

**DEPARTMENT OF DEFENSE AUTHORIZATION
OF APPROPRIATIONS FOR FISCAL YEAR
2015 AND THE FUTURE YEARS DEFENSE
PROGRAM**

WEDNESDAY, APRIL 9, 2014

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

ARMY MODERNIZATION

The subcommittee met, pursuant to notice, at 9:16 a.m. in room SR-232A, Russell Senate Office Building, Senator Richard Blumenthal (chairman of the subcommittee) presiding.

Committee members present: Senators Blumenthal, Donnelly, Sessions, and Wicker.

Committee staff member present: Barry C. Walker, security officer.

Majority staff member present: William K. Sutey, professional staff member.

Minority staff member present: Ambrose R. Hock, professional staff member.

Staff assistant present: Robert T. Waisanen.

Committee members' assistants present: Ethan A. Saxon, assistant to Senator Blumenthal; Lenwood A. Landrum, assistant to Senator Sessions; and Joseph G. Lai, assistant to Senator Wicker.

**OPENING STATEMENT OF SENATOR RICHARD BLUMENTHAL,
CHAIRMAN**

Senator BLUMENTHAL. Good morning, everyone. I'm very pleased to call this subcommittee hearing to order. Today we are going to be hearing testimony on the Army modernization program in review of the fiscal year 2015 budget request and future years defense program. I look forward to a very open and productive relationship with the services under our jurisdiction, and I especially appreciate your being here today, the very distinguished witnesses that we have before us, and we certainly want to be helpful and supportive in any way that we can be.

I'm going to put in my—put my full remarks in the record and keep somewhat short my opening statement, just because we are here to hear you, not to hear ourselves talk, and these issues are very, very important to us, hearing you present the facts. But clearly we want to first thank you and the remarkable men and

women under your command who have performed so ably and courageously over more than a decade of war in Iraq and Afghanistan. I am always awe-struck by the ability and the bravery, sacrifice and dedication of our Army, and we are grateful to our leaders, as well as the men and women under your command.

I am looking forward to hearing how Army requirements, acquisition, and modernization strategies support the Army we have today and will have out to 2019 and beyond; how, given uncertainty about availability of resources and necessary changes to the Army's size and structure, the Army will ensure that equipment, readiness, reset, and modernization programs are appropriately prioritized, with tradeoffs and risks managed, while at the same time are stable, achievable, and affordable.

I'd like to know from the witnesses in particular how the Budget Control Act, the Bipartisan Budget Act, sequestration, the pending overseas contingency operations request, all figure into the dangers of an unstable, unaffordable, and unachievable modernization program. We want to avoid those dangers. We want it to be achievable and stable and affordable.

And finally, how will the Army identify and manage the inevitable and growing strategic risk to the Army's industrial base during times of declining budgets? I'm particularly familiar with the challenges of maintaining a sound and stable industrial base, being from a State that is so committed to meeting the needs of our military in production and manufacturing.

So readiness and preparedness are very much at the forefront of our mindset today, and I want to welcome each of you. General John Campbell is the Vice Chief of Staff of the Army and has the responsibility to assist the Secretary and Chief of Staff of the Army with sorting through the many needs of the Army and making tough choices that prioritize what we're developing and producing to meet our soldiers' most important equipment needs.

Lieutenant General James Barclay is the Army's principal staff officer, responsible for matching available resources to meet the Army's requirements for mission success.

Lieutenant General Michael Williamson is the Army's principal staff officer, responsible for research, development, and acquisition, and he has policy and program oversight of how the Army buys and maintains current equipment and how it buys new equipment. I think, General Williamson, you've been in your position about three weeks or so. So you're a veteran right now. You're seasoned.

So thank you, each of you, for being here today and look forward to a good give and take here.

I want to express my appreciation to Senator Wicker for his great work on this subcommittee and being my partner in this effort. Senator.

Senator WICKER. Thank you very much. Mr. Chairman, college basketball season is over. The State of Connecticut is beaming today, and so I want to congratulate you on the National champions for the men's and women's programs.

Senator BLUMENTHAL. Thank you. Thank you very much.

Senator WICKER. Amazing.

Senator BLUMENTHAL. I still have my Huskies tie on. I think I may wear it as long as it holds out.

STATEMENT OF SENATOR ROGER F. WICKER

Senator WICKER. Well, thank you very much, and thank you to our witnesses. Thank you for your years of dedicated service.

We are here today to discuss Army modernization. Before we talk about equipping the force, I want to talk about manning the force. The fiscal year 2015 President's budget request draws down total Army end strength to 450,000 active, 335,000 National Guard, and 195,000 Reserve by the end of fiscal year 2017. If budget caps remain unchanged, the Army will be required to cut even deeper, reducing the Active Army to 420,000, the National Guard to 315,000, and the Reserve to 185,000.

If we've learned anything about assumptions regarding national security and ground forces, it's usually that they are wrong. That is why it's important for us to get Army modernization right in the current fiscal year.

The Army's fiscal year 2015 budget request for \$120.5 billion represents the fifth straight year the Army has budgeted for an amount that was lower than the previous year. Given the fact that personnel costs are 46 percent and O&M costs are 35 percent of the Army's budget, the Army's approach to the 2015 budget is to prioritize near-term readiness. Accordingly, the Army's budget request for investment accounts, procurement, R&D, test and evaluation is \$20.1 billion or 17 percent of the Army's total budget.

In short, this means that the Army's modernization efforts will continue to be vulnerable as full sequestration reemerges in fiscal year 2016.

This subcommittee appreciates the immense planning challenges the Army faces, given the lack of budget certainty on Capitol Hill. The subcommittee also notes that the Army still does not know what its overseas contingency operations funding is going to be for fiscal year 2015.

That being said, I'd like to highlight four specific issues that are of concern, with the hope that our witnesses will elaborate on them during the hearing. First, I have major reservations about the Army aviation restructure initiative's proposal to remove Apache helicopters from the National Guard. Our National Guard Apache units, located in 10 States, have performed superbly. I continue to believe that we've made significant investments in the National Guard to make the Guard a fighting force able to supplement and augment our Active-Duty Forces in times of need. Any decision to undo these investments must be carefully considered, given the global challenges we face today in Europe and in Asia.

Second, the budget request for Army aircraft is \$4.4 billion, a \$432 million increase from 2014 enacted levels. This includes funding for AH-64 Apache Block 3s, remanufactured and new build CH-47 Chinooks, the utility and medical version of the Black Hawk, and the UH-72 light utility helicopter that is manufactured in my State of Mississippi.

While this is welcome news for the helicopter industrial base, I can assure you, this subcommittee is concerned about sequestration's impact on multi-year procurement of the UH-70 Blackhawk and the Army's acquisition plan for an Armed Aerial Scout helicopter. While the Army plans to use Apache helicopters teamed

with unmanned aircraft, I'm concerned about the long-term cost and sustainment issues associated with this proposal.

Third, with the termination of the Ground Combat Vehicle the Army has few programs to modernize its combat and tactical wheeled vehicle fleet. With the exception of the procurement of the Joint Light Tactical Wheeled Vehicle, the Army does not have a program which provides an entirely new platform. The Paladin Integrated Management, the Armored Multi-Purpose Vehicle, Stryker hull upgrades, Abrams tank, Bradley Fighting Vehicle upgrades, and Stryker Combat Vehicle fleets are based on existing platforms that are no longer in production. Accordingly, I am interested in learning about the Army's plans for vehicle modernization.

Finally, General Odierno has testified on numerous occasions that a fully funded Army reset program is critical to ensuring that equipment returning from overseas missions is recovered and restored for future Army requirements. The Army and Marine Corps previously testified they will require overseas contingency operations funding for equipment reset for three years after the last piece of equipment returns from Afghanistan. The Army must face the reality that this may not be achievable in the current fiscal environment.

So, gentlemen and Mr. Chairman, let me conclude by observing that our Army continues to perform with remarkable courage, professionalism, and effectiveness despite incredible, incredibly difficult circumstances. I had the opportunity to visit West Point in February. I encourage my colleagues to do so. During my visit I had lunch with and spoke with some outstanding cadets from my home State of Mississippi. I am so proud of them. It is the solemn duty of this subcommittee to ensure that these young leaders have the resources to execute their mission in the defense of our Nation.

Thank you, Mr. Chairman.

Senator BLUMENTHAL. Thank you, Senator Wicker.

We'd be very pleased to hear any opening statements that each of you may have, beginning with General Campbell. Thank you, sir.

STATEMENT OF GEN JOHN F. CAMPBELL, USA, VICE CHIEF OF STAFF, U.S. ARMY; ACCOMPANIED BY LTG JAMES O. BARCLAY III, USA, DEPUTY CHIEF OF STAFF, G-8, U.S. ARMY; AND MG MICHAEL E. WILLIAMSON, USA, MILITARY DEPUTY AND DIRECTOR, ARMY ACQUISITION CORPS, OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY FOR ACQUISITION, LOGISTICS, AND TECHNOLOGY

General CAMPBELL. Sir, thanks, and I'll make the opening statement for all three of us and we'll get through that and go to Q&A, as I know you want to go there, sir.

Chairman Blumenthal, Senator Wicker, Senator Wicker, thank you very much for the opportunity to discuss the modernization of your U.S. Army. We appreciate your support, your commitment to our soldiers, our Army civilians, our families, our wounded warriors, and our veterans.

I'd first like to take a moment to send our regards to our brethren in arms at Fort Hood, TX, especially to the families who have been affected by the terrible tragedy last week. As you know, there's a memorial ceremony today. So just a shout-out to all those

at Fort Hood and our Army family that they're in our thoughts and prayers.

Today your Army remains globally engaged, with more than 66,000 soldiers deployed, including nearly 32,000 still in Afghanistan, and about 85,000 forward stationed in nearly 150 different countries. The future, as you talked about, is uncertain and recent headlines highlighting Korea, the Ukraine, Syria, all remind us that we must plan for the world as it is, not as we wish it to be.

Over the past 3 years, the Army has absorbed several budgetary reductions in the midst of conducting operations overseas and at the same time rebalancing the force for a wider array of missions called for by the defense strategy. During this period of fiscal and strategic uncertainty, our goal has been to maintain the proper balance between end strength, readiness, and modernization across the total Army, all three of our components.

We are reducing end strength as rapidly and as responsibly as possible, while at the same time doing our best to meet our operational requirements. Additionally, we need to concentrate funds on rebuilding our readiness. However, to do this we must accept greater risks in our modernization programs in the near term.

As a result, research, development, and acquisition investments have declined 39 percent since the fiscal year 2012 budget planning cycle. Historically, the Army's RDA accounts have averaged about 21.9 percent of our obligation authority. For fiscal year 2015 the RDA account is about 17.1 percent, as Senator Wicker talked about, or \$20.1 billion of obligation authority.

Regardless of the austere fiscal conditions, it remains the Army's responsibility to ensure that every soldier that is deployed is equipped to achieve his decisive overmatch. To do this, the Army has developed several initiatives that guide our equipment modernization. I'd like to outline those very quickly.

First, we are using incremental improvements to modernize our critical systems and will build new systems only by exception.

Second, we are investing older systems—we are divesting of older systems, I should say, and niche capabilities to decrease sustainment costs and generate additional resources we can invest in our modernization and readiness priorities.

Third, we are resetting much of the equipment procured for Iraq and Afghanistan since that is what we will fight with in the near term contingency. To accomplish this, we do require overseas contingency operations funding for three years after we complete the retrograde equipment. I just point out, this is not new. I was the XO to Pete Schoomaker when he was the Chief in 2003–2005. In about 2004 we started saying that already, that we would need OCO to help us do reset. So that's been a constant thing for your Army over the last 13, 14 years here.

We are procuring smaller quantities because the Army cannot afford to equip and sustain the entire force with the most advanced equipment. We are protecting science and technology efforts, which are the seed corn of our generation of capabilities. We are focusing S and T investments where we are technology makers and reducing S and T where we are technology takers.

These guiding principles ensure the Army will maximize every dollar towards putting the best equipment in the hands of our sol-

diers. First and foremost, the soldier and squad is the centerpiece of the Army equipment modernization. From this we build outward by enabling them with a network and other key equipment.

Within this year's budget request, we seek to empower and unburden the soldier through funding for advanced weapons capabilities, next generation optics and night vision devices, and advanced body armor and individual protection equipment. We will modernize the network to improve soldiers' decisionmaking with information and connectivity to the lowest tactical level.

Our priorities include Warfighter Information Network Tactical systems (WIN-T). This is a family of networked radios and a joint battle command platform. Investments in the network, however, are not untouched by the resource constraints, and as a result we will have to delay portions of WIN-T Increment 3 and reduce our investments in some of our tactical radio systems.

We are committed to developing and the fielding of the Armored Multi-Purpose Vehicle (AMPV) to replace our obsolete M-113 family of vehicles and augmenting our wheeled fleet with the Joint Light Tactical family of vehicles.

The Paladin Integrated Management remains a significant priority and we will continue funding a third brigade set of the double-V hull Strykers as well, while supporting incremental upgrades to existing Strykers under DVH power and mobility.

A new infantry fighting vehicle remains a key requirement for your Army. However, due to the significant fiscal constraints the Department will conclude the Ground Combat Vehicle program upon completion of the technology demonstration phase. We expect this in June of this year. Instead, the Army will now focus its efforts on refining concepts, requirements, and key technologies in support of a future infantry fighting vehicle. This will include investment in vehicle components, subsystem prototypes, and technology demonstrators. In the distant future we anticipate initiating a new combat vehicle program informed by these efforts as resources become available.

Fiscal constraints also drove the Army to reevaluate its strategy for Army aviation. Analysis of missions, age, costs, and available funding led to an aviation plan that restructures the formations and balances operational capability across the total Army to achieve a leaner, more efficient force that is the best use of taxpayers' dollars. You can find more detail on the aviation restructure initiative in my written testimony. To save time now, I won't say more, but can address this topic during the question and answer period.

In closing, we are adjusting to reduced resources, which means we must accept greater risk in Army modernization. The Army's ability to modernize equipment relies on sufficient, consistent funding. While the Bipartisan Budget Act of 2013 provides greater budget certainty for fiscal year 2014 and fiscal year 2015, reductions in modernization accounts continue to challenge your Army. Without Congress' intervention, sequestration level budget caps will return in fiscal year 2016 and impose greater risk on Army equipment and modernization, leaving our soldiers less prepared in an unpredictable world.

Ultimately, the Army is about people. As we downsize, we are committed to taking care of those who have sacrificed for our Nation over the last 12-plus years of war. Assisting our transitioning veterans, our wounded warriors, and our Gold Star families will remain a top priority and we will protect programs that support their needs.

I thank you again for your steadfast and generous support of the outstanding men and women of your U.S. Army. Please accept my written testimony for the record, and Lieutenant General Barclay and Lieutenant General Michael Williamson and I look forward to your questions. I would add that Michael was just promoted to and he is our newest three-star last Friday. So he's been on the job since Friday, sir. All three of us, if we weren't before a couple of minutes ago, are great UConn fans, and it's a great day there that they can have both the men's and women's national championships.

Sir, appreciate the opportunity here and we look forward to your questions.

[The prepared joint statement of General Campbell, General Barclay, and General Williamson follows:]

Senator BLUMENTHAL. Thank you very much, General Campbell. The question is not how long you've been UConn fans, but how long you will be UConn fans. But I do appreciate even your fleeting support.

I would agree with you that the greatest resource that the Army or any of our military services has is its people. It is, as you've said very powerfully, all about people. As we grow leaner and more efficient, as you have also said, the risk is a hollowing out, as it's often called, of our military, particularly in attracting and recruiting and training the most able men and women in any military force in the history of the world, which we have right now.

So my first question is, how do we avoid that hollowing out or, more precisely, what will be the danger signs, do you think, to you? What will be the alarm bells of a hollowing out, both in terms of modernization of equipment and in the recruitment of personnel?

General CAMPBELL. Sir, thanks. I'll start off, then turn to my colleagues here if they want to add.

But, sir, great question. The best thing that we can do is get rid of the uncertainty. The biggest frustration for the Chief, for the Secretary, for I think all the services, is the uncertainty on the budget. What we don't want to do is make decisions today that we would make differently down the road if we knew what 2016, 2017, and 2018, and where we were going to go.

2014 and 2015, as we talked about, with your leadership, we do appreciate the BBA and what that will bring for us. But as you know, 2013 was a very, very bad year. So we're going to dig ourselves out of 2013 and part of 2014. We really do have to focus on the short-term readiness. That's what we will do.

In 2015 for us, we actually come down a little bit based on where the money will be spread out in 2015. Then in 2016 again we drop off the map with sequestration, or the risk, as General Odierno has talked about, goes much, much higher and we would not be able to accomplish, we really believe, what is required of the defense strategic guidance.

Really, the signs, though, is about balance. You talked about that, sir. You put your trust and confidence in our senior leadership, our Secretary, our Chief, under their Title 10 responsibilities to make sure that we do keep all of our components balanced. So there are some very, very tough decisions that we have to make.

A very tough one: We're all about people, but we have to cut people. That's where we get that money to be able to put back toward everything else. What we want to be able to do is cut them at the right ramp and have the right personnel policies in place so that we can take care of these great soldiers and these families that have sacrificed so much over the last 12 to 13 years.

We felt very comfortable prior to sequestration we can do that. As you know, we made a very tough decision. We were going down to 490 by 2017 and the Chief and the Secretary took a look at that, the impact that it had on readiness, the impact that would drive us more out of balance, and moved that decision to fiscal year 2015 to come down to 490. So these boards we're having that will take out some lieutenant colonels and colonels, these boards that we're having that will select some majors and captains that have to leave the service involuntarily, that's to get us to 490. We have to go back now and really look at what it does to us to go from 490 to 450.

The same thing with equipment modernization. Those decisions were based on an Army of 490. We're going back now to apply all of that to an Army of 450 for the Active, 335 for the Guard, as you talked about, 195 for the Reserve.

Some of the signs that we'll see is that we'll lose that trust and confidence in our soldiers, in the families. We could go to 490 by almost natural attrition for the most part. There are going to be some very small involuntary separations. 490 to 450, the sign there is we're going to have to move more of those out early, and we'll just erode that trust. We have to do that and keep everything in balance.

That's why the Chief and the Secretary look across all the components and they can't make a decision that looks just at the Reserve, looks at just the National Guard, or looks at just the active. They take that horizontal cut across all. And we've run models, simulations, have really looked at this very, very hard. As you talked about up front, we can plan, but with the uncertainty that we have on the budget that will really be the sign that hurts us as we move forward.

I'll defer to Jim or to Mike if they want to add to that.

General BARCLAY. Sir, as General Campbell has said, again is we try to balance. There's three categories, so you can kind of look at different signs in those. The readiness aspect of it, you'll start to see some of those readiness indicators that your Army is not as ready as you're moving forward and taking some of the actions you have to take.

Second is on the manning aspect of it. There are some key indicators you start looking at: your reenlistment rates, the propensity for young Americans to come into an Army that is struggling, that doesn't have the money to train soldiers that come in or to equip soldiers that come in properly. So you'll start to see some of those. Those are some indicators that you might see.

Then on the modernization side, we're already seeing it: the slowing down of programs, major procurement programs, and the termination of some of those programs, for example the GCV. So those are some of the key things that you start looking at across the three legs as you're trying to maintain an Army that's in balance.

Senator BLUMENTHAL. Yes, sir. General Williamson?

General WILLIAMSON. Sir, I'd just like to add a couple of very specific areas in terms of acquisition. One of the things that worry me most as you look out across some of these indicators are things like our contracting officers, our engineers. We're in a situation now where it's almost a split distribution. We have some older professional contracting folks and we have the younger. The challenge that we have is that as the older workforce choose to retire, because we have younger individuals who are concerned about the budget, about the likelihood of them having positions, we may not have the opportunity to continue to bring in talent and keep that talent so that we have the ability to negotiate contracts, to work through changes in the environment. So we start to see that in terms of personnel.

On equipment, I think I would add is that—I grew up in times where there were significant budget pressures, where we invested more on repair parts and sustainment. It's not unlike you and I keeping our 1976 or 1977 car. It's a wonderful thing, it did great for us, but now I'm pouring more money into keeping that sustained and I'm falling behind in terms of the technological advances and the economic efficiencies that we get from new platforms.

Senator BLUMENTHAL. Thank you.

I have more questions, but I'm going to defer to Senator Wicker, and then I'll come back with additional questions.

Senator WICKER. So, General Campbell, it's not desirable to go to 450 by 2017, but we can do it; is that your testimony?

General CAMPBELL. Yes, sir. As you know, the only way that we can get back and meet the money that we will be given is take it out of people. So we have to drop our end strength across the total force. The Chief and our Secretary have been very consistent about how we should do that: disproportionately with the active first because we grew the active over the last 12 years for Iraq and Afghanistan; and then take some from our Guard and from our Reserve.

We want to do that and make sure that we take care of those soldiers, that we do everything we can to help them transition either from the active to the Guard or the Reserve or back out into civilian society. We have programs that will help us do that.

But yes, sir, the bottom line we'll go to 490 by 2015, and we're working hard to get to 450 by 2017. But that's going to mean we're going to have to take out more involuntary separations as we go forward.

Senator WICKER. That is, according to General Williamson, is going to cause recruiting problems when people thinking of making the Army a career are looking at that going in. Also, I believe you testified it is not good for the trust factor; is that correct?

General CAMPBELL. Sir, absolutely. As General Barclay said as well, we're going to go down lower on end strength. What American society will hear is: The Army continues to go down, they're not going to have modern equipment, they're not going to have money to train.

We've been working for 40-plus years on an All-Volunteer Force. I don't see us going away from an All-Volunteer Force, but to keep an All-Volunteer Force you have to make sure that you provide them the best resources that our Nation can afford. I believe our Nation can do anything it wants to do. We have to put our mind to it and we have to make sure we prioritize correctly.

As you know, sir, only a couple years ago probably 33 percent of the American people could even join any of our branches of our service based on medical issues, obesity, on and on and on. Today that's about 22.5 percent. So the population that we would draw from continues to decrease. The propensity to serve—

Senator WICKER. 22.5 percent of age-eligible Americans?

General CAMPBELL. Yes, sir, are even eligible to come into any branch of your service, based on the requirements to get in, whether it's a medical issue, a criminal record, obesity, those type of things. Only about 22.5 percent.

Senator WICKER. Well, in terms of American security, do you feel comfortable at 450 by fiscal year 2017?

General CAMPBELL. Sir, I think, again, both our Chief and our Secretary and I have testified before that at 490—we deal in terms of risk, risk to mission, risk to force. We have to mitigate that and offset as we continue to come down. People is where we have our money invested, as you talked about, 46 percent. So the only way to get down to the levels that Congress wants us to get to based on the budget is to take it out in people.

At 490, there is some risk to completing the defense strategic guidance from where we were at 570 just a couple years ago. At 450 that risk is significant. Below 450, what all the senior leadership of your Army has testified is that we will not be able to meet the defense strategic guidance below 450. But at 450 it is significant risk.

Senator WICKER. Was my statement correct at the beginning of this hearing, that if budget caps remain unchanged we'll be down to 420 Active, 315 in the Guard, and 185 in the Reserve? Were those figures correct?

General CAMPBELL. Sir, those figures are correct.

Senator WICKER. I'm relieved to know they were correct, although they're disturbing. Now, what are we going to have to do without if that doesn't change, sir?

General CAMPBELL. We'll go back and take a look at what we would lose between the 450 and 420 number. Of course, 30,000, but what you would expect us to do is where we take that 30,000 out on the active side. Do we take it out of brigade combat teams? Do we take it out of enablers? Again, there's a mix that the Chief and the Secretary and that we provide them some different courses of action, how we have to get to that.

There's a certain amount of your Army that we just can't go below. So the institutional force that drives the training, that drives the day to day things that makes your Army run, is about

92,000. So we need that 92,000. So whether you're at 420, you're at 450, you've got to keep that 92,000 just to keep your Army going.

So we'll take a hard look. We've come down from in 2010 45 brigade combat teams and we're going to 32 brigade combat teams on the active side. Now, brigade combat teams only make up 30 percent of your Army, but they're sort of the pacing item. You think of the Navy, you look at carriers. You think of the Air Force, you think about fighter squadrons. For the Army it's brigade combat teams. Again, only 30 percent.

But we're going from 45 to 32, and the 32 number is for 490. So below 490 we'll probably have to cut back in the brigade combat teams. And we're continuing to take a look at that analysis to see where that will take us, and it's probably somewhere in the neighborhood of potentially four, but we've got some more analysis to do.

I'll defer to Jim or Mike if they want to add.

Senator WICKER. Thank you, Mr. Chairman. I do think you and I will take a second round.

Senator BLUMENTHAL. Thank you, Senator Wicker.

I'm going to now turn to Senator Donnelly, with condolences—

Senator DONNELLY. Thank you, Mr. Chairman.

Senator BLUMENTHAL.—on a great performance by a great team, but just a little short last night.

Senator DONNELLY. We give you last night. We will be back.

Senator Wicker, yesterday you were giving condolences from the SCC—or congratulations from the SCC. Today I give them from the ACC. So you're collecting a lot these days.

To all of you, thank you so much for being here. When it went from 33 percent to 22 percent, what were the biggest—what were the biggest changes that caused even less to qualify?

General CAMPBELL. Sir, I'm not the expert there, but I would tell you a lot of it had to do with, obesity is a big factor in the world today, in our high school children. So that medical piece of it has caused a great deal not to be eligible to come into any of your services.

Senator DONNELLY. Okay. We were talking yesterday afternoon, a few of us, about the numbers projections in the years ahead and sequestration, and were wondering if it was the exact same amount at the end of the day, but some of it was pulled forward, so instead of no increase now that you had approximately a 1.6, 1.7 percent increase, glide path for the next seven, eight years, would that, combined with flexibility, make it easier for you to be in a position where the numbers in the earlier years are a little bit higher and at the very back end are a little bit lower?

General CAMPBELL. You're talking about—are you talking about budget?

Senator DONNELLY. I'm talking about budget. I apologize, yes.

General CAMPBELL. Sir, the number one thing I said up front was that any amount of certainty we get will help us plan. If we have more flexibility now, it will give us more time to make some of the tougher decisions and put some procedures in place. So I think yes, but again certainty is what we really need to get at. And we'll take a look at that and we'll have to come back and lay it out in terms of the risk again, as I talked about before.

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

General BARCLAY. Sir, I think 2015, 2014 to 2015, of course, with the BBA that changed the numbers. Then if you look at 2016 going into the BCA—and your numbers are a little bit different. I know Senator Sessions has talked about the inflation rate of about 2.2 or 3, as you're talking about. You're looking at the 2017, 2018, and 2019. Now, that's keeping this at just really—that growth just keeps us en route from the Army's perspective of flat-lined.

The other side of that is the fact that that's always ensuring that the Army gets that percentage share of the overall DOD budget. Senator Sessions in a couple of the last testimonies talked about 496, going to 497, 498, the numbers. But again, at the end of the day it's how much of a share do we get. Typically we're somewhere between about the 26 or 27 percent. I will tell you that, depending on where we fall in the fiscal guidance, it comes out sometimes we don't necessarily get that 26 or 27 percent, as DOD starts moving, looking across all the Services to set their priorities.

So again, it's a complex environment you're trying to work with.

Senator DONNELLY. Let me ask you about one of the pieces of equipment that's going to be moving along here in the very near future. That is the JLTV. One of the companies, obviously AM General, is from my home State. But what I'm trying to find out is when do you expect to make a final determination on who will produce the JLTV? I know we're down to three right now.

General WILLIAMSON. Sir, the intent is in 2015. One of the things I like about this procurement is that they've done a lot of work, they understand the requirements, they're well defined, the technology is mature. So really what we're doing now is working our way through the evaluations, the test criteria, to get down to that down select. So I think we are on track for a 2015.

Senator DONNELLY. What is your highest priority criteria in making that selection?

General WILLIAMSON. Our criteria?

Senator DONNELLY. What are some of the critical elements that you're looking at in terms of making the selection?

General WILLIAMSON. I think there's a few that would obviously jump out, Senator. Obviously it's the mobility, the survivability. But I'd also have to put a lot of emphasis on the cost and the sustainability. So one of the things that we're looking for is how do we maintain a fleet of 49,000, if you include the Marines 54,000, initial platforms? How do we sustain that over time at a cost that gives us all of those things we talked about, the survivability, the mobility, but also is cost effective for us to operate?

Senator DONNELLY. Okay. When we look at our MRAPs that are coming back, when we transfer something like an MRAP through the excess defense articles program, do you see any benefits to working with partners in the State Department, Commerce Department, and industry to foster refurbishment or sustainment opportunities to ensure these vehicles perform well for our allies?

I mean, they have been—they earned their keep and then some out in the theater. So I was wondering how you feel about that. I know we're looking at keeping maybe 8,500 of them, the most capable, the best ones, but for the other ones.

General WILLIAMSON. Absolutely, sir. Having just returned from theater, I've engaged with not only a number of FMS cases, but a number of our allies in terms of their desire to receive these platforms. Obviously our goal would be to give them something that's operational. There are costs associated with that in terms of FMS cases.

So partnering with both our partners here in the U.S. and then with our allied nations to deliver that absolutely makes sense.

General CAMPBELL. Sir, if I could just add to that. There's a difference here. FMS is one way, but when you declare something EDA, excess defense, what that means is we cannot put any more money toward it. So if you take an MRAP in Afghanistan and say this is EDA, then we move it over to the side and we make sure we advertise and all these countries can understand that we have this available. But we can't do anything to it.

Senator DONNELLY. You're done with that?

General CAMPBELL. We're done with it. We can't touch it. We can't put money to transport it. They have to come to Afghanistan to get it.

Senator DONNELLY. They have to figure out how to get it out of there, too.

General CAMPBELL. Right, the hard countries that want to come to Afghanistan to get an EDA type vehicle. So we're working very hard with the State Department and with OSD to make sure we have the right policies in place, to make sure we do the right things to help out our coalition forces to gain this equipment that for us is not economically feasible to bring that back to us, or we're only keeping a certain amount. But there are some policy things there.

General BARCLAY. We can give you some numbers. Really, of about the almost 22,000 that we've bought, 8,500 sounds like a small number, but that's just for certain portions. There's another 1,800 to 2,000 that we're repurposing. So we're a little over 11,500 that the active or the Army's going to use. We've also had about 2,000 of those that are coded out battle losses or unrepairable.

So as you total all those numbers up, it accounts for about 16,300 or '400 that are accounted for. Then we have about 5,000 that move into that EDA type category or FMS or other government. So there's about 5,000 there to play with depending on how they fall.

Senator DONNELLY. I would just like to finish up by saying—and I've mentioned this before—I heard once or twice folks say: Wow, how could you spend so much on MRAP's? My answer is: How could we not? That somewhere in our country there's a young man or woman who is back home safe and sound because of those vehicles. So for every one that is unrepairable because it got banged up, we are grateful to that vehicle for what it did.

With that, sir, Mr. Chairman, thank you.

Senator BLUMENTHAL. Thanks very much, Senator.

Senator SESSIONS.

Senator SESSIONS. Thank you, Mr. Chairman.

Well, the EDA rules, General Campbell, maybe we ought to change those if it's not allowing you to use common sense to get the best effect for the taxpayers and for the military. So maybe we ought to—to say you can't do anything to them might not be the

smartest thing. General, that's probably correct, it may not always be so.

Senator BLUMENTHAL. General Campbell?

General CAMPBELL. We are working with OSD and we're working with the State Department to make sure we do everything we can to provide coalition partners with equipment. Again, as General Barclay talked about, there's FMS, where a country will come and just buy that, and put certain specifications on what they want on the vehicle or not want on the vehicle, or any other type of equipment. That's worked very closely with OSD and the State Department.

But excess defense articles is a whole other category. Again, we can't put Army money toward—once you declare it EDA, you can't put any money toward it. So we're working that very hard with OSD and making sure that we can reduce that number.

We potentially could get it some place that might be easier. There was a big push in January and February to move many of the vehicles to Kuwait. In Iraq we were able to drive everything to Kuwait that we were going to get out. We don't have that catcher's mitt in Afghanistan. We're dependent upon multi-modal, we're dependent upon if the GLOC's going to open up through Pakistan, if we're going to go up through the Northern Distribution Network, or we're going to pay a lot of money to put it on an aircraft to fly it back.

So we work all of those and balance that, and I think we have the best and the brightest over in Afghanistan and they continue to work that for us.

But again, EDA, if we declare it EDA, then we can't put Army money toward that. That is not an Army policy; that is I believe by law, by statute. So any relaxation or adjustments to that would have to come from the Congress.

Senator SESSIONS. Well, just briefly, what's the status of the helicopter purchase, Russian helicopter purchase for Afghanistan that was discussed, briefly, just what the status is?

General CAMPBELL. I'll let General Williamson talk to that. I know he's been working that very hard on the MI-17s. The only thing I would say is that my discussions with General Dunford over there, this is a huge priority for him, to make sure that he can provide the Afghans with their aviation capability. People say, why do you have to do that, or why do you use this—

Senator SESSIONS. Well, I know the argument on it. I don't agree.

General CAMPBELL. I'll let Mike talk about the specifics on where we are, then.

Senator SESSIONS. Where are we on that?

General WILLIAMSON. Sir, as you know, that procurement action had already started. They had taken delivery of six of those aircraft. As late as this month, they've taken another three. There are still another 20, 23 left to be delivered. And we're still on path to—

Senator SESSIONS. So it's still ongoing as planned?

General WILLIAMSON. It is. Sir, let me just clarify, though, that part of that was because we have provided the funding for the next increment of aircraft, and so it was still on path. It was held up briefly so that we could understand the environment. But those funds have already been provided.

Senator SESSIONS. Well, if the Russians invade Kiev are we going to still buy it?

General WILLIAMSON. Sir—

Senator SESSIONS. You don't need to answer. That's I guess above your pay grade, and mine too maybe. Maybe it's not above ours. We're supposed to be responsible. I'm concerned about that.

General Campbell, you mentioned that we have 92,000 that you need to keep the Army going strong. I would just say that there's no business in the world that's competitive that isn't reducing and being more efficient. And if you draw down the personnel 100,000 troops we ought to be able to draw down the number of people that support, the core staff that are not the point of the spear.

I know you've got to have a substantial effective group there, but we want—that's got to be challenged also.

General CAMPBELL. Sir, we are. I did say that, but I would tell you there is a bottom line that we have to keep. You need someone to keep the lights on, somebody to do X. But we are looking at it to make sure we're doing everything most efficiently. We are taking—the Secretary of Defense announced a 20 percent cut in all the two-star and above headquarters. Our Secretary and Chief are going to a 25 percent cut, so we're looking hard at headquarters to get rid of a lot of that tail.

But on the institutional side, whether you have 490,000 or whether you have 450,000, there's a certain amount you need to train, provide medical care, on and on, to recruit. But we are—if I said we're not downsizing at all, I was wrong. We are downsizing. But we will come to a point where we have a bare minimum that we have to keep.

Senator SESSIONS. Well, we had in 2001 at September 11, 220,000 civilians. That surged to in 2011 284,000. And we're taking troop levels down to a rate—troop levels to a point that it would be below what we had in 2001. In 2001 we had 481,000 military uniformed personnel. I believe the civilian personnel—I don't see why those numbers can't be reduced in the Army alone by the 60,000 that were added during that time.

General CAMPBELL. Sir, we are reducing our civilians at a proportional rate. I think that rate's about 14 percent. Today we're about 240,000, so we've come down about 20,000 here in the last year or so. We'll continue to work that. So our civilian—DA civilians will continue to come down.

Senator SESSIONS. Well, I just think it may be a little more difficult to terminate a civilian than a uniformed personnel. Is that correct?

General CAMPBELL. Sir, there are policies that we have to follow, yes, sir. It is more difficult.

Senator SESSIONS. You can tell a soldier goodbye, basically. Not always.

General CAMPBELL. No, sir, we do more than that.

Senator SESSIONS. I know you do. But I mean, you have more control over the uniformed soldier.

General CAMPBELL. Sir, we do.

Senator SESSIONS. I hope that that doesn't become an impediment and that we end up taking down uniformed soldiers more than we take down the civilians. I think it ought to be at least pro-

portional, and in fact I remember Secretary Rumsfeld had some heartburn, but his firm view and goal when he took office was to get more people at the point of the spear and less back in the headquarters. I think that was a movement in the right direction and we've got to keep that in mind as we go forward.

Gosh, I am worried that the Army is going to be hammered more than other services. You're drawing down a lot more in personnel than the other services. You were surged upward to deal with the crisis that you faced. I think the Army did a fabulous job. People were deployed for long periods of time. They served heroically. But we know we're going to have a drawdown, but it needs to be done in a way that the Army isn't taking more than its share of the reductions than other services.

I don't know at this point where the right place to draw that line is, but I am concerned about it and all of us in Congress are going to have to give it their attention.

Thank you for your service. I thank you for all the work you've done for this country.

Senator BLUMENTHAL. Thank you, Senator Sessions. And thank you for raising the issue of the Russian helicopters. I was going to raise it, but I wanted to begin on a more global issue first.

What I'm about to say and ask I hope will not be taken personally, because I recognize that you're not the decisionmakers in this issue. But I think I want to just express to you as strongly and respectfully as possible the strong sense of outrage, I think is the word that best characterizes my feeling, and I think it's a feeling of bipartisan outrage because Senator Cornyn and I and others on this committee have raised this issue repeatedly. And now I think it is brought into the starkest and most staggering profile by the Russians in effect thumbing their nose at us in Ukraine and our continuing to purchase these helicopters from Rosoboronexport, the Russian arms agency, that at the same time is selling arms to Assad in Syria and bankrolling the troops that are on the border of Ukraine, having seized Crimea and now threatening the rest of that country.

I have enormous respect for General Dunford. I have met him. I can't say that he's a personal friend, but he is one of our finest military leaders, one of our finest national leaders. I have great admiration for the work that he's doing right now in Afghanistan under the most challenging of circumstances. And I respect his view that the Afghanistan army is accustomed to using those Russian helicopter. They know how to fly them. They're much less sophisticated. They are, as was once said to me, the equivalent of flying refrigerators, and they are much easier to maintain.

But our helicopters are better, and eventually if the Afghanistans are really going to defend their country they're going to have to use the best military equipment. And moreover, for U.S. taxpayers to be funding those helicopters and to buy them from the Russians I think is just absolutely unacceptable.

Senator SESSIONS. Mr. Chairman, could I—

Senator BLUMENTHAL. Senator Sessions, of course.

Senator SESSIONS.—just add that when we were there a year maybe ago and this was being discussed and I pressed the issue, and found out there's not that many Afghans that have been

trained on these helicopters, very few in fact. They have had some training on them, but not a lot, very few.

Senator BLUMENTHAL. Absolutely correct, Senator. My understanding is they don't have enough pilots right now to fly them. They don't have enough mechanics to maintain them. The latest report, done by the GAO, I think sheds very serious doubts on the whole program going back some years. I hope there will be bipartisan support for a letter that I have drafted to be sent to Secretary of State Kerry asking that we cease all Russian—all purchases of military equipment from Russia across the board.

Let me ask you, General Williamson, if the U.S. Congress were today or tomorrow to instruct our Department of Defense to cease all delivery—I recognize that there has been perhaps some payment—what would be the loss in dollar terms to the United States?

General WILLIAMSON. Sir, I'd have to go back and check the specific number. But I believe it would be upwards of about \$100 million.

[The information referred to follows:]

[SUBCOMMITTEE INSERT]

Senator BLUMENTHAL. \$100 million already paid, or is that in costs or fees in connection with breaking a contract?

General WILLIAMSON. I think it's a combination of all of those.

Senator BLUMENTHAL. I'd like to know more precisely, because in my view if it's simply penalties for breaking contracts, let the Russians try to collect from us.

General WILLIAMSON. Understand, sir.

Senator BLUMENTHAL. So as much detail as you can provide. I recognize you didn't come prepared today to answer these detailed questions and I don't want to be unfair to you or any of the others, any of your colleagues who are here with you today. But this is serious business and I think, as you've sensed at this table, it's a bipartisan feeling, and I intend to continue to raise it. So I appreciate your cooperation.

I want to ask a few other questions about helicopters. As you know, fiscal year 2015 is the fourth year of a 5-year multi-year procurement contract for the UH-60M Black Hawk helicopter. It's the eighth time that the Army has entered into this multi-year procurement to buy Black Hawks, a very successful program, I'm proud to say, supposed by Sikorsky, which happens to be in the State of Connecticut. And we're very proud of the work done with those Black Hawks. I put them in the same category as Senator Donnelly did the MRAPs in saving lives and providing service.

There are indications now that the Navy is going to back out of its share of the fiscal year 2016 part of that contract due to force structure changes. So my question is: Is there a plan for avoiding breaking the UH-60 multi-year procurement, and what is the potential impact of the reduction, which I understand is in the range of 39 Black Hawks in fiscal year 2016?

General BARCLAY. Sir, you're absolutely correct. Last year the issue arose as the Navy's changing its force structure, that they were going to back out of the Black Hawk program. They were directed to put money in in 2014, so that will come back up again as we look to get the last year of the multi-year plan.

But as Senator Wicker noted, we are starting to put more money—as we are doing the aviation restructure initiative, we’re also changing our quantities and the rate that we’re buying and we’re putting—we added some money into the Black Hawk line to move some of those up to try to help as we fielded the Black Hawks across all three components, as we move airframes around between the three components.

But as we’re going in now building this program—and it’ll come up again this fall, I’m sure—I have not been able to see what the Navy’s final plans are. We won’t really get that until the late summer, going into fall, in the fall review to determine how many they think they will end up procuring. Then that will drive us then to the decisions we’ll have to make to keep the multi-year program.

Multi-year programs are great, as you know, not only for the Services; they’re also great for the American taxpayer as we save a large amount. It also gives us some certainty as we move forward to drive those programs, which allows us then to do a better job of modernizing our equipment. So to us it’s a critical aspect and we’re very concerned that we continue with the multi-year program with the UH-60’s.

Senator BLUMENTHAL. And what about the loss of the 39 helicopters? Will that break apart the multi-year procurement?

General BARCLAY. Sir, I think Michael can—I don’t know the exact numbers. We were trying to look. Waiting on what the Navy says, because originally it was up around 58 that they were not going to buy. We have traded some trade space in us buying some more moving forward. As they look at changing based on the BDA and how that time line moves, that gave a little bit more dollars. They have slowed their force structure, but again we won’t see that until we go in for the fall review from the Navy. That number could be 39, it could be less. And then we’ll have to make that determination.

Senator BLUMENTHAL. General Williamson?

General WILLIAMSON. Sir, the only thing I would add is that we are looking at those numbers, but as you know the value for the multi-year for us is that it gives some planning for industry, which allows us to kind of normalize the flow on that line. So understanding whether it’s 39—I’ve heard as low as 25—allows us to go and figure out how those costs have to be distributed and what the workload is. Once we have more definition on that, we’ll be able to talk about the impacts.

General CAMPBELL. Sir, a key point, though, on what General Barclay said that I just want to highlight, is that the Army’s aviation restructure initiative, so the ARI, helps this problem. It doesn’t get rid of it, as you talked about, but it helps that problem as we’ve restructured.

Senator BLUMENTHAL. Thank you. Thanks, General.

I’m going to turn again to Senator Wicker. I’ll have some additional questions.

Senator WICKER. General Campbell and General Barclay, with regard to Army aviation restructure. The Army states it has taken an integrated total Army approach to reducing the cost of aviation while preserving modern capabilities and meeting the National se-

curity demands of combatant commanders and the civil support missions for the governors.

The Army also asserts that they included the Reserve component throughout the process.

Walk us through—and we can begin with General Campbell—the rationale for the aviation restructure initiative, including the savings, and how involved was the Reserve component and how involved was the Guard in this process?

General CAMPBELL. Sir, thanks for the question. The bottom line is funding constraints drove the Army to reevaluate Army aviation. Today we have the very best Army—the very best aviation in the world, and what we want to be able to do is continue to have the very best aviation in the world. But based on the budget, we couldn't do that. So if we just went status quo or if we just took cuts out of our combat aviation brigades, continued to have seven platforms, didn't divest of the old aircraft, kept that, we would not have the best aviation.

You would expect us to be bold and to figure out how we could do that, and I really do believe that the aviation restructure has done that. I'll let Jim talk more on the details here in a second that goes into that, as he's worked that very closely.

I will talk to you about how we discussed this with all components. I've personally been involved with the aviation restructure probably since last summer, at least last summer, maybe even before that. But I know that since last summer we've had National Guard, we've had U.S. Army Reserve and Active components together talking about this, maybe not every day, but several times a week, at colonel level, at one-star level, at two-star level. I've personally been in several sessions the all of the TAGs from all the States where we talked about it. I've personally talked to General Grass—I can't even count the number of times we've talked about aviation restructure in the last, since last summer.

Our plan for aviation restructure is actually better today because of the input that we've got from our National Guard aviators and the folks that were on the planning teams that helped us work through this.

Senator WICKER. Is it fair to say the TAGs are not overly delighted?

General CAMPBELL. Well, probably the 9 or 10 that have Apaches are not overdelighted, sir. I would tell you many of the TAGs have come forward and said: Hey, I don't use an Apache in my State; why do I need an Apache for my State? I need more lift and this aviation restructure initiative does that.

But I think you're right, I think they've come back and said, for a lot of different reasons—this is very emotional, as the Chief talked about yesterday. We've got to take the emotion out of it and do what's best for our Nation. I really do believe that the aviation restructure initiative does that, and it provides us—we get rid of three old airframes. We divest that. We go down to four.

It started out years ago where we were looking for a new reconnaissance platform, we need an armed aerial scout, there is not one out there that will meet the requirements that we have. The Apache, when you add the Shadow and the manned and unmanned teaming, has proved to be the very best. So we're going to move

that and make that the reconnaissance platform until we can afford an armed aerial scout.

The LUH's, sir, the Light Utility Helicopters, we need to change how we train our aviators. We need to get them into a more modern aircraft. The training helicopter we have at Fort Rucker will not do that for our future. The LUH, we have it. We already have the requirement. With your help, with Congress' help, we'll buy more of those. We don't have to take those from the Guard, so we think that's a good thing.

So total annual just in the O&S costs that we save is just over a billion dollars, the cost avoid. So this is over \$12 billion. So I would think that our taxpayers, the American public, want us to do something like this to make sure we have the very best aviation force that we can afford.

I'll defer to Jim. He's been very tied into it and his folks have been leading the discussion. But sir, make no doubt, this has been a consolidated effort, working with all the components. We don't always agree and I got that, and we will never ever get consensus with all 54 TAGs. But we've been working it very hard, open, candid. We appreciate that ability. But in the end the Secretary and the Chief have to make some very tough decisions and they have to look at this across all the components and do what's best for our Nation.

Senator WICKER. As we toss it to General Barclay, help us with how we get to the \$12 billion in savings and what period of time?

General BARCLAY. Okay, sir. As the Vice has said already, in just your operations and sustainment costs it's \$1.1 billion a year the ARI saves annually. Now, the aviation restructure total avoid is \$11.9 billion, \$12 billion. There's \$3.35 billion of that for the OH-58 Delta cockpit and essential upgrade program that we will no longer do. There's \$6.96 billion for the OH-58 Delta service life extension program. In other words, we'd have to SLEP those aircraft as you move them in to make them last into the twenties. There's about \$191 million for the TH-67 service life extension program. There is \$1.43 billion for a new training aircraft, the TH-67. As you total all that up, that's about \$11.9 billion as you're looking at those, those different things.

Now, we also took, the Guard has come back with several different proposals keeping different levels, six battalions, four battalions, 18 aircraft, 24 aircraft. There's been—there's, I said, I think three or four of those that we have taken a look at the cost measures.

I will tell you that roughly, just if you don't move the 64's out of the National Guard, the one-time cost if you're just going back to equip your AC component, there's about a \$3.65 billion to procure additional AH-64's to be able to man and equip and keep those units.

One of the key things, sir, is we're coming down from 37 shooting battalions—that includes your Kiowa Warriors and your Apaches—to 20 shooting battalions. That's why, as the Chief and the Secretary have testified and the Chief yesterday testified, it's important that we understand and do the complementary roles that we're doing across each of the three components, so we can meet the mission sets and operational requirements along the time lines

that we know we're going to have to. So that was always part of the driving factor as we look at the aviation restructure initiative.

Senator WICKER. Each of the TAGs gets more lift under this proposal?

General BARCLAY. No, sir, not every TAG gets more lift under these proposals. Again, we have an Active component version of how you could spread those aircraft across. Again, most of the 50 States total, 54 with the territories, 1 to 2—some States may lose 1 to 2 Black Hawks. That's so everyone gets—some States would gain 10 or 11 Black Hawks. For example, the State—one of the examples is a State that has 16 Apaches and it would give up 16 Apaches. They would get back 11 Black Hawks. So they're losing roughly a 5-aircraft swing in that State.

But again, the National Guard Bureau would have to work those, as they do each of the States, and work those plans about where, which States would be impacted greater than other ones.

Senator WICKER. Now, General Barclay, General Campbell said we're going to use the Apache teamed with the unmanned aircraft for reconnaissance until we can afford a new scout helicopter. I had information that it's more costly from an O&M, from an operation and maintenance perspective, than if we went ahead and acquired the new scout helicopter. So help us with that?

General CAMPBELL. I'll start, Jim, and then you can add to it.

The cost of the 58 is much lower than the cost of the 64, but we're not going to keep the 58 over time. I think really for an armed aerial scout of the future as we look at the requirement, what we would want that platform to do, what we want to do is continue to invest in the technology to get the very best. We don't think there's anything out there right now that would take us to spend that money completely on a brand new platform when we have the 64 that, as we've run some tests with industry out there, that the 64 with the unmanned and manned teaming—and that is very complex—that provides the best armed aerial scout today.

It's different, and it's very emotional for the active guys that own 58s. There's only one 58 squadron in the Guard. For all of our 58 pilots, it's very emotional for them. We'll train them in the other aircraft. But it is different from looking out a window, flying 50 feet above, and taking a look, versus what you can do with the optics sitting way back with the 64.

But I don't think the technology is where we need it. We want to invest in the technology, get the very best, and have that down the road.

But I'll let you add to that, Jim.

General BARCLAY. Sir, the cost of an OH-58 Delta flying hour is \$2,373 per hour. The cost of an AH-64 Delta is \$6,034 per hour. But with the aviation restructure initiative, as you take down the number of airplanes—for example, we're removing 9 Active component 58 Delta squadrons, for a savings of \$479 million. We're removing 1 Reserve or Guard OH-58 Delta, for a savings of 19. It removes 6 AH-64 battalions for a savings of 195, and it adds 3 manned Active component 64 squadrons for 198.

So yes, it's kind of apples and oranges when you talk hour comparison a Kiowa to a 64. But when you look at the total fleet, which is what we did with the aviation restructure initiative, the

total end cost, because we're coming down, of our total fleet, if you look at—if you divest yourself of 898 aircraft total either divested or transferred, 687 of those aircraft are coming out of the Active component, 212—I mean, and then 111 we're transferring Black Hawks back to the National Guard.

So again, you've got to take all these together. You can't just compare a 64 flight hour to a Kiowa Warrior flight hour and tell you it's going to cost you more. Again, it's the total cost across the entire fleet and all three components of where we're going to end up in the total number of aircraft we have.

Senator WICKER. Okay. Well, Mr. Chairman, it may be that our staff will want to get together with these gentlemen and understand this issue further.

Let me ask you this, General Barclay. Was the Apache conceived as a scout helicopter?

General BARCLAY. Sir, the Apache was designed as an attack-reconnaissance. That's why they're in the ARBs, attack reconnaissance battalions. But its main purpose is as a heavy attack aircraft. I will tell you that when we did the analysis of alternatives back when I was the commanding general at Fort Rucker, trying to develop the next armed reconnaissance helicopter, we looked at five different variant model types to meet the requirement. The Apache came out number one in meeting the capabilities and requirements that we wanted, but it was the most expensive. That's when we went to make some tradeoffs to go to a lesser model.

So as we now restructure because we cannot afford the total fleet we have in the Army, much like we can't afford our total manpower structure, we started looking back, and so with this downsizing and coming down from an 810-Apache—originally the acquisition objective was 810 Apaches. We're bringing that down to 690.

So again, it's the combination of all these different things we're doing that allows us to afford this and, yes, provide us the capability that is greater than what we would have.

Senator WICKER. Mr. Chairman, I'll take another round. I'll yield to you for a few moments.

Senator BLUMENTHAL. Thank you.

I want to shift gears from aircraft to ground vehicles if I may. Can you explain—and you make reference to it, General Campbell, in your testimony the slowed production of the Abrams tanks and Bradley Fighting Vehicles. I think you in your testimony, you talk about slowed production deliveries of the Abrams Vehicle to distribute workload and prevent workforce furloughs. A little bit later you talk about developing a second source supplier for—your term—"financially fragile suppliers" for Abrams and Bradley vehicles.

Could you elaborate a little bit on that point? Is the slowed production the cause or the effect of the financial fragility of those suppliers? And what is the thinking behind the slowed production.

General CAMPBELL. And I'll defer to Michael at the end, as he's really tied into that. But I think it's a combination of both. So as the budget comes down we've got to look at where we can make adjustments. But also, we've been able to reset a lot of our Abrams. Over the last several years, the average shelf life of an Abrams is

only four to five years now, based on where we've been at. So that's very, very good.

With the help of Congress, we will slow down, but we'll also bridge a gap that was going to be out there. We've depended upon FMS and some other things to help keep the line open, to make sure that we have the—we continue to work the workers. As you know, it's a very select group of engineers and workers that work on this particular vehicle. So there was a gap out there in the 2016 time range, and with some additional moneys that Congress has provided we'll be able to bridge that gap for about 12 months.

But it is a combination of the budget plus we feel pretty good about the number of tanks and the quality of tanks that we have now. We just don't need as much. So we're working ECP's, or engineering change proposals, that takes the ones we have and continues to make them better with some upgrades.

I'll let Michael add to that.

General WILLIAMSON. Sir, I'd just like to add that, I'm not going to characterize it as much as a slowdown as I am a smoothing. The challenge for the industrial base is the peaks and valleys, where there is not enough workload to keep the skilled labor, the design engineers, the integrating engineers, all gainfully employed and to distribute the cost of the facility, the machinery, all of those things.

So what's really important in sustaining the industrial base is to have that workload smoothed out. So we've done some things, as the Vice indicated. I look at it on three prongs: one, so there's the investment we're doing in continuing the remaining build of Abrams; there's the ECP work that we're doing on things like Bradleys, as an example; there's also the FMS cases, so there's a large one that we are working with the Saudis that will allow us to smooth that load and make sure that we don't have production breaks where we lose that talent and skilled labor.

But then there's another piece that talks to the efficiencies associated with these facilities. It's both on the organic and it's also on the industrial base. So the critical aspect of this is to make sure that there is a sufficient workload to keep folks employed and to bring in the right amount of talent and keep it sustained over time.

So what we've done, as was indicated, is make sure that we have the workload to support that across all of ours. It's not, sir, just on vehicles, but we have to do the same thing on things like ammunition. We need to make sure that we steady-state that.

Senator BLUMENTHAL. Let me ask you, what was the thinking behind the cancellation of the Ground Combat Vehicle?

General CAMPBELL. Sir, there's still a requirement for an infantry fighting vehicle. As I talked about in the opening statement, we can't afford one right now, bottom line.

Senator BLUMENTHAL. Will the technologies be used that were developed?

General CAMPBELL. Sir, absolutely. We will continue to learn. We'll continue to take and spiral out technologies from what we've already had going. And then probably, we believe probably in the 2019, 2020 timeframe we'll see another infantry fighting vehicle requirement come up there. The requirement's there. We've just got to get the budget back up, and it's going to take us a few years to be able to do that.

Senator BLUMENTHAL. So it was really a cost issue more than anything?

General CAMPBELL. Absolutely.

Senator BLUMENTHAL. Let me talk a little bit—we've talked a little bit about the Reserve and National Guard. But in terms of going from the concept of a strategic Reserve to an operational Reserve component—and I recognize that over the last decade our Reserve components have played an increasingly active role and there's been increasing reliance on them—will the sacrifices in the modernization program for our Reserves be different from Active-Duty Forces in terms of equipment, training, and so forth, given that we are increasingly reliant on them?

General CAMPBELL. Let me start it and I'll turn to Jim or Mike to add to it.

Sir, you're absolutely right, and I've served in combat both in Iraq and Afghanistan with our National Guard and our U.S. Army Reserve and our Active component, and they've all performed very well. We have moved from pre-September 11 from a strategic reserve to an operational reserve. The Chief has testified over and over that we want to continue with an operational reserve.

But that means you have to be in balance. So if we keep the same end strength and we don't drop the Guard, we keep the same force structure and we don't drop the Guard, then where do you take that out of? It comes out of readiness. If they don't have readiness and they have all the end strength and force structure, you are a strategic reserve.

So you have to reduce that a little bit, and we believe that balance—we'll continue to work that, and we can remain—our National Guard will remain an operational Reserve. But they have to come down a little bit in end strength, a little bit in force structure, and keep the readiness up there.

On equipping, our National Guard is equipped better than they ever have been. The percentage of their equipment that continues to—from 2001 to now, and Jim may have the exact numbers—is pretty phenomenal. But where our challenge will be to continue to maintain that in the environment we live in today. But I think all of our National Guard would tell you that the equipment they have, based on help from Congress and our priority has been to make sure we provide them that.

Our reliance on our Reserve component's going to be greater in the future. So we're moving from about a 51 Guard and U.S. Army Reserve, 49 percent active, to about a 54 percent of the total force to about 46 with the active. So there's no doubt that our reliance on our National Guard and our U.S. Army Reserve is going to be more in the future. The key is to make sure we have the right balance, and that's what the Chief and the Secretary are working very hard.

General BARCLAY. Sir, the Vice is absolutely correct. Over the last 10 years, not only has the Guard, but all three components, our equipment on hand levels have risen somewhere between about the 14 percent all the way up to 17 percent, and the modernization levels for all three components have been raised. For example, right now the modernization level for the Active component is 91

percent. The Army Guard is at 86 percent and the U.S. Army Reserve is 76 percent.

To give you a touchpoint for that, the Reserve was sitting at about 54 percent going into this war. So everyone has made tremendous gains, not only in the modernization, but also the equipment on hand. For example, the equipment on hand now to meet, to get to that 100 percent, the Active component is at 95, the Guard is at 91, and the Reserve is at 87 percent.

That's one of the critical parts of, as we move forward in shaping our Army and balancing the manning and the readiness and the modernization, is we're going to improve all three components as we draw down on the modernization side. For example, the aviation restructure initiative, the critical part of that is removing some of those older platforms. For example, the National Guard, as we move forward with this, we will take all the A model Black Hawks out and they will move into Lima models and Mike models. So again, that's part of our plan as we're getting smaller, is to ensure we keep the most modern aircraft across all three components.

Senator BLUMENTHAL. Thank you.

Senator WICKER, if you have other questions.

Senator WICKER. I do. And we're going to be submitting a number of follow-up questions for the record.

I'm really very impressed with this panel, Mr. Chairman, and I want to work with them to get the best result. But if I could, I want to pivot to General Williamson. You just got back from Afghanistan, is that correct?

General WILLIAMSON. That's correct, sir.

Senator WICKER. Where were you and how long were you there?

General WILLIAMSON. I was in Kabul, sir. I was there for almost 8 months.

Senator WICKER. Did you spend your time principally in Kabul?

General WILLIAMSON. Sir, I went across the region, but most of my time was invested with resources, with the coalition. So I spent most of my time in Kabul working for General Dunford.

Senator WICKER. Well, this is a hearing on modernization, but, Mr. Chairman, if I might just draw on the experience that Lieutenant General Williamson brings back from Afghanistan. There's a debate in this town about what our presence looks like after the end of this year. Let's say the United States leaves a force of around 10,000 troops in Afghanistan. If that is in fact the decision of the Commander in Chief, how many total ISAF forces will remain? Can you answer that?

General WILLIAMSON. Sir, I can't really talk to that. I'm not trying to avoid an answer. If you'd just bear with me for a second.

Senator WICKER. I'll sure bear with you.

General WILLIAMSON. My role there was in making sure that the resources were available for us to support not only the coalition fight, but helping to build the Afghan police and the Afghan military. The only thing I would offer to you is that I can't specifically talk to the size of the force that should remain, but I could offer to you, though, that as I spent my time there and what I know is that we made a significant investment. I think you saw reflected in the last couple of days that there is a tremendous amount of payoff when you look at just any metric like the election.

So when you look at the reduced amount of violence, when you look at the performance of the security force, all of those things happened because of the investment we made. My concern—and this is personal, sir—my concern would be to walk away and not leave enough structure to make sure that that's sustained over time.

Senator WICKER. Well, that is precisely my concern, sir. The only difference is I haven't served there in the military and you have recently. But I think you and I both see it from the same standpoint. We went into Afghanistan after the terrorist attacks of September 11, and I would remind my fellow citizens and my colleagues, we went in virtually unanimously. As I recall, there was one dissenting vote in the House of Representatives, where I served. To my recollection, it was unanimous over in this body.

There seems to be a feeling out there among the American people that somewhere along the line we made a tragic mistake and that this somehow has become a disaster. And I honestly, General Williamson, don't feel that way. I think we have an opportunity to turn this into a defeat if we make that decision collectively as a body politic.

But as you've stated, we've made a great deal of sacrifice and investment, the taxpayers have, the all-volunteer troops that have been over there. And it seems, based on the election, based on the loya jirga being a representative cross-section of all the tribes and ethnic groups, speaking virtually unanimously that they would like for us to continue as a partner and make sure this place is stable, that it just seems to me that we have an opportunity to leave this place stable, a place that will not be a haven for terrorists, and to walk away with some degree of success.

Can you tell us, this calendar year—you perhaps don't know precisely, but how many casualties have we had in the recent past in Afghanistan?

General WILLIAMSON. Sir, I can't speak to that precisely, but what I can tell you is that our casualty count has gone down substantially. In fact—

Senator WICKER. American casualties?

General WILLIAMSON. American casualties. But I would like to broaden that to talk about the coalition and the Afghans. Again, because of the training, because of the support that we've provided, because of the investment that we've made, the Afghans are able to provide even more defense, even more security. Even though their casualties are still there, I would tell you that those numbers are substantially down from when I arrived in the middle of last year, the early part of last year.

So I can't talk specific numbers, but I do know that those numbers have gone down.

Senator WICKER. Down substantially, even for the Afghans?

General WILLIAMSON. I believe so, Senator.

Senator WICKER. And you've been involved in training the police. How are we doing there?

General WILLIAMSON. Sir, my involvement in training the police is really facilitating the trainers, those types of things. So again, I can't talk to the actual training aspect. But on the effects side, there is obviously much more security. Again, I would tell you that

the metric that I go by today is the security that was seen during the elections and leading up to the elections.

Senator WICKER. How are we doing in training the Afghan military?

General WILLIAMSON. Sir, I think my answer would be the same. During the time that I was there, what I had the opportunity to see was the Army planning and executing more of their missions, and that increased over time and during independent operations, with limited support from the coalition. So I would offer that I think you're seeing the effect of the training and the investment that's been made.

Senator WICKER. Well, thank you. I appreciate the fact that you're not here speaking for the Department of the Army in that respect. You're here to talk about modernization and you're certainly not an official of the State Department. So I appreciate you letting me go a little farther afield than the subject matter of this hearing.

Mr. Chairman, thank you for letting me depart a bit from our mission today. But I do believe that the testimony of this distinguished American who just got back is something that we should pay attention to. Thank you, sir.

Senator BLUMENTHAL. Thank you very much, Senator Wicker.

I think we're near the close of our hearing today, but I do have additional questions that we will submit for the record.

I just wanted to clarify, General Campbell. You mentioned 22.5 percent of Americans based on physical and background and other requirements would be eligible and that's a reduction from, I think you said—

General CAMPBELL. It was about 33 percent a couple years ago, sir. That 22.5, it's an approximate that I've seen as we've discussed it in personnel channels. So around 3 out of 10 Americans in the 17 to 24 age group could join and now it's less than 3, it's about 2.2. But again, sir, that's a combination of probably criminal records, it's a combination of obesity, it's a combination of physical issues, it's education, on and on.

That same percentage all the Services are going after, all the universities are going after, all the businesses are going after. So that population continues to come down.

The good thing is, I think, is that your Army continues to bring in the best and brightest. We have not had the issues on recruiting. I think across all of our components here in the last several years we've been able to provide for them, provide them training, provide them the resources, with Congress' help. So that's good.

But it's going to get tougher as we move forward and the fiscal environment we live in is going to make that tougher. Just a simple story. Two or three years ago what we would provide in incentives or special pays was much, much greater than we do now. So we've had to take down that to be able to provide in other areas.

Senator BLUMENTHAL. If I were to follow up on those numbers to get the exact years and maybe some more precision, what would the best way of doing it be? Should we do it through you, your office?

General CAMPBELL. Yes, sir, absolutely. I just saw a brief through our G-1 folks that showed pretty much where the percent-

age is, but also, even more important, I think, looks out the next 5 to 10 years on how that's going to continue to go down, and then what can we do to help out the American population to provide education, whether it's junior ROTC, whether it's—your Army provides more money to education than any other organization in the world, through ROTC scholarships, through junior ROTC in the high schools, to provide young men and women opportunities to become better citizens, to help them maybe add to their potential to serve in any of our services.

Sir, we'll obviously get that information to you.

Senator BLUMENTHAL. Thank you.

I might just second the general point that you're making, which is our military services are probably the most impactful or one of the most impactful forces in shaping our civilian society well beyond the readiness of defense and other service that you provide.

I might just say, one of the most gratifying and exciting parts of my job is to participate in nominating young men and women for our Service Academies. That's only a very, very small slice of the recruiting that's done by our military, but I can just say that they are extraordinary young men and women, and I hope that they will continue to be interested, that our young men and women of talent and dedication will continue to have that sense of motivation, following the example that you three and others who serve with you have provided to them through your leadership by example.

I might just close by saying, I know that in your testimony, General Campbell, you made reference to the need—and I'm quoting here—of "pursuing enhanced weapons effects, next generation optics, night vision devices, advanced body armor, individual protection equipment." When I first came to this committee and one of my own sons was deployed, I learned personally about some of the deficiencies in body armor at the time, and Deputy Secretary Ashton Carter worked with me in seeking to expedite that kind of equipment for our military serving in Afghanistan.

I know that the three of you—and I'm so glad that you made reference to this aspect of it—see the job of equipping and supporting our military through the eyes of the soldier who is out there doing the job of combat, as you three have done in your careers. I just want to emphasize that, as much as we talk about all this sophisticated hardware and the helicopters and the new technology that is developing, our greatest asset, as you said at the outset, is our men and women in uniform, and anything we can do to provide them with those basic kinds of equipment I think I'm certainly committed to doing, and I know my colleagues, I believe my colleagues share that view as well.

So on that note, let me thank you for being here today, each of you, and thank you for your very valuable contribution to our consideration. Thanks so much.

The record here will remain open until 5 p.m. on Friday, April 11, for any additional questions that Senators may wish to submit, and we will hope for responses to our written questions as soon as you're able to do so. Thank you very much. The hearing is adjourned.

[Whereupon, at 10:51 a.m., the subcommittee adjourned.]