

**HEARING TO MARK UP THE READINESS AND
MANAGEMENT SUPPORT PROGRAMS CON-
TAINED IN THE NATIONAL DEFENSE AU-
THORIZATION ACT FOR FISCAL YEAR 2014**

TUESDAY, JUNE 11, 2013

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

The subcommittee met, pursuant to notice, at 11:08 a.m. in room SD-G50, Dirksen Senate Office Building, Senator Jeanne Shaheen (chairman of the subcommittee) presiding.

Committee members present: Senators Shaheen, Manchin, Donnelly, Hirono, Kaine, Ayotte, Chambliss, and Fischer.

Committee staff members present: Travis E. Smith, chief clerk; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Joseph M. Bryan, professional staff member; Gerald J. Leeling, General Counsel; Jason W. Maroney, Counsel; Michael J. Noblet, professional staff member; John H. Quirk V, professional staff member; and Russell L. Shaffer, counsel.

Minority staff members present: William S. Castle, minority general counsel; Ambrose R. Hock, professional staff member; Anthony J. Lazarski, professional staff member; and Lucian L. Niemeyer, professional staff member.

Staff assistant present: Daniel J. Harder.

Committee members' assistants present: Mara Boggs and David LaPorte, assistants to Senator Manchin; Patrick Day and Chad Kreikemeier, assistants to Senator Shaheen; Marta McLellan Ross, assistant to Senator Donnelly; Nick Ikeda, assistant to Senator Hirono; Karen Courington and Mary Naylor, assistants to Senator Kaine; Todd Harmer, assistant to Senator Chambliss; Robert Foster, assistant to Senator Wicker; Brad Bowman, assistant to Senator Ayotte; Peter Schirtzinger, assistant to Senator Fischer; and Peter Blair, assistant to Senator Lee.

**OPENING STATEMENT OF SENATOR JEANNE SHAHEEN,
CHAIRMAN**

Senator SHAHEEN. Good morning. The Readiness and Management Support Subcommittee will come to order.

As I am sure you all know, since you are here, the subcommittee is going to be held in open session for the third straight year. This

tradition of transparency is the direct result of our previous chair, Senator McCaskill's efforts, and previous ranking member Senator Ayotte's efforts. And I am very pleased to continue holding this markup in open session.

I believe it is possible for us to discuss our business without any disclosure of classified information. But if there is something that someone wishes to offer that raises an issue of a classified nature, I would ask that you defer that until we get in our full committee session.

I also want to note that, while this subcommittee meeting is in open session, the entire contents of the markup book are subject to amendment throughout its consideration by the Armed Services Committee. And it is, therefore, embargoed until passage by the full committee and reported to the Senate. So that should serve as a reminder for all of us.

Historically, the subcommittee has used the chairman's mark, which is the package of legislative provisions and report language that the two staffs have worked on together and that have been reviewed and approved, as the markup vehicle. The chairman's mark has been fully briefed and made available to the staff of all of the committee's members. And without objection, we will use the chairman's mark as the markup vehicle, subject to amendment. [No response.]

Hearing no objection, I would like to begin by acknowledging what a pleasure it is to work with my colleague from New Hampshire, Senator Ayotte. We do get a chance to see each other outside of this committee, so it is nice to do this official work together.

We continue to work, as this committee does, and as the subcommittee does, in a time-honored bipartisan fashion. And I really appreciate our ability to come to agreement on the issues before the subcommittee.

In preparing for the markup, Senator Levin has asked that we consider certain guidelines in evaluating and making recommendations for programs or activities to the fiscal year 2014 budget process. And the markup package follows that guidance.

The Readiness Subcommittee continues to face significant challenges in light of sequestration cuts enacted by the Budget Control Act of 2011. As we discussed in our April hearing with Vice Chiefs of Staff, the services continue to face substantial challenges in their ability to execute training, perform maintenance, and sustain readiness.

Secretary Hagel has told our full committee in testimony that sequestration requires "dramatic reductions in core military capabilities," and that is a direct quote. And General Dempsey echoed those concerns when he shared with us that sequestration severely limits our ability to implement our defense strategy.

While our mark today applies to fiscal year 2014, I think it is worth reiterating precisely how sequestration has hamstrung the Department of Defense in fiscal year 2013.

The Army has curtailed training for 80 percent of ground forces, canceled six maneuver combat training exercises, and canceled the majority of its depot maintenance.

The Navy has deferred depot maintenance on 84 aircraft and 184 engines, and, by the end of the fiscal year, expects nearly two-

thirds of its ships and aircraft will be less than fully mission-capable and not certified for major combat operations. That number was fully two-thirds.

The Air Force has stood down one-third of their fighter and bomber force, putting pilots at risk for being able to meet emergent requirements and lose required certifications that can take over a year to recover.

And last, the Marine Corps will defer maintenance on 44 aircraft, and anticipates that, a year from now, only half of F-18 squadron aircraft will be operational.

As we have learned from the department, if left unaddressed, sequestration will end up costing us substantially more in the long run, not only from a financial perspective, but with respect to our core military capabilities. While this subcommittee cannot fix sequestration today in this readiness mark, we are making what I believe is a concerted effort to mitigate some of these readiness impacts to the department.

As a result of our bipartisan search for efficiencies, we are recommending more than \$1.3 billion in military construction project reductions, and we have identified over \$400 million in excess operation and maintenance funding.

We have taken a \$1.7 billion and put it back into critical readiness accounts for all services in an attempt to restore flying hours, steaming days, unit training, and essential depot maintenance in our hangars and shipyards.

Given the available resources in the President's budget request, I believe we are providing a positive result to our men and women in uniform with targeted additional readiness funding while balancing our responsibility to the taxpayer.

I would also note that the subcommittee's mark would not authorize another base realignment and closure, or BRAC, round at this time. I continue to believe, like many others, that we cannot afford the upfront costs required to implement another BRAC, especially given the dramatically increased costs to implement BRAC 2005, and a continuing lack of specificity from the department on how such cost growth would be avoided in time.

We have also included a provision that reacts to the committee's report released in April that dealt with host nation contributions in support of U.S. military presence overseas. This provision is designed to prevent wasteful and unnecessary spending on overseas military construction projects funded using in-kind payments from host nation governments by requiring that such projects be specifically authorized by Congress.

We have a responsibility to ensure that all military construction projects overseas, regardless of whether they are paid for with U.S. or foreign funds, are consistent with the priority needs of our forces.

The Readiness Subcommittee mark also includes a number of contracting and acquisition provisions that should improve the oversight and management of the Department of Defense. We are creating an undersecretary of defense for management and designating that new position as the deputy chief managing officer and chief information officer of the department.

We have also expanded last year's Section 841 contracting with the enemy to all combatant commands.

And I just want to recognize my ranking member, Senator Ayotte, for all the work that she and her staff have done on this section of the mark.

In addition, the mark contains a provision that would direct the Department of Defense to reduce the separate development and fielding of service-specific combat and camouflage utility uniforms in order to adopt and field the same combat uniform for all branches.

We have also provided additional funding for the Department of Defense Inspector General. We believe that this increase is necessary to preserve the IG's ability to help identify waste, fraud, and abuse in DOD programs, especially in the area of procurement. The DOD IG gives the taxpayer a return on investment of nearly \$11 for every \$1 appropriated.

And finally, I am pleased to say that the mark fully funds the President's request for environmental programs.

I believe this subcommittee mark is a productive and successful one that will strengthen our Nation's Armed Forces by providing the required level of support, and I look forward to debate on the many issues it raises.

Now I am going to turn to my colleague, Senator Ayotte, for any opening statement she may have.

STATEMENT OF SENATOR KELLY AYOTTE

Senator AYOTTE. I want to thank the chairman for the honor of working with you on this important mark, and this committee, the fact that this is an open, transparent subcommittee hearing I think is very, very important. I was pleased to work with Senator McCaskill when she chaired the committee on it.

And thank you for continuing the legacy of openness and transparency. I think that is very important.

And I think that this is really, with Senator Shaheen and I at the chair and ranking member position here, this is the "live free or die" Readiness and Management Support Subcommittee. We appreciate it, with the Granite Staters. But it really is an honor to be able to work with Senator Shaheen on important issues for our military and on behalf of the State of New Hampshire.

Our Nation confronts unprecedented challenges abroad, and certainly a difficult fiscal situation at home. And we must ensure our men and women in uniform have the resources that they need to protect themselves and our country. And despite the serious challenges that sequestration presents, which the chairman outlined in very good detail, to our Nation's military readiness, I believe we have crafted a good piece of bipartisan mark for this committee that prioritizes the critical readiness needs of the department, our servicemembers, and their families.

Madam Chairman, I am very proud of what we have been able to accomplish together. This mark addresses the reset of our combat units, the health of our war Reserves, the quality of our readiness reports, and the identification of making sure that we do not have a hollow force.

As the chair had outlined in her opening statement, we have identified \$1.7 billion in savings from the President's budget that we have applied directly to training and equipment and repair accounts that will allow the services to mitigate some of the damage to our readiness caused by sequestration. And I fully support that reallocation of the funding within this mark.

Our mark authorizes numerous military construction projects, including an important military construction project at the Portsmouth Naval Shipyard, the P-266 consolidation of structural workshops. This new facility will save time and money, and allow the skilled workers at Portsmouth to continue to provide the highest quality of maintenance that is so critical to the readiness of our attack submarine fleet.

And I strongly encourage the Navy to keep those projects moving forward, because we are able to save money through the projects we are doing in consolidation of workforce, and also work done to save energy savings, as the chair outlined in her statement.

I am also pleased that the mark does not authorize another round of base realignment and closures, BRAC. I join the chairman in opposing the department's request for the authorization to conduct a round of base closures and realignments in 2015. Again, now is not the time to spend billions of dollars on another BRAC round when the last BRAC round in 2005 cost \$13 billion more than estimated. And to put that in perspective, that is three fewer nuclear submarines or seven fewer destroyers for our undersized Navy fleet.

I am also very proud that the Readiness Subcommittee mark includes key components of legislation that I introduced earlier this year with Senator Blumenthal, entitled, "Never Contract with the Enemy."

In prior defense authorization in 2012, we passed "No Contracting with the Enemy" that allowed acquisition officials in Central Command the ability to more expeditiously sever ties with contractors who funnel taxpayer resources to those who oppose the United States. And I am happy to report that just from the original legislation that was passed, we have been able to save \$31 million to make sure that that money does not go in the wrong hands.

But more needs to be done. After having visited Afghanistan in January, having heard from the generals on the ground that this is an important tool, Senator Blumenthal and I realized that we needed to expand the authority of "No Contracting with the Enemy," and that is why we introduced the legislation that will extend the critical authorities to deny contracts to those who are collaborating with our enemies to all combatant commanders, not just CENTCOM. And when we discover that our money is ending up in the wrong hands, DOD officials must have the authority to cut it off as soon as possible.

Madam Chair, in addition to what we have accomplished in this committee, certainly our collaboration is helpful outside of this subcommittee, and you and I have been working together with members of the committee to ensure that the Navy can build a second Virginia class submarine in fiscal year 2014, and I am very glad that the Seapower Subcommittee will take up that issue.

It was also a pleasure to advocate alongside you for the Pease Air National Guard Base and the 157th Air Refueling Wing, which was recently selected as the first Air National Guard base to receive the new KC-46A tanker. And I want to thank you for everything that you have done on that.

I am also thankful that the vast majority—unfortunately, sadly not all—of the workers at our public shipyards have not been subject to furlough, because we all understand that that would have been a pennywise, pound- foolish decision for the money that we would have lost by furloughing those key workers who are maintaining our submarine fleet.

Finally, I want to say that despite the many accomplishments in this mark, I too also remain seriously concerned about the impact that sequestration will have on our military readiness moving forward. I was someone who voted against the Budget Control Act of 2011, but I firmly believe that if we continue on the path that we were on with sequestration, while friends and potential enemies are watching, that we will deteriorate the readiness of the greatest military force on Earth. And this is something that needs to be addressed on a bipartisan basis.

So I will continue to want to work across the aisle, as I have for the last year and a half. And I stand ready to work with members of both parties to identify alternative spending reductions and ways to end defense sequestration once and for all, because I know, as we sit in this subcommittee today, the chair and I have worked together, along with other members of the committee, to do our best to allocate the resources we have to make sure that we can maintain the best force in the world. However, if this continues, and we are here again next year, it will become more challenging to be able to do that.

And so I appreciate what the chair said about the impact of sequestration, and I fully agree with her on that in the long term for the readiness of our military.

Finally, I really would very much like to thank the members of our committee, the staff who have worked very hard on this. Certainly, I would very much like to thank your staff, Madam Chair, Jay Maroney, Gary Leeling, Chad Kreikemeier, Patrick Day; and on our staff, Lucian Niemeyer and Brad Bowman. Thank you all for your hard work. We could not do this without your help. Thank you.

[The prepared statement of Senator Ayotte follows:]

[COMMITTEE INSERT]

Senator SHAHEEN. Thank you very much, Senator Ayotte.

It has been the practice of the Senate Armed Services Committee that any amendment to add funding should be accompanied by an offset, so I assume that any Senator who proposes an amendment this morning that would increase spending plans to also identify an offset to pay for it.

Now, at this time, I would like to offer the package of cleared amendments, the manager's package, which I think everyone has agreed to. Everybody should have this list at your seat, but let me just read quickly.

They include Chambliss No. 39, As Modified; Donnelly-Graham No. 83; Donnelly No. 82; Manchin No. 24; Manchin No. 28; Ayotte

No. 81; Hirono No. 89; Manchin No. 25, As Modified; Hagan No. 45, As Modified; Manchin No. 30, As Modified; Hirono No. 88, As Modified; Chambliss No. 73, As Modified; Wicker No. 133, As Modified; Ayotte No. 98, As Modified; and Inhofe No. 147, As Modified.

Senator MANCHIN. I move that the amendments be accepted as having been read.

Senator SHAHEEN. Thank you.

Senator AYOTTE. Second.

Senator SHAHEEN. Any discussion? [No response.]

Hearing none, all in favor, say aye. [A chorus of ayes.]

Opposed? [No response.]

The amendments are accepted.

Now, is there any discussion on any other proposed amendments?

Senator Manchin?

Senator MANCHIN. For the purpose of a statement?

Senator SHAHEEN. A statement would be fine.

Senator MANCHIN. I want to thank Madam Chairman, and also thank Ranking Member Ayotte, for a thorough subcommittee mark of the defense bill.

This subcommittee is so very important. To keep the best military in the world, we have to spend smartly, as we all know, and make every dollar count.

And I would also like to thank all the personnel and the committee staff on both sides of the aisle for all the hard work that they have done that has gone into this markup.

Madam Chairman, I deeply appreciate your review of my five amendments before this subcommittee, and thank you and Senator Ayotte for accepting four of my provisions.

The first deals with the Pentagon's inability to pass an audit and calls attention to the serious nature of the accounting and oversight deficiencies.

I have also introduced a sequester inflexibility amendment that requires the Defense Department to detail the impacts to national security, if the military is not given flexibility and must make across-the-board cuts.

Another proposal urges the Defense Department to pursue the weapon system to eliminate redundant and wasteful systems.

Am I fourth would require the Defense Department Inspector General to be more accountable for the contractors used in Afghanistan.

My last amendment addresses the issue of inflated contractor salaries at a time when our Nation is facing such dire fiscal crisis. And that amendment brings contractor salaries in line with reasonable limits established by the Office of Management and Budget. If we do nothing this year, contractors can be paid as much as \$950,000 a year in taxpayer money, and that is up from \$763,000 this past year, which is absurd.

So I understand that many of my colleagues would like to talk about that issue, so I will bring it up in the full committee.

And again, I want to thank you and Senator Ayotte for doing an outstanding job.

Senator SHAHEEN. Thank you very much, Senator Manchin.

Senator Donnelly?

Senator DONNELLY. For purposes of a statement, I want to thank Chairwoman Shaheen, Ranking Member Ayotte, members of the subcommittee, and the staff, for their thoughtful and bipartisan approach to developing this mark.

The most critical component of our military is the well-being of our servicemembers, and they have sustained a number of readiness challenges as we have dealt with the effects of sequestration.

Our committee mark takes a number of important steps to redress these problems, and today I would like to take the opportunity to speak on three amendments that I have introduced to support service men and women.

My first amendment, while jurisdictionally a personnel matter, addresses a critical challenge to readiness: the mental health of our servicemembers. I am pleased that Senators Blumenthal and Wicker join me on this amendment on military suicide prevention, which would require a DOD assessment of new tools that could be implemented to better screen servicemembers for mental health needs and suicidal risk factors.

My goal is to identify servicemembers who are struggling with mental health issues and get them the help they need before they resort to taking their own life. I have introduced legislation to implement a pilot program to integrate annual mental health assessments into a servicemember's PHA, and to solicit the input of a first-line supervisor while protecting servicemembers' privacy. The design of this pilot program would benefit from further evaluation from military health care professionals, and the report required by my amendment directs that evaluation to be completed for consideration in next year's NDAA.

I thank Senators Blumenthal and Wicker for their work on and support of this bipartisan amendment.

My second amendment, introduced with Senator Graham, addresses the appropriate levels of the MRE war reserve, and I thank this subcommittee for approving it. Congress has monitored the MRE war reserve closely since 2003, when our military experienced ration shortages during Operation Enduring Freedom and Operation Iraqi Freedom. At that time, the committee worked to increase the Reserve from 3.4 million cases to 6 million cases.

As we draw down from more than a decade of war, some projections have indicated that the Defense Logistics Agency, DLA, will now recommend reducing the Reserve by 25 percent. My amendment directs DLA to develop a comprehensive strategic plan that ensures an adequate MRE inventory, the appropriate levels of MRE war Reserves, and provides for surge capability to support unforeseen contingencies.

And finally, I introduced an amendment that addresses the use of burn pits in Afghanistan, and I thank you again for approving that.

The committee has rightfully requested a report on the potential health effects on personnel in the vicinity of burn pits. To further improve upon waste disposal on base, several companies are working to develop technology that disposes of trash in forward-operating bases in a safe manner while also supplying energy to the base. This amendment required that the report requested by the committee also included an assessment of incinerator technologies

that are available to the Department of Defense for use in Afghanistan, including any such incinerator technologies that could also contribute to energy production and any other waste-to-energy strategies.

We will protect the health of our warfighters while, if possible, producing much needed energy for base operations and reducing reliance on fuel transports in a forward- operating environment.

Madam Chairwoman, Ranking Member, thank you again for the opportunity to speak, and I look forward to the markup.

Thank you.

Senator SHAHEEN. Senator Donnelly, my understanding is that only the second two amendments that you mentioned there are included in the manager's package.

Senator DONNELLY. That is correct.

Senator SHAHEEN. Are you planning to offer the first amendment at the full committee? Or were you planning to offer that—

Senator DONNELLY. That will be at the Personnel committee.

Senator SHAHEEN. Okay, thank you.

Senator DONNELLY. Personnel Subcommittee.

Senator SHAHEEN. Any further statements or amendments?

Senator HIRONO?

Senator HIRONO. I would like to add my thanks for the work that the two of you did, and clearly a very strong bipartisan effort to produce this mark. And as reflected in the amendments that were accepted in your mark, again, very strong bipartisan consideration. Thank you very much for accepting a couple of my amendments.

And I note that, as all of us have talked with our military leaders on the impact of sequestration on readiness, we are well aware, and I thank you for identifying \$1.7 billion in savings that can go toward the readiness side of our military expenditures.

So just, as we say in Hawaii, big mahalo to both of you and to our staff.

Senator SHAHEEN. I like that.

Senator HIRONO. Thank you.

Senator SHAHEEN. Any further statements, comments, amendments to be offered? [No response.]

Hearing none, then, without objection, the recommendations of the subcommittee will be reported to the full committee, and the staff will be authorized to draft the bill and report language implementing the agreements that we have reached today, and to make necessary technical and conforming changes.

Do we need to actually take a vote on anything else, given there were no objections? Okay, I did not hear any objections.

Let me just remind everybody again that although this has been an open markup, that the materials that everyone has received in your markup book are embargoed, and they should not be disclosed to the public, to the department, or to anybody else until they are released by the committee.

So again, Senator Ayotte, all the members of the subcommittee, I want to thank you and your staff for all of their hard work. And I want to add my thanks to all of the staff for the subcommittee and to my personal staff and Senator Ayotte's for the work that you have done, particularly thanks to Jay Maroney, and Mike

Noblet, John Quirk, Russ Shaffer; to Lucian Niemeyer, Bruce Hock, and Bill Castle on the Republican staff.

And you had somebody that I did not have on my list, so, hopefully, between us, we have gotten everyone.

Senator AYOTTE. We thank all of you, and we thank you personally from the bottom of our hearts.

How's that?

Senator SHAHEEN. Yes.

And also special thanks to my staff, Chad Kreikemeier and Patrick Day, and to Brad Bowmen on Senator Ayotte's staff. And to the Readiness and Management Support Subcommittee staff assistant, Dan Harder.

The markup is adjourned.

[Whereupon, at 11:34 a.m., the subcommittee adjourned.]