure the readiness of forces deployed to Iraq and Afghanistan. This mortgaging of the nondeployed forces' readiness to ensure the readiness of those deploying to Iraq and Afghanistan has undercut our Nation's preparedness for a variety of contingency missions. And we've already seen those have arisen. For example, adequately equipping deploying forces has often left units stationed back home, particularly in the Reserve and Guard units, without the equipment they need to train for their next deployment or to carry out stateside missions. Too often, we hear of units seeing equipment for the first time in theater, or at the last minute, in their final predeployment training. I wonder just how much longer we can continue to defer maintenance in training before we start to see the signs of a hollow force. We need to hear, from our witnesses, how they are addressing these issues.

Finally, the witnesses have all stated, in written testimony, that over 10 years of persistent conflict has taken a toll on military readiness and the availability of equipment. They have stated, as well, that years of dedicated funding for reset and reconstitution will be required after our forces come home in order to restore adequate levels of readiness across the full spectrum of operations. I look forward to hearing detailed information from the witnesses on what supplies, equipment, and levels of activity in our depots and shipyards are needed to reset our forces. In addition, this committee needs to hear from our witnesses regarding the amounts of resourcing that will be needed in the next 5 years to restore the levels of full-spectrum readiness necessary to preserve our National security. While we must reduce Federal spending in all areas to restore the fiscal health of this country, we must not lose sight of our sacred vow to fully equip, train, and support those who defend our Nation and keep us safe.

I thank the witnesses in advance for their candid views on these matters, and look forward to a productive hearing on this topic.

Thank you, Madam Chairman.

Senator McCASKILL. Thank you very much.

I will now turn this over for testimony from the witnesses. I know you all have done—are aware of how much we want you to give us information, but then, at the same time, we tell you not to talk too long. So, we're hopeful that you all can keep it to about 5 minutes. And obviously, all of your statements have been available to us and have been reviewed. So, we look forward to your testimony. And we'll begin with you, Lieutenant General Stevenson.

**STATEMENT OF LTG MITCHELL H. STEVENSON, USA, DEPUTY CHIEF OF STAFF, LOGISTICS, UNITED STATES ARMY**

General STEVENSON. Madam Chairman and Ranking Member Ayotte, as you asked, I will not read my opening statement, but rather just ask that it be accepted into the record. And what I'd like to do now is just highlight a few points from that statement.

First, in terms of the materiel readiness of the Army, as you acknowledged, we certainly have our challenges. But, I would argue that we are more ready today than we have been in a long time in a lot of areas. And I can elaborate on that, if you'd like, in my upcoming testimony. And it's—as you know, this is in no small measure to the amount of unwavering support we get from the Congress to keep us well funded.

In Iraq and Afghanistan, we are on track and, in some cases, ahead of schedule. In the drawdown from Iraq, we've been getting pretty decent marks from the GAO, in that regard. And I can talk about that later, if you'd like, as well.

And our readiness posture in Afghanistan is actually quite strong, and getting stronger every day. I, just this morning, had an update on materiel readiness in Afghanistan of all of our forces. And in all but one case, we are at or above the 90-percent goal that we set for ourselves, in terms of readiness.

Here at home, we've improved our ammunition readiness. It's stronger than it's ever been, that I can remember. We're reconstituting our Army pre-positioned stocks. And, like everyone in DOD, as you pointed out, we logisticians are focused on being better stewards of our taxpayers dollars. And example of that is a pretty aggressive property accountability campaign that mandates a culture of supply discipline.

Our depots and arsenals remain quite busy, though. As a result of the drawdown in Iraq, the workload is declining. And having said that, as you point out, it is still the case that we will require reset funding for 2 to 3 years after operations finally end.

Your support has made us ready.

And I look forward to your questions.

[The prepared statement of General Stevenson follows:]

Senator McCASKILL. Thank you.

Lieutenant General Panter.

**STATEMENT OF LT. GEN. FRANK A. PANTER, JR., USMC, DEPUTY COMMANDANT FOR INSTALLATIONS AND LOGISTICS, U.S. MARINE CORPS**

General PANTER. Madam Chairman McCaskill, Senator Ayotte, and other distinguished members of the committee, thank you for

the opportunity to speak to you about the materiel readiness of the United States Marine Corps. On behalf of all the Marines and their families, thank you for your unwavering support.

I would respectfully request my written statement be submitted for the record.

I just returned from Afghanistan yesterday. I had the privilege to travel with our Commandant of the Marine Corps and our sergeant major of the Marine Corps. And we observed the marines and sailors in the Regional Command Southwest. That's the area where the United States Marine Corps is operating in Afghanistan—a pretty tough neighborhood. I'd like to share with you just a couple of stories, what I saw while I was there.

There's no other way to put it, it's pretty eye-watering to observe your marines and sailors professionally performing their assigned missions in a very harsh environment. It was 105 degrees while we were there. They're doing it without complaint. We saw things like young captains, lieutenants, staff sergeants, and gunnery sergeants planning and conducting convoy operations to resupply outlying forward operating bases. These convoys range in size from 17 vehicles, roughly, to as high as 70 or 80 vehicles, with as many as 140 personnel attached to them—assigned to them. These are, essentially, combat patrols; they're dangerous.

We watched a section of the light armor vehicle battalion return from a route interdiction mission in Southern Helmand Province. These Marines have—has been—they had been out from their forward operating base since late February. They hadn't had shower. They'd been living off of MREs. But, they were in high spirits and motivated.

It was pretty impressive to see them come back to the FOB, forward operating base, and watch them immediately turn to maintaining their equipment, accounting for their equipment, repairing their equipment.

Had a chance to watch our doctors operated—operate on wounded marines. I saw one doctor operating on a marine that had been shot in the neck, and he saved his life.

The stories go on and on. The bottom line is that they're in a danger—dangerous environment. These stories represent any of my brothers at arms sitting at the table. The leadership that's been shown by our young warriors is just simply amazing. Bottom line, you have the right to be proud of your marines forward-deployed.

As you mentioned, our equipment abroad has been stressed over the last almost 10 years of combat. We are—our readiness ratings at our home station is not what we would like for it to be. We continue to globally source equipment to respond rapidly to emerging threats in the Middle East, and elsewhere in the globe, throughout the Marine Corps.

I'd be more than happy to answer your questions related to our planning for reset and reconstitution.

In closing, I'd like, again, to thank you, on behalf of our brave and dedicated marines and their families, for your continued support and your past support. The United States Marine Corps stands ready to fulfill our role as America's expeditionary force in readiness. And with your support, we will continue to respond appropriately.

Thank you.

[The prepared statement of General Panter follows:]

Senator MCCASKILL. Lieutenant General Reno.

**STATEMENT OF LT. GEN. LOREN M. RENO, USAF, DEPUTY  
CHIEF OF STAFF FOR LOGISTICS, INSTALLATIONS, AND MIS-  
SION SUPPORT, U.S. AIR FORCE**

General RENO. Good morning, Madam Chairman, Senator Ayotte, other distinguished members of the committee. Thank you for the opportunity to discuss materiel readiness of your Air Force.

As Secretary Donley previously stated, passing an fiscal year 2011 defense appropriations bill is essential to avoiding severe disruptions to readiness. And on behalf of the Air Force, I thank you for your hard work in resolving this situation.

Agile combat support underpins all Air Force core functions and plays a central role in our ability to create, protect, and sustain air and space forces, a challenging task, given over 20 years of constant combat operations.

From the development and training of airmen, maintaining and supporting weapon systems, and regaining acquisition excellence, agile combat support enables the Air Force to remain a mission-focused and highly capable force across the full spectrum of military operations.

Permit me to highlight the following areas: the fiscal year 2012 budget and Air Force efficiencies, joint support to the warfighter, personnel readiness, nuclear deterrence operations, and weapon systems sustainment and readiness.

Within the Air Force's fiscal year 2012 budget request is 33.8 billion for agile combat support. This represents a careful balance of resources among the Air Force core functions necessary to implement the President's national security strategy and an extraordinary effort to ensure America gets the maximum value out of every dollar.

Last year, the Secretary of Defense directed the services to identify \$100 billion in efficiencies in overhead and support, and move it to warfighting and readiness. Our fiscal year 2012 budget supports that efficiency initiative and incorporates over 33 billion in efficiencies across the Future Years Defense Plan. The savings will be shifted to higher-priority combat capability as we reduce our overhead costs, improve business practices, and eliminate excess, troubled, or lower-priority programs.

Our airmen continue to inspire us with their dedication and service, serving proudly alongside their Army, Marine, Navy, and Coast Guard teammates. With airmen at 135 locations worldwide, nearly 37,000 forward-deployed and more than 57,000 forward-stationed, the Air Force fully supports the joint fight. The airmen that form the logistics chain have provided world-class support to the joint and coalition team in Operations Iraqi Freedom, New Dawn, Enduring Freedom, and most recently, Operations Tomadachi and Odyssey Dawn.

Continued and sustained high operations has reduced our personnel readiness. Since 2003, we have seen a steady, but slow, decline in reported readiness indicators. At present, 22 career fields are stressed. However, there are a number of programs in place to

bolster manning in these career fields, as well as to mitigate potential negative effects on our airmen and their families.

We continue to provide two of the three arms of the Nation's nuclear deterrence with steadfast excellence, precision, and reliability. To that end, we have taken positive steps in the fiscal year 2012 budget to continue improving this core function.

The mission capability of the airlift and refueling fleet remains high, at 82.7 percent, while meeting robust and dynamic operational requirements. Mission capability of the fighter-bomber fleet is adequate, at 74 percent. Overseas contingency funding, the fiscal year 2012 President's budget request, and efficiencies combine to enable us to meet in excess of 84 percent of our weapon systems sustainment requirements. The professionalism and dedicated work of our airmen ensure our aircraft inventory is ready.

In closing, the Air Force is prepared for today's operations and tomorrow's uncertainties despite fiscal challenges and high operations tempo. With the uncompromising commitment to Air Force core values, the Air Force remains ready to provide global vigilance, reach, and power for America.

Madam Chairman, Senator Ayotte, and distinguished members of the committee, it's an honor to be here before you today. Thank you for your service and continued strong support of our airmen and their families.

I have submitted a written statement for the record, and I look forward to your questions.

[The prepared statement of General Reno follows:]

Senator McCASKILL. Thank you.

Vice Admiral Burke.

**STATEMENT OF VADM WILLIAM R. BURKE, USN, DEPUTY CHIEF OF NAVAL OPERATIONS FOR FLEET READINESS AND LOGISTICS (N4), U.S. NAVY**

Admiral BURKE. Yes, ma'am. Madam Chairman, Senator Ayotte, and distinguished members of Readiness and Management Support Subcommittee, it is my honor to participate in today's hearing, representing the Navy men and women—Active Duty, Reserve, and civilian—who work to ensure our Navy is ready to deliver the full range of capabilities we possess to defend the Nation. On their behalf, I also want to express our great appreciation for the work of this committee in support of their service. And I would add my thanks on completing the fiscal year 2011 appropriations bill. That was key to our readiness.

As I discussed in my written testimony, readiness is a function of both capability and capacity, and my goal is finding the most effective balance to deliver readiness today and in the future. Both components are impacted by how we acquire new platforms and systems, how we accomplish significant upgrades on major systems, and how we sustain the current force and its existing capabilities. My responsibility is the sustainment of our current force, including Navy shore infrastructure. We must deliver the expected service life of our current warfighting platforms to provide the future capacity to meet the Nation's needs. And our shore infrastructure must support our warfighting platforms and our sailors.

For fleet sustainment programs in the Navy's fiscal year 2012 budget, we focus first on supporting our deployed forces in the current fights and then on achieving the expected service life of all of our platforms. Ashore, we focused on those projects that provide the greatest return on investment in supporting the warfighter and on those providing quality services for our sailors and their families. And because of the impact of energy consumption on both current affordability and future readiness, we continue our investment in reducing energy consumption and supplementing fossil fuels with renewable sources ashore, afloat, and in the air.

The President's budget for fiscal year 2012 balances risk across the entire Navy program to achieve the strongest current and future readiness outcomes.

Again, I appreciate the opportunity to be with you today, and look forward to discussing the Navy's sustainment programs with you.

Thank you.

[The prepared statement of Admiral Burke follows:]

Senator MCCASKILL. Thank you very much.

I want to welcome the other members that are here today. I especially want to acknowledge that Senator Inhofe is here. As the former chair of this subcommittee, I appreciate your valuable contributions, because of the expertise that you've developed over the years in this area.

And obviously, I'm glad to see both Senator Udall and Senator Shaheen.

Let me begin. And let me start by—in fact, it would be helpful—

Are we going to run the clock? Because I don't want to go over. Okay, good. Okay.

The efficiencies program—and I'll—you know, I'm—I think it's great what Secretary Gates has done, in terms of identifying 78 billion in the Pentagon and 100 billion across the branches. I am a little worried about some of the ways the money is going back in. And let me drill down on the Air Force. You're planning to spend more than half of your savings, from the efficiency effort, on operations and maintenance. You are a little bit different than the other branches in that regard—2.2 billion in fiscal year 2012 and 17.4 billion over future years of the defense program, all on operations and maintenance. Clearly, this was, you know, not in your budget, as you originally drew it up. And I'm particularly curious about the 165 million on something called "administration," and 104 million for something called "other servicewide activities." Could you explain what that 270 million actually represents, in more specific detail than just those categories?

General RENO. Madam Secretary—Madam Chairman, I don't have the detail on that line item, but I will be happy to provide it for the record. I would add, though, that, in addition to the O&M requirements that we have, we have found significant savings and efficiencies in our weapon systems support areas; in fiscal year '12, \$605 million, where we have streamlined the tasks and processes, we have reviewed requirements, and have made depot improvements. These would be—provide efficiencies that we can then put back into the Air Force to support operations.

Senator MCCASKILL. I think the efficiencies effort is great. It's just the putting-back-in part that I'm a little worried about. If this is, in fact, O&M money that was not in your budget when you put it together last summer, and it's gone back in as O&M money, I want to make sure that the money that's coming back in from the efficiencies is actually going to a priority that can be clearly stated and not just into some grab bag category, like administration or other servicewide activities.

The goal here is to spend less money. Obviously, the first goal is to have a military that is the best in the world, and ready and capable of doing whatever we've asked them to do, which, by the way, they have done, and you have done, in a spectacular fashion. But, we also want to save money. So, if this money is going back in, in a way that I don't think we're reflecting what we're trying to get accomplished here, I think we need to identify it as quickly as possible, and save that money.

Let me go to contracting officer representative questions. The GAO has reported that the units continue to deploy to Afghanistan without designating CORs—and I hate to speak in acronyms—the contracting officer representatives—without designating them ahead of time, that the COR function is still often an additional duty for personnel with other responsibilities, and CORs often lack technical knowledge and training needed to see—oversee contracts.

Now, it's frustrating to me, because, as a brand-spanking-new Senator, I went to Iraq as—right out of the auditor's office and looked at LOGCAP and looked at what was going on in Iraq. And it was clear to me that the CORs was just somebody who was just handed a note—a clipboard. It was a low man on the totem pole. They were not performing oversight functions. It was—they were filling a niche on a sheet. But, they weren't getting trained. They didn't understand their oversight responsibilities. They weren't empowered to even do oversight within the units. So, it's really concerning to me that now, some years later, after we know the kind of money that walked out the door on contracting in Iraq—and while we still are struggling with problems with contracting dollars walking out the door and not being accountable for them, that we still are not designating these CORs, and not training them and not lifting up that particular expertise within the culture of the military. And I'd like any of you to respond to that, that—what is your role in establishing qualifications for CORs and ensuring they're appropriately trained? If you could each briefly address that.

General STEVENSON. Yes, ma'am. We think we're improving. I don't know the date of the GAO report you're referring to, but we've taken a number of steps to improve how we're performing there.

First of all, we have a number of places you can get the contracting officer representative training from. We teach it internal to the Army. It's taught at the Defense Acquisition University. It's taught online. It is our policy, it is our requirement that we've issued to all the forces deploying, that they have figured out what—how many contracting officer representatives they'll require before they deploy, get them trained before they deploy, so that all that has to happen in theater is that the contracting officer rep-

representative report to the contracting officer, satisfy the contracting officer that they do know—they have been trained, and obtain their certification there from the contracting officer.

We have almost 1,000 contracting officer representatives, trained contracting officer representatives, downrange now. We've taken—in a number of cases, we—there are certain specialties in the Army that tend to always end up being a contracting officer. I'll give you a couple of examples.

Dining facility sergeants, the sergeants that run our dining facilities here in the States, often are the ones who are overseeing the contract for running dining facilities. So, we just have made that a part of their course. As they become a dining facility sergeant, they get a week's worth of contracting officer representative training.

Do the same thing with maintenance warrant officers, with supply warrant officers, and others, in an attempt to populate the Army with people who already have this training and don't have to go through some sort of special rigmarole to get downrange.

I won't sit here and tell you we're perfect and that we have—we're meeting our requirements exactly, but we're focused on it, and think we're improving.

Senator MCCASKILL. Anyone else want to briefly address that?

General PANTER. Yes, ma'am. Madam Chairman, our problem is, of course, smaller in scale and in scope, because of our size. I do know that those contracting officers that we have embedded on those Marine Corps staffs are closely aligned with the commanding officers, and they get plenty of oversight from the commander; that is not lacking, there, at all.

Our staff NCOs are—I think, are appropriately trained. But, just to show you size and scope of our effort relating to contractors in theater, there's 477 contractors that are—actually deploy in direct support of the 2nd MIL forces. Now, that doesn't count third-nation folks that are used to pick up trash and things like that. But, the primary contracting officer, the point I would make, is closely aligned with that commander, and has to report. And he gets oversight, on a daily basis, from either the commanding officer or XO. That's all I would say about it.

Thank you.

General RENO. Madam Chairman, the contracting business is out of my lane. But, I will tell you that the contractors—contracting officers and NCOs that we send downrange are fully trained and experienced. They are properly warranted, and they receive the oversight, in connection to the on-scene, on-ground commander, that they should receive.

I would tell you, of six officer career fields that we have that are stressed, this is one of them. That's bad news, on the one hand. On the other hand, it shows you the level of experience that they have, as they go back again and again.

Senator MCCASKILL. Thank you. Thank you.

And I will now turn questioning over to Senator Ayotte.

Senator AYOTTE. Thank you, Madam Chairman.

I have an overall question for all of the witnesses. And if—this really cuts to the heart of our responsibility, which is—so, if you need to take it for the record, I understand. Has any unit deployed

overseas at a contingency location, particularly in Afghanistan, provided an urgent needs request for supplies or for equipment item, in the past year, that's not been satisfied in a timely manner?

General STEVENSON. We—as you would imagine, we get quite a few operational needs statements from units. I think we do a pretty good job of satisfying them. But, they continue to come as new requirements develop.

We focus on this every week. There's a meeting with the folks in Afghanistan, as well as Iraq, where they tell us what their top 10, top 20 priorities are. And we work to satisfy them. But, I'm certain that we've not satisfied every wish list of every unit. I can assure you, though, that critical things they need for warfighting are being met and they're being filled.

Senator AYOTTE. One of the things that I want to make sure that we have a full understanding on in this committee, from all of you—and I'll also submit this question—I have a whole series of followups on it—but really, the bottom line is this, is wanting to make sure that we're fulfilling all of our responsibilities when there is a request made for equipment that is needed, right on, for our troops, so that we have a strong understanding of what—how that's happening in theater, whether you're meeting their needs, and also, if there is concerns from that end, so we have a full, clearness.

So, what I'd like to do is just give you all that question—I've got, like, six parts to it—and would hope that you could all get back to this committee in detail on those so that we can be sure, if there are any areas we need to address right away, that we're fulfilling that function to make sure that we're helping you get our troops what they need, given what we're asking from them at the moment.

[The information referred to follows:]

[SUBCOMMITTEE INSERT]

General RENO. Madam Ranking Member, could I just give you one short example—

Senator AYOTTE. Yes.

General RENO.—that gets at what I think you're talking about?

It was last year when we saw the opportunity to—the requirement came from Afghanistan, in particular, to field a uniform that would give better camouflage protection outside the wire, the terrain in Afghanistan being different than it is in Iraq and other places. Working with the Army and the Army PEO office, as lead, we've co-fielded the OEF camouflage-pattern uniform, and the Army has been putting their soldiers in it. We have been putting our airmen in it who are outside the wire. This gives increased camouflage protection. It is a lighter-weight uniform. It gives the airmen and the soldiers what they need. But, this is an example of the way that we rapidly respond to requirements that come from the theater.

Senator AYOTTE. Very good. And I appreciate that. So, I will submit my question for the record, just because it's fairly detailed, and wanting to make sure that I—we have a full picture of what's happening in theater. And I know that that is your top priority, of all of you, in making sure that our troops get what they need.

I wanted to ask you about logistics supports of operations in Afghanistan, so this is probably a appropriate question for General

Stevenson or General Panter. Without the support of the logistics community, obviously, our men and women fighting on the front lines wouldn't be able to do what they're doing in the successes that we have had. For years, the southern supply route into Afghanistan, through Pakistan, has been plagued by instability and repeated attacks. And in fact, I just got a headline today of another one, unfortunately, on NATO troops. Also, pilferage, stealing supply of convoys. And I know that we've been able to add two additional supply routes through central Asia and the Baltics.

Just for perspective, what percentage of our U.S. supplies are currently being trucked through Pakistan? Particularly, I think this is important to bring, in light of the discussions we're having about our relationship with Pakistan at this time.

General STEVENSON. Yes, ma'am. Currently, it's about 40 percent of the total supplies shipped into Afghanistan, on the surface, that don't fly in, come through Pakistan; the other 60 percent, from the north. We're taking a number of steps to deal with potential problems there, and potential disruption of that supply line. As a matter of fact, today—ongoing today, there's a sitdown strike going on outside the port that we—our trucks are not able to get through. It's going to probably last a couple of days. Not uncommon; we've dealt with this before. But, as you point out, this is problematic for us.

The goal is to get to 75 percent from the north. We're not there yet. That was a goal established by the TRANSCOM commander to his staff, and, working with us, we're trying to get there.

We're sending nothing that is what we consider sensitive on the ground. No ammunition flows on the ground. No high-tech military gear—we even flew the MATVs into theater, rather than send them and potentially subject them to pilferage.

We have created what we call "theater-provided equipment." It's a pool of equipment that just stays in Afghanistan so that we don't—as a unit rotates out each year, it doesn't have to drag out its equipment, and the new unit has to bring in its own. We just keep the equipment there. Now, as you would imagine, that creates a second problem that we've got to deal with, which is, after about 2 or 3 years, that we've got to do something significant to refurbish that equipment. And we're doing that. But, the idea is, keep things off that ground lock.

And the last point I'll mention, that we're doing now—we're experimenting with—is the notion of sending things, surface, to a friendly country—this is an open hearing, so I'd rather not get into the details—but, a friendly country in the Mideast, and then just flying over from there using C-17s. It's the—it takes advantage of the inexpensiveness of surface movement, but avoids that entire trip into Pakistan. We've just done that with two BCTs that have flown in and flowed out. We're happy with it. It's a bit more expensive, but, in the long run, we think—and we're doing a business case—we think that it will be cheaper in the longrun, because we avoid all the pilferage and problems with that.

Senator AYOTTE. Just to be clear, as a followup, if we were to suddenly—all of those supply routes be shut down—Pakistan, Afghanistan, what type of long-term impact would that have on our mission?

General STEVENSON. I'll start out, and then ask the others to chime in.

Initially, we'd probably last several weeks before we had any significant impact. We, just this year, upped the fuel stockage that we have on the ground, to 45 days of supply. So, we've got 45 days of fuel on the ground to withstand these kinds of disruptions. We've increased the amount of materiel we fly. We'd increase our airdrop, which is already pretty high. We'd try to flow more in from the north than we are today. It is longer and more expensive, so there's some downside to using that route.

I honestly believe we'd overcome it. I don't think it would stop our operations in Afghanistan, but it would certainly be a challenge.

Senator AYOTTE. My time is expired.

I appreciate your answer on that. And I'll look forward to, when we have an additional round—of asking you some additional questions. Thank you.

Senator MCCASKILL. Senator Shaheen.

Senator SHAHEEN. Thank you, Madam Chair.

General Reno, I just wanted to give you a postscript to your anecdote about the camouflage uniforms, because I was in a company in New Hampshire recently—Velcro USA. And one of the things they described was that they are actually doing camouflage Velcro for those uniforms, because of the testing that shows that that makes a difference, if the Velcro is not also camouflaged, in terms of being able to be picked out when the soldiers are on the ground. So, thank you for that quick turnaround.

General RENO. Thank you, Senator. It's the great support of the Army and PEO soldier that made that possible.

Senator SHAHEEN. Thank you.

Admiral Burke, I wanted to—like Senator Ayotte, who represents the Portsmouth Naval Shipyard—I wanted to go back to your comments about making maintenance a bigger priority, and taking care of what we have, because the—a GAO report came out in November that cited several troubling examples of underfunding for maintenance at our shipyards. And they gave several examples at the Portsmouth Naval Shipyard: plywood boards replacing broken windows, mold that had been painted over because leaks hadn't been fixed, that sort of thing. And I wonder if you could talk about the status of some—the effort to address the issues that have been raised in that GAO report. And specifically, as I understand, your written testimony states that, "Continued high operational demand has led the Navy to take deliberate risk in shore readiness programs to resource warfighting needs." Can you elaborate on what some of those risks are? Is that what we're talking about?—the kinds of underfunding for maintenance at our shipyards that have been affected? And what do we need to do to address those challenges?

Admiral BURKE. Yes, ma'am. Specifically with shipyards, as you know, the requirement is that we put 6 percent funding back into shipyards for maintenance and upgrades, et cetera, based on a 3-year running average of the volume of work that they've done. And we look at it as a one-shipyard concept. So, we look at that across the board, if you will.

In the case of that requirement, we've met that requirement every year since '07. In the—if you were to break it—and once again, I said we do this—we look at it as a one-shipyard concept—but, if you break it down, and you look at it by individual yards, in the case of Portsmouth, we've met it—we've met that 6-percent number every year since '08.

In the fiscal year 2012 budget, there's 22 percent going to Portsmouth. So, we're well above that 6-percent requirement. And we average nearly 10 percent across all shipyards in 2012. So—and we meet that with MILCON restoration and modernization funding, capital equipment expenditures, and minor property.

So, pretty significant effort, in the last few years, to address that backlog, and specifically—and I'm—you know, it's just—we're not cooking the books, here, on Portsmouth Shipyard. It just works out that, this year, a number of projects made it to the top of the list on Portsmouth. And so, I think you're going to be pretty pleased with what you see from your perspective.

Senator SHAHEEN. Yes, well, so noted. We did know that there's a bump in 2012. And we appreciate that and think that it's critical, because of the backlog in maintenance that needs to be done there.

Admiral BURKE. But, to your—if you'd allow me, I'll address your larger point, I think, of maintenance. And—

Senator SHAHEEN. Please.

Admiral BURKE.—as it was pointed out earlier by Madam Chairman, I think that it is a pay-me-now or pay-me-later. It's probably a pay-me-now or pay-me-more-later situation. And so, it's just a case where you can—we can afford to not change our oil today, because we won't have the engine seize up tomorrow. It will seize up at some point if we don't do the maintenance because we're trying to push more money into the operating forces. But, we must get back to addressing that at some point. So, I think that's the challenge we have.

And certainly, in the shore is where we've taken most of the risk. And we are not putting as much money in sustainment as we know we should be putting in, and hope that that is a—I hope that that is a short-term issue that we will address in the longer term.

Senator SHAHEEN. Good. I would agree. I hope that's the case, as well.

Several of you mentioned energy use as part of your remarks, and I wonder if you could speak to the kinds of efficiencies that you're looking at, in terms of energy use, and what coordination is going on between branches as you're looking at that energy use. General Stevenson, maybe you want to start off.

General STEVENSON. Yes, ma'am. In terms of the last part of your question, the coordination that's going on, we're very much watching what the Air Force is doing, with regard to aircraft energy, fuel, because we intend to use that same technology, that same—the goodness that they come—that comes from that work, in our helicopter fleet.

We're doing a number of things across the board, both tactically, operationally—like in Afghanistan and Iraq—as well as back home, here in the States. We have an Army Energy Council that's personally led by the Secretary of the Army. It's important enough that he personally chairs it. That happens quarterly. I sit in on those

with him. We have to report on various tasks that he's assigned to us. We have a number of net-zero installations that we are just now starting, with a goal that, by 2020, they'll be producing as much energy as they consume. By 2030, we hope to have that up to another couple of dozen energy installations. We have 126 renewable energy projects ongoing.

And then, lastly, I'll just mention, because I know you're pressed for time, we're trying to reduce demand for energy. That is, as we buy new equipment—as you know, we have a procurement that's ongoing on the ground combat vehicle—we're—we hope that one day—that we'll replace the Humvee with a joint light tactical vehicle. Those new pieces of equipment will have significantly more stringent miles-per-gallon requirements than do their predecessors.

Senator SHAHEEN. Thank you.

My time is actually expired, Madam Chair.

Senator MCCASKILL. Thank you.

Senator Inhofe.

Senator INHOFE. Thank you, Madam Chairman. And I—you pointed out, initially, that when the Republicans were a majority, I was the chairman of this subcommittee, and it is—I've always considered this to be, perhaps, the most significant one, because the readiness is what it's all about.

And I see problems that I kind of put back in the perspective of the 1990s, when I did chair this. And I see a lot of the problems that are much more serious than they were at that time.

Now, I have to say this about these meetings. One of the reasons that I spend so much time actually in Iraq and Afghanistan and places like that is because—I don't mean this personally to you guys, but I do—by the time we get some kind of testimony here, with all the media out there, it's kind of—you get kind of rosy in your interpretation as to what we've got.

Here's the problem with that: There are a lot of people that I serve with, in the United States Senate, who don't hold defending America in the—as high as the priority as I do. And for those who are wanting to cut back on the military spending, all they do is point to testimony here—"Well, they don't have any problems at all. They said everything's fine now." And you know, I remember back when I was in the Army, we had—9 percent of GDP was spent on defending America, General Stevenson. And up until the last budget, I believe, before this current administration, it was 4.7 percent of GDP.

I remember when Rumsfeld came in for his first confirmation hearing, I told him that I—in my last year of the House Armed Services Committee, we had someone testify, at that time, that, in 10 years, we'd no longer need ground troops. Are you listening, General Panter? That's what they said. It was back in—that was 1993, 1994. And so, I said to Rumsfeld—I said, "You're going to—you know, you're going to have to make determinations as to what you're going to do today to be where we want to be 10 years from now. And you're going to be surrounded by a lot of real smart generals, but they're going to be wrong, and—because there's no way in the world you can say what our needs are going to be."

Now, the question is this. It's not a question, really, but an observation. If the American people assume—we have—our kids

going into battle have the best of everything; and they don't. And in order to get there, what would your recommendation be? And Rumsfeld responded. He said, "Well, for the last 100 years, our average percentage of GDP to defend America—average for 100 years—5.7 percent." Now, it's down to 3.5 percent, with the goal of getting down to 3 percent. Now, I see that as a problem. And this is a readiness hearing. And we have—when I think about some of the age of the stuff that we're dealing with right now—the Abrams, the Bradley fighting vehicles, the Paladin—I'm very thankful that the PIM program is there, and we're now going to advance that. But really, the Paladin technology, that was World War II. And we went through these things like the—we were supposed to have the upgraded capabilities, and those programs that—we get a big investment going in it, then we slow it down. So, we're dealing with a lot of old stuff. And it has to take its toll.

So, I guess that, just as a general response to what I've said, in terms of that—well, let me throw one other thing, too. And that's end strength. Right now, we're talking about cutting back—what?—20—is that 20—I don't have that in front of me—but, 20—some 20,000 marines and 49,000 soldiers. We've been running a dwell-to-bog ratio of 2 to 1—actually, 3 to 1, and we're not even at 2 to 1 yet. We are in the—I guess, the Army, but not in the Marines.

So, combine all those things. It has to, to me, translate into an increase in risk if we—and you mentioned maintenance. Deferred maintenance is the first thing that goes—and you all know that—when you're strapped. When we go over there and say, "We need more, you know, body armor and these things," we come back and we get that. And then, what suffers? It's maintenance, deferred maintenance. And you said it very well, Admiral Burke, you said, "You pay now or you pay a lot more later."

So, in light of that, what—do any of you want—have any comments to make, in terms of how this affects risk, in terms of readiness?

General PANTER. Sir, if I may start off with—

Senator INHOFE. Yes. Are the Marines still using the retreads?

General PANTER. Well, not so much anymore, sir. Over the last few years, we've gotten better.

It's—we do have some challenges. And I will not paint a rosy picture. We have identified the fact that, when the time comes, we'll need the support of Congress to reset our equipment sets. And that's a requirement, to the tune of about 5 billion, as Madam Chairman alluded to earlier.

We have a reconstitution piece, as well. We have learned that our legacy TEs, in both Iraq and Afghanistan, are not satisfactory. For example, a infantry company today has the same command-and-control capability that a infantry battalion had in the early '90s. Our radio assets that are in our units, the requirements for those have increased, as well as ground tactical equipment. We need to—after this thing is over—after Afghanistan, we need to address those issues. That's part of the 5 billion in reconstitution that I mentioned earlier.

Now, trying to keep our heads above water, because, as you know, Senator, about 50 percent of the equipment that we cur-

rently have in Afghanistan came right out of Iraq, when we drew down in Iraq and we shipped—

Senator INHOFE. Exactly. Yes.

General PANTER.—that equipment over, that added to the stress of that equipment.

Senator INHOFE. And to the personnel.

General PANTER. And to the personnel, most definitely.

What we could, we did bring back to our depots to reset that OIF equipment. And that continues. And that should be completed later this year.

We do have continuing deliveries of equipment that were part of previous-year contracts. And those deliveries continue on, which gives us some degree of relief.

We're attempting to repair forward and refresh that equipment as best as we can. In fact, I'm asking Army Materiel Command to help us out in that endeavor, and to mature their capability within Afghanistan so we can hit the refresh button on that equipment.

We have a—for the Marine Corps, we have a equipment rotation plan that we—

Senator INHOFE. Yeah. I'm really trying to get to—

General PANTER. Yes, sir.

Senator INHOFE.—the—what—how all this affects risk. We know what risk is.

General PANTER. Sure.

Senator INHOFE. You know what risk is. And—in terms of end strength, in terms of the age of the equipment, in terms of everything we've been talking about here, which is the percentage of the GDP that is going to, you know—do you have any comment to make about how that affects—

General PANTER. Yes, sir. If we don't—

Senator INHOFE. Is there a price? There's a price we have to pay for all that stuff.

General PANTER. Exactly. If we don't get help from Congress to reset our equipment when we pull out of Afghanistan, we are at risk to respond to contingencies.

Senator INHOFE. That's good. That's good.

Any very brief comment about that, General Stevenson?

General STEVENSON. Sir, I agree. We—and you noted, in my earlier statement, that I think that we are in better shape today than we've been in a long time. I honestly believe that. It's not all rosy. We have issues. But, we've been very well funded. And we've gotten—our reset—every dollar we've asked for, in reset, we've gotten.

Senator INHOFE. Okay.

General STEVENSON. And it's reset that's eliminating a lot of that risk.

Senator INHOFE. Madam Chairman, if I might, I'd like—one last question to General Reno if it—if I—I don't want to take more of my time, but—

Yeah, I don't agree with that, but I do feel that, when you're looking at the deferred maintenance—there's another area, also, that goes, and that is in spare parts. I have to say this, Madam Chairman, about General Reno. He possesses a character that is very rare in his side of the table and our side of the table, both. It's called humility. He was the commander there at Tinker Air

Force Base, and, I think, one of—probably one of the best—the best commander we’ve ever had there.

General RENO. Thank you, Senator.

Senator INHOFE. But, let me just say this about General Reno, because I think it’s very important. When you are backed up on spare parts—and we’re talking about the KC-135s, all the stuff that’s going through there—you—I understand up to 4,000 spare parts are always identified as being critical and on backorder. Then I have statement, that’s too long for me to read right now, but it comes from Tinker Air Force Base and addresses your choices. When you run out of a part and you’ve got it on jacks, you’ve got a choice of either dropping it down, taking 5 or 6 days out of the workweek and—or cannibalizing it and hoping that it gets there in time. Could you just make one comment about the critical nature of our spare parts inventory? And I think whatever you say about that particular operation is true in the rest of the operations, also.

General RENO. Thank you, Senator. The choices available when a part is not available are not good. None of them are good. It’s either inefficient or delay or waiting. None of the choices are good if the part is not available. The parts have to be—you have to have the requirement right. And that’s a joint problem—a joint solution with DLA and the Air Force. We have to get the procurement right. And that is, shortening the timeline not the acquisition lead time and the production lead time. And we have to get the delivery right so that there’s perfect order fulfillment and so that the customer wait time is absolutely minimized. But, whether at an ALC, a depot, or in the field, if the part’s not available, there are no good choices.

Senator INHOFE. Madam Chairman, the other question I’m going to ask him will be for the record, but it will address the somewhat arbitrary 50/50. And I’ll ask a specific question about that on your ALC and—as well as the rest of them.

Thank you, Madam Chairman.

[The information referred to follows:]

[SUBCOMMITTEE INSERT]

Senator MCCASKILL. Senator Chambliss.

Senator CHAMBLISS. Thanks, Madam Chair.

Following up on that, General Reno, what are we going to do about this parts issue? I had a visit with General McMahan, at Robins, just last week, and obviously this is one of the issues we continue to work. But, tell me what your thoughts are, where we’re going, here. How are we going to improve this availability issue?

General RENO. Thank you, Senator. And General McMahan is doing a terrific job.

Senator CHAMBLISS. He is.

General RENO. I would start by telling you that our chief of staff, General Schwartz, has had an eyeball-to-eyeball conversation with the director of DLA, so there is no ambiguity in where he stands and what we need as an Air Force.

Second, the Air Force Materiel Command commander has met twice in the last year with the DLA director to not only lay out what our needs and requirements are, but to track the progress. I meet with the DLA director bimonthly, and members of his staff and mine get together even more often than that. It’s getting the

right requirement. It's getting the right procurement. It's getting the right delivery and continuing in the proper engagement, and holding them accountable.

Senator, I would tell you, the DLA has a long record, almost 50 years, of excellence in wholesale supply. As a result of BRAC 2005, they are now in the retail supply business. It's different. And they are adjusting to it. And we are holding them accountable.

It's not all bleak. The C-5, for example, which you are very familiar with, enjoys the best support it's had in years. They—it has the highest mission-capable rate that it's had in 7 years. It has the highest aircraft availability rate it's had in 6 years. And it has the lowest not-commissioned—not-capable-for-supply—not-mission-capable-for-supply parts—the lowest rate in 20 years. So, there's some good things that are happening, but as DLA gets into the retail supply, we absolutely have to have what we have signed them up to do.

Senator CHAMBLISS. Well, the delays in delivery are concerning to all of us. And it's happening at all three of our ALCs. And it looks like this is the big issue. And, of course, we made the change, a couple of years ago, to try to improve efficiency and save money. And all that's well and good. But, if it's not going to work, then we've got to figure out what direction we need to go in. But, I appreciate your commitment to it, and General Schwartz's commitment to making sure we get this issue solved.

General Panter, you note, in your written statement, that the Marine Corps equipment, both at home and abroad, has been heavily taxed in a nearly decade of constant combat operations. You also note that the requirement to fully resource deployed forces has resulted in a redistribution of assets from nondeployed forces and strategic programs to meet these requirements. None of this is surprising, obviously, given the OPTEMPO of the last decade. The Marines have done a tremendous job, both with your combat units and your reset effort. And your contributions will be critical to our success. However, the situation you lay out, with respect to availability of equipment and supply rating of units at home, is somewhat troubling.

Specifically regarding reset, as you just alluded to a minute ago, you note that reset requirements increased as a direct result of the shift of equipment from Iraq to support the surge forces in Afghanistan. This is also understandable.

Regarding how you will address your reset shortfall, you mentioned several actions, including, and I quote, "aggressively repairing equipment at our depots and distributing to fill shortfalls for established priorities." What do you mean by that last phrase of "distributing to fill shortfalls"? And if that means outsourcing work, where's it going to go?

General PANTER. Well, sir, relating to fulfilling established shortfalls, by direction of our Commandant, we have a priority list that we fill. And it's a listing of units that are racked and stacked according to what the priority or the needs are.

For example, anything forward in Afghanistan—of course, they're top-tier folks, they get what they need. Their readiness ratings hover 92, 93 percent, as you know.

Next thing that would come up in the priority stacking or rating would be units that are preparing to deploy the theater. We attempt to ensure that those units, as mentioned earlier, don't see this equipment for the first time as they train to go forward. So, those readiness—readiness rating of the units that are on deck, ready to deploy, is fairly high.

The outsourcing piece that you mention, it is—we're not there, on outsourcing. And right now, we're not leveraging outsourcing to fulfill the needs that we have.

Is that the basis of your question, Senator, or did I miss the mark here?

Senator CHAMBLISS. Well, let me just continue on a little bit. If it—so, is it—my understanding, you're not looking at outsourcing now, and—because I interpreted—

General PANTER. Yes, sir. It—the capacity at our depots right now—we can meet our requirement, as we know it. Now, when the day comes—and I'll use the analogy “the pig and snake”—when we come out of Afghanistan, that is a consideration; and to leverage other services' depots, as well. And it may well be, if we have the resources to get this equipment reset as quickly as possible, we might have to consider outsource.

Senator CHAMBLISS. Well, if I understand what you're saying, you're not at that point now. And based upon the priorities that you just alluded to, both the depots are doing the work that needs to be done right now. And that appears to be the case for the immediate future.

General PANTER. Yes, sir, that's correct. Both depots are roughly on a shift, shift-and-a-half workload.

Senator CHAMBLISS. Yes, okay.

General RENO, I want to discuss one other issue with you. I mentioned the OSHA issues to Mr. Yonkers, but, there again, it seems like OSHA may be holding our depots to arbitrary standards, and to standards that really have no relevancy. We've got real issues with OSHA that General McMahan is working through, and looks like we're on track to get those resolved. But, if we're not careful, this is going to absolutely hamstring our ability to carry out our mission.

What's your perspective on OSHA's role? And how can we ensure that the depots are not subjected to arbitrary regulations that do not affect the safe and—safety and health of the workforce?

General RENO. Senator, we absolutely care about the safety and welfare of our workforce. That is paramount. And we do not push back on that at all. There were 36 findings that OSHA gave us under General McMahan's leadership. Thirty-three of those have already been responded to. Another will be responded to in June; the final two, in October. So, he has moved out smartly on those.

As far as the grasp or the extent of OSHA's involvement in what we do, compared to what they do with others, I would tell you that the assistant Secretary of the Air Force, Mr. Yonkers, is personally engaged and involved in this. This is something that we are involved in and we are pursuing. But, we want to first make sure that our people are being taken care of. We don't push back on that at all, sir.

Senator CHAMBLISS. Yeah. And obviously, that is a priority. And the Air Force has always done a good job with that. We've never had a significant issue with OSHA before. And that's why it's puzzling to me as to why we're encountering these somewhat major issues right now that, frankly, appear to be inhibitors in getting the job done, and not for the right reasons, because it's not safety and health of the employees that is the issue with these OSHA issues. So, we look forward to continuing the dialogue with you and Mr. Yonkers, with respect to that.

General RENO. Thank you, Senator.

Senator MCCASKILL. Thank you, Senator Chambliss.

I talked about—in the opening statement, about this committee, last year, adding money on maintenance and reset. And I'm—I guess I'm curious—for example, I can look at the Air Force as an example. You report that, for fiscal 2012, your budget will only cover 84 percent of the needed aircraft repairs. Last year's provided only 83 percent of the needed aircraft repair money.

It appears to the committee that you are underfunding reset and maintenance, and I'm trying to figure out why. Is it because you can't absorb any more of the funding, in terms of what your capabilities are?

General STEVENSON. Ma'am, you're looking at me, so I'll—

Senator MCCASKILL. Well, any of you. I mean, whenever it's—you know, whenever I ask one of these open-ended questions, everybody looks down like I'm about to pass the plate in church. [Laughter.]

General STEVENSON. I'll take the first shot. We're not underfunding reset and maintenance. We've got the reset money we require, and we're thankful for it. You'll note our reset request this year, in '12, is lower than it's been in previous years. It's a function of not having our large mechanized forces deployed in Iraq. And it's a function of leaving that equipment that's in Afghanistan there for longer than just a year's rotation.

When we finally bring it all out of—in Iraq, by the end of this year, and in Afghanistan, whenever—we're looking at about a 20 to 25 billion liability, in terms of reset. And we're hopeful that you'll continue to provide the reset dollars that we need for it. Up to now, it's been great.

Senator MCCASKILL. Okay.

General STEVENSON. And we've—and we don't have capacity issues.

Senator MCCASKILL. Marines?

General PANTER. Yes, ma'am, very similar to the United States Army. Now, we have had a challenge this—as you know, Madam Chairman, about moving the OCO into base; and we've gotten better at that. For example, in fiscal year '10, it was right at 92 million, and in '12, we have 207 million in the base. That's a constant challenge, though.

Relating to what General Stevenson said, though, we're doing okay now, but it's yet to come. And that's our concern, when we do start to withdraw.

Senator MCCASKILL. Because your reset is 10 billion, right?

General PANTER. Pardon, ma'am?

Senator MCCASKILL. Well, I think—

General PANTER.—you've acknowledged 5 billion at the end of combat, an additional 5 billion to reconstitute the force.

General PANTER. That's correct. Now, in '11, we asked for 3.1 billion; we got 2.9. In '12, we're asking for 2 and a half billion—

Senator MCCASKILL. Okay.

General PANTER.—plus the liability of 5 billion when we draw down.

General RENO. Madam Chairman, the reset is different for the Air Force than it is for the ground forces, as you know. Our recurring maintenance is done at our ALCs, and we bring all that aircraft back for that depot-level maintenance. With the OCO request for 2.9 billion, 2.2 billion of which is weapon systems sustainment, we are funded at 80 percent. And with the efficiencies that we've gained, in fiscal year 2012, of \$605 million, it takes us above 84 percent. It's going to be closer to 85 percent, though that number is a moving target, as we get closer to the fiscal year 2012. But, that level of funding, ma'am, will preserve the combatant commander support and will give us balanced legacy and new system support. And we do not have capacity issues.

Senator MCCASKILL. Okay.

Vice Admiral Burke?

Admiral BURKE. Yes, ma'am. And we also are a little different from the ground forces, because of our capital ships. And so, the—you know, we have—in ship maintenance, we count on about a billion dollars of supplemental funding. Some portion of ship maintenance can be attributed to today's ops, so we think that's—or, today's higher ops, so we think that's reasonable; the same sort of approach for aviation. So, we are reliant on supplemental funding to address some of those basic requirements.

Senator MCCASKILL. Okay.

General STEVENSON, I'm curious if there is available—I would love to know what our LOGCAP costs are, compared to Iraq. Now, I know that it's hard to do apples to apples, because it's a completely different environment with a lot of different—especially supply challenges that we have in Afghanistan that were not as—such a heavy lift—pardon the expression—in Iraq. But, as it look—as you look at per-soldier, in terms of logistical support, when you're looking at food and laundry and all of the things that we're using LOGCAP for, it was—I will use an unladylike term—but, it was the Wild West, in terms of LOGCAP, in Iraq, for many years, in terms of the money that was being spent and the lack of accountability. I'd be curious if anybody has done an analysis what our per-soldier cost is, in terms of logistics under LOGCAP 4, as compared to 3, 2, and 1. Because I think that might tell us if, in fact, we are distributing lessons learned. And if—I'm sure that you don't have that off the top of your head. If you do, I will—I'll dance a jig. But, I'm happy to take that for the record. And—but, I'd love to see that comparison.

[The information referred to follows:]

[SUBCOMMITTEE INSERT]

General STEVENSON. Yes, ma'am, I—you're right, I'm going to have to take it for the record. It is less than in Iraq. But, I don't have the specifics. I'll provide that to you.

[The information referred to follows:]

[SUBCOMMITTEE INSERT]

Senator MCCASKILL. And if there is any analysis that has been done about why it is less—I'm looking for: Is it the competitive process that has helped? Is it more contract oversight? You know, I'm looking for some good news, here, where I can feel good that we are at least headed the right direction, in terms of logistical contracts and the huge burden they've been, in terms of these contingencies.

Let me ask about the LMID Post Study. It came out in February, and I am curious if any of you have any take on those recommendations and findings that you would like to put on the record at this time.

General RENO. Madam Chairman, I have read the report. And while I agree with many of the recommendations that LMI makes, we have not had opportunity to fully vet that with DOD, and intend to.

The one that I would differ with is their recommendation for combining the statute with regard to 50/50 and COR. I don't think that's advisable. I think we gain flexibility by keeping those separate, as they are now. And I would provide other comments after we have a chance to review that with the other services and OSD.

Senator MCCASKILL. Okay. Anyone else on LMI?

General PANTER. Yes, ma'am. There are some things we agree with and some things we don't agree. We agree with strengthening the COR determination process; there's goodness in that. The recommendation that sustainment policies must be closely linked to depot maintenance activities—agree with that. We agree with some of the conclusions about why the depot workload has decreased—newer equipment, rapidly fielding UUNS, and things like that.

Things we don't agree with, much like my friend Loren mentioned, is the consolidation aspect. We think that distracts from our flexibility. There are secondary issues revolved—involved with that, such as the services' relationship with the local community. And that was a major, I think, disagreement with the study.

Thank you.

General STEVENSON. Pretty much ditto. We generally agree with the findings. There are a couple of findings in there, we don't care for. One is the notion of improving our reporting, because we think we report pretty well right now. The other is the independent commission that they suggested be set up. We don't think that's necessary.

But, what we find is that many of the things that are in that report are things we already have done or are doing. And so, we agree.

Senator MCCASKILL. Okay. My time is up. I will probably take one more round, after Senator Ayotte.

Senator AYOTTE. Thank you, Madam Chairman.

Admiral Burke, I just wanted to follow up on Senator Shaheen's question with regard to the shipyards, and, in particular, Portsmouth Naval Shipyard. One of the issues I wanted to ask you about—Admiral Roughead testified before the Armed Services Committee, earlier this year, about consolidation of maintenance workshops project that has been proposed at the shipyard. I had a chance to go to the shipyard and really look at what this would

do, in terms of efficiency to—efficiency at the—and reduce cost at the shipyard. And one of the things that Admiral Roughead said, that if we moved the consolidation project up two phases right now, consolidate them into one—the P-266 into one—then—and put them in '12—we would save \$8 million by doing that. I think that demonstrates two things. Number one, often, when we put maintenance off, it ends up costing us more in the long run, instead of making the—you know, looking at the big picture and making the decisions up front. And then, I wanted to ask you, in particular, about—right now, you've—the Navy has proposed that this project occur, again, in a phased approach in 2015, even though we would save \$8 million by consolidating it and doing it sooner, in '12. So, could you tell me what the thought process was there, in putting it in '15, and why we wouldn't be better off moving it into '12 to save that \$8 million that the Admiral has identified?

Admiral BURKE. Yes, ma'am. First, I've gone back and looked at the project. And we don't think we'd save \$8 million. We think we'd save \$3 million. So, an update on the numbers. But—

Senator AYOTTE. So, the number that was giving us, previously, isn't the number that—

Admiral BURKE. I think we've gone back and looked at it, and we've—and we see that if you did phase 1 alone, it would be almost 12 million; phase 2 alone would be a little over 8 million. And that's a total of 20 and a half million. And if you did both phases together, it'd be 17.2 million. And so, that's a savings of 3.3, if they were done concurrently.

Now, that has nothing to do with whether you move it up, or not. So, maybe I'm missing the point of your question.

Senator AYOTTE. Well, the way it's—as I understand it, the way it's currently proposed, it's a phased approach. Is that right?

Admiral BURKE. It is. It's in '15 and '16, I believe, so—

Senator AYOTTE. Right. So, we're not, number one—actually, one of the reasons why we would want to move it up is because the sooner we get the efficiencies gained from actually consolidating the workshops—as you know, probably—you know, I haven't—having been there—is that we will be able to more efficiently perform maintenance. And that, in turn, will have cost savings, in terms of how we maintain the submarines. So, obviously, that number's not included in the 3.3—

Admiral BURKE. That's right.

Senator AYOTTE.—million. So, that would be one of the reasons I could see of moving it up. But, just wanted to understand why, even though you know you could save money, you would still phase it in, rather than just doing it together.

Admiral BURKE. You know, I think we'll look at the opportunity to put them together. When I've asked the question about, "Could they be done concurrently?" the answer is—that I've gotten is yes. So, it would seem to me that they ought to be done together. I would agree with you.

Senator AYOTTE. Well, and I would like to, obviously, hear further about what the reasoning was for moving it to '15, as opposed to doing it sooner. So, if you want to get back to me on that, I'd appreciate it—or, unless you know now.

Admiral BURKE. Well, I'll be happy to get back to you on it.

[The information referred to follows:]

[SUBCOMMITTEE INSERT]

Admiral BURKE. I assume it was just a—you know, it was getting the—or, placing it amongst a bunch of other MILCON projects, as well. But, I'll get back to you with a good answer—

Senator AYOTTE. Thank you very much, Admiral.

Admiral BURKE.—one that you might like. [Laughter.]

Senator AYOTTE. An answer I like, I—that would be even better. I appreciate it.

I wanted to ask, also, General Stevenson, about our Guard and Reserve, because, with the conflicts that we've been involved in, in Iraq and Afghanistan, you're an operational force now, as how we traditionally envisioned our Guard and Reserve. And the most recent National Guard and Reserve equipment report identified nearly a—\$4.1 billion in significant major item shortage that were identified just for the Army National Guard. And obviously, this could apply in other contexts, as well, in any other services.

Can you tell me what you estimate the shortfall to be for the National Guard? And also, could you address for me—what I'm seeing and what—just from our Guard—is that often the Guard has outdated equipment, versus the active forces. And just one example, in New Hampshire, the active component's fielding M-4 carbine with M-68 close-quarter optics, and the New Hampshire Guard is still using the M-16 with the iron sights. So, could you address for me just what we're doing, in terms of—we're asking so much more of them; we need to make sure that they have what they need—the readiness, and also, with the important missions that they carry for us on the homeland front, as well.

General STEVENSON. You're right, the—in years past, the Guard and the Army Reserve have suffered lesser-quality equipment—in some cases, shortages of equipment, outright—than the active component has. Under the Army Force Generation Model, which we using today, as I'm sure you know, that will not work. The Reserve component has to be equipped as good as the active component. And we're committed to that. Matter of fact, I just talked, yesterday, with General Carpenter, who's the acting director of the Army Guard, and—because I had noticed, in his testimony last month, that he was pretty pleased with the amount of equipment fills they're starting to see happening in the Guard. And I asked him, “Are you still comfortable that the equipment is flowing, your shortages are being addressed?” And he said, “Absolutely. The equipment is coming in droves.” And in a TOE—the way we organize our units—a rifle company in the Guard is the—has the same equipment as a rifle company in the active. So, if they're authorized M-4s in the active, they'll be authorized them in the Guard, and they should have them. If they don't have them today, it's probably a function of, “We've got those weapons being used downrange for other reasons.”

We have a lot of equipment in use in Afghanistan that doesn't exactly match the way units are organized. I'll give you an example.

Today, our aircraft pilots—our aircraft crews, we equip with an M-9 pistol. The pilots—the crews in Afghanistan want to carry M-

4s in addition to their pistol, because if their aircraft goes down, they want to be able to fight.

Senator AYOTTE. Absolutely.

General STEVENSON. Absolutely logical. We've given them the M-4s. But, to give them the M-4s, somebody else is short, back here in CONUS. We'll get that fixed. But, it's just a short-term problem.

Senator AYOTTE. Does anyone else want to add on this issue?

General RENO. Madam Ranking Member, the Air Force Air National Guard, about 102,00 strong, fly the same aircraft that we do Active Duty—fifth-generation fighter F-22, F-15, as you're very well aware, F-16s, tankers, airlift, C-17s. So, we use the same equipment.

Senator AYOTTE. I'm certainly familiar with that, in Air context. And what I've heard the feedback on is, there's much more at the ground troop level, of making sure that we're prepared, given what we're asking them to do.

General PANTER. Senator, if I just may add—now, the quantity of equipment is, of course, different, because we give our Reserves training sets to train on. But, there's not sufficient Active Duty Marines at that site location to maintain a full-up table of equipment. So, there is a difference in quantity.

But, like General Stevenson mentioned, as these units get ready to deploy and they go through their predeployment training and all the workup packages, they get the same equipment as our Active Duty forces.

Thank you.

Senator AYOTTE. Thank you very much.

And with the latitude of the Chairman, I've got one other question. And that is about the Maritime Pre-positioning Force Program changes. And I would address that to General Panter and Admiral Burke. I had a chance to go over to the Pentagon, about a week ago, and receive a briefing on readiness from the Army and the Marines. And one of the issues that I noticed was that the Navy plans to place six ships of the three-squadron/16-ship total maritime pre-positioning forces for the Marine Corps into reduced operating status, beginning in fiscal year 2013, and—in the Mediterranean—and wanted to get two things. General Panter, one, you said, in your testimony, that that needs additional analysis. I'm concerned, given what we see happening right now in that area of the world, that that reduced operating status, which I understand was part of the efficiency initiative recommended—and probably was recommended before we—any of us could have predicted, maybe, some of the activities that are occurring in that area of the world—wanted to get, General Panter, what your view is on that.

And then, Admiral Burke, yours as well, in understanding what went into that thinking of really reducing that pre-positioning in the Mediterranean.

General PANTER. If—would you like for me to start, ma'am?

Senator AYOTTE. Yes, General. Thank you.

General PANTER. Okay. Two or three points on this thing. Anytime that you don't have that MPSRON squadron, that maritime pre-position, in our view, geographically located, which, as you know—and you were briefed on it—that's the intent, up to—if they're not in the maintenance cycle, to have them forward-de-

ployed. You quickly would have to question, "Okay, if they're not in the geographical area, how much longer would it take to get them there?"

Second point would be the opportunity to train with this particular MPSRON in the EUCOM and AFRI-Command AOR, area of responsibility. If you have them tied up to the pier, you might have a missed opportunity related to that.

But, of all this, one of the major concerns we have is just assembling the ammunition requirements. That's a long process if that capability is not associated with the MPSRON. For example, it takes 18 million pounds—there's a 18-million-pounds requirement for class 5 associated with these MPSRON. That equate to roughly 600 tractor trailers that come throughout the United States, continental United States, to put this package together. That takes time. That's roughly 35 to 42 days to put that together, if you had to start from a cold start. So, to aggregate that capability with this MPSRON that's in reduced operating status is a concern for us.

Senator AYOTTE. What do you think it does for impact on readiness in that area of the world?

General PANTER. Well, I—it, logically, would have to translate to, potentially, a slower response time in support of the COCOMs.

Senator AYOTTE. In AFRICOM?

General PANTER. In AFRICOM and EUCOM.

Senator AYOTTE. EUCOM.

General PANTER. And EUCOM.

Senator AYOTTE. And we've seen quite a bit of activity in that area.

General PANTER. There has been.

Senator AYOTTE. Right.

General PANTER. Yes, ma'am.

Senator AYOTTE. So, Libya, Tunisia, other areas.

General PANTER. Exactly.

Senator AYOTTE. Thank you.

General PANTER. Yes, ma'am.

Senator AYOTTE. Admiral?

Admiral BURKE. As you know—I think I can see your chart there that you have—you recognize that there are two other MPSRONs that are active, one in the western Pacific, one in Central Command. And then, we had—we have, today, the one in EUCOM that we're talking about.

I think the calculus that went into this was that we are more likely to need those maritime pre-positioning ships, which are used for a high-end engagement—they would—they are part of the Amphibious Assault Force in the two theaters that we plan to keep them in. These—we have not had a situation where we have needed all three of them, in some period of time, in—and I hate to say it—forever—but, for about the 20 years that we looked at. However, they have been used frequently as single ships, or two ships, in humanitarian assistance operations. As a matter of fact, some of them were used in Haiti. Having them located on the East Coast in a reduced operating status, where they can get underway in 5 days, allows them to be able to respond to both the Southern Command; to some degree, European Command; and to the west coast of Africa, for humanitarian assistance operations.

The ammunition issue that General Panter mentioned is a challenging one that we're working on. But, one of the options is to keep much of that ammo on a—afloat on a T-A-K-E—part of the pre-positioning ship squadron. As far as maintenance, we've paid for the additional maintenance to keep those ships ready even while they're in port.

And so, I think it comes down to a question of, What is the likelihood of using these craft? What is the consequence of not having them ready immediately? And there few situations that we've come to, in the last 20 years, where you would need them as immediately as one—or, as you would—or, more immediately than the ROS-5 status. So, we felt like it was a reasonable approach to put those ships into the ROS-5 and be able to do the job that we think we need to do, and that we can do, and save over \$400 million a year.

Senator AYOTTE. Admiral, I don't want to take up any more of—I know that Chairman was very kind to give me the latitude to ask this question—but, was this decision made before—when was this decision made? Can you tell me? Just give me a sense of when this was proposed.

Admiral BURKE. It was—we teed it up—we, in the Navy, teed it up in February of last year.

Senator AYOTTE. Right. Well, one of the—

Admiral BURKE. Well before the efficiencies came out. And it was a decision made jointly by the Navy and the Marine Corps.

Senator AYOTTE. Well, one of the things that I think—and I think we could probably take, almost, up a whole hearing on this, so I'm going to defer to the chairman—but, I'm very concerned about this decision, and particularly in light of the activities that we see happening in that area. You've got Libya, you've got Tunisia, you've got, obviously, the African nations there that—some of them are this hotbed of terrorist activity, in many instances. And so, I'm concerned that this was a decision more focused on—which, we all want to save money, but this is one where I would like to gather further information, and concerned about where it puts our strategic readiness in that area of the world.

Thank you.

Senator MCCASKILL. Thank you, Senator Ayotte.

And I think it's important that we get all the information, in terms of the decisionmaking process, in that regard. I do also know that, while we have had new activity that has popped up, in terms of the public knowing about hotbeds in Africa—of terrorism—clearly, I think that you all were well aware of the significant stresses that we saw in Africa in those areas as these decisions were being made. And I think we do need to drill down and make sure that the decision was not made prematurely, as it relates to what's going on in today's environment, but I think the line of questioning is appropriate, and we need to get that information for the record and so that we can brief the full committee on it.

I want to also kind of say “me, too,” on Senator Ayotte's questions on the reset funding compared to the active force, the National Guard and Reserve, and know that I also have concerns that we are paying attention to that, because, you know, as she said, we have never, ever used our Guard and Reserve in the way that we have over the last decade. And I know that many of them are

gasping, in terms of their reset capabilities. And want to make sure that I said my “me, too, ditto” on the Guard and National Reserve.

Let me ask about the ASPI program. I’m concerned about this ASPI program, this Arsenal Support Program Initiative. It started out as a pilot program. It basically has been funded by earmarks, \$80 million worth of earmarks. And the return on investment has been less than 2 percent. GAO has weighed in on this. CRS has weighed in on this. It appears to me that this program has given cheap rent to local development groups, and, in one instance, provided a hardware store at Rock Island. You know, since we’re not going to do earmarks anymore, at least we’re being told, I hope, that we’re not doing earmarks anymore—I’m still a little cynical about different ways—I looked at the House markup, and I’m a little confused about all the amendments and the vague language associated with the amendments. Looks like, to me, that a duck is a duck. And it looks like, to me, the House of Representatives is engaged in earmarking in the Defense authorization bill, and just trying to pretend like they’re not, and it infuriates me.

But, now that you know how I really feel about it, you know, this ASPI thing looks like, as we look at—speaking of places where we can cut back on money we’re spending—it looks like, to me, that we need to put up a white flag, on the ASPI program, and say, “This is not a good use of taxpayer dollars.” But, I would love your input on that, General Stevenson.

General STEVENSON. Yes, ma’am. I’m familiar with the discomfort about the ASPI program. I’ve read the GAO report. It was an effort to try to reduce operating costs for our arsenals. Unlike the depots, which have a legislated COR requirement and a legislated 50/50 requirement, there is no legislation that covers our arsenals. And I think we need some. Because, these arsenals are very critical to our ability to support our forces—particularly the Army, but others services, as well—for their wartime needs. I mean, the only place in this country where you can build a main gun tube to a tank or a howitzer is at Watervliet Arsenal. So, we need them to be viable. And using this program, which has allowed us to bring in outside entities onto the Arsenal, charge them rent and help reduce the overhead. Because, if they weren’t there, the overhead costs would be spread on solely the work they are getting internal to the Army, which makes their rates very high; I mean, upwards of \$300 an hour. And so, when the program managers see that, they say, “I’m not taking my work to the Arsenal. I can get it done cheaper from some outside agency.”

So, it’s a conundrum that we’re in. We’ve got to solve it. ASPI may not be the solution. But, we’ve got to make our arsenals more competitive, if you will, so that they enjoy work in peacetime, so that they’re—when we need them in wartime, they’re ready.

Senator MCCASKILL. I—and I get the—it is a problem. You know, we want to make them less expensive, because we’ve got to hold on to them. Maybe, we need to reinvigorate what the ASPI program is. Maybe it hasn’t been marketed appropriately, maybe. But, it looks like, to me, we’ve spent a lot of money and haven’t gotten much return on that. Although I guess the argument can be made that 2 percent’s better than nothing. But, it is only 2 percent. So, if you have any ideas, and if your—in your organization, you can

task people to come up with ideas that could lessen the load for the arsenals in a way that might be a little more fiscally straightforward, and maybe not through earmarking processes, then we are certainly willing to take a look at that and see if there's something we can put in the Defense authorization that would help that along.

Finally, I just want to say that I went to Lake City, last Friday, in Kansas City, and I know the Army submitted an 80 million reprogramming request, because General Chiarelli noticed real problems there. I got to tell you, I couldn't agree more with General Chiarelli, in terms of the quality work environment, the work that needs to be done there. I think if most Americans met and talked to the men and women who are working at that plant around the clock, I think they would not like the working conditions that they are in. I think it would make them very uncomfortable that we are relying on these men and women to the extent that we are for our warfighters, and that they are being asked to work in these conditions.

So, I certainly agree that the 80 million is something that is probably needed for efficiencies and for a quality work environment. I guess my question is—I don't like reprogramming, obviously; you're never going to get me all excited about the idea that we're reprogramming \$80 million—so, I guess—Why wasn't this in the long-range planning? Talk about—Are we missing other facilities out there, where we are not taking a hard look at whether or not folks are working in conditions that we would expect to see in a movie about the 1940s?

General STEVENSON. I don't think we are now, but probably true that we weren't paying enough attention to quality work environment, as opposed to the production output capability of our ammunition plants. We've put—as you probably heard when you visited, we've put a half a billion dollars into Lake City since 2003. And it's not enough. There needs to be more. And Lake City's not alone. We've got an ammunition plant, just south of here, in Radford—very important ammunition plant. It needs—it's had a lot of investment—it needs more.

We're going to make those investments. You're going to see those in the '12, '13—in our next POM submission, you'll see the requirements for those. But, we're anxious to get started now. And that was the purpose of the reprogram request. We very much appreciate the support to that.

Senator MCCASKILL. Okay.

Anything else, Senator Ayotte?

Senator AYOTTE. No, thank you, Madam Chairman. I do have some additional questions that I'll submit for the record, thank you.

Senator MCCASKILL. I think you all can expect more questions for the record.

And we really appreciate your time and your service to our Nation.

Thank you all very much.

[Whereupon, at 11:50 a.m., the subcommittee adjourned.]