RECORD VERSION

STATEMENT BY

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BEFORE

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MILITARY SERVICES CHALLENGES MEETING READINESS, MODERNIZATION, AND MANNING UNDER CURRENT BUDGET LIMITS

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INTRODUCTION

Today, your Army is globally engaged around the world building partner capacity in Iraq to fight terrorism and we continue to train, advise, and assist the Afghan National Defense Security Forces. We are engaging our partners in Africa, and throughout North and South America and have committed about 100,000 Soldiers to sustain regional stability in the Asia-Pacific. In Europe, we are actively reassuring allies, with rotational and permanently stationed forces, in the face of emerging challenges and deterring Russian aggression. In short, the Army is protecting important national security objectives in every region of the world against five significant security challenges: Russia, China, Iran, North Korea, and counter-terrorism.

Predictable and consistent funding is absolutely essential for the Army to build and sustain current readiness and progress toward a more modern, capable future force. We simply cannot sustain readiness or build the Army our Nation needs in the future if we return to sequestration-level funding in FY18.

Although there are many challenges as I outline below, I want to be clear – the U.S. Army is America's combat force of decision and can rapidly deploy to destroy any enemy in the world today.

WHERE WE ARE

Readiness is the Army's number one priority. Readiness determines our ability to fight and win in ground combat. It is the capability of our forces, as part of the Joint Force, to conduct the full range of military operations to defeat any enemy. Units that are properly manned, trained, equipped, and led are the means by which the Army generates the skillful application of land power with speed and violence of action in order to terminate the conflict on terms favorable to the United States.

While the Army is reducing end-strength, we made a deliberate decision to prioritize readiness, reduce infrastructure maintenance, and decrease funding for modernization. These choices devote resources to today's fight, but decrease

investments for future modernization and infrastructure readiness, and emergent demands.

GLOBAL DEMAND AND MANNING

The Army comprises 33% of the DoD force structure and sources 52% of DoD's Combatant Command base demand for forces and 69% of emergent demand for forces. While the demand for Army units has been and is expected to remain high, we are reducing military end-strength in all three of our components; Regular Army, Army National Guard, and the Army Reserve.

TRAINING

In the last year, the Army has made significant progress in our core warfighting skills across multiple types of units, but we have much work to do to achieve full spectrum readiness in decisive action operations.

To build sufficient operational and strategic depth, the Army will prepare our formations for the entire range of military operations. All Army training will include elements of the Army Reserve, National Guard, and the Regular Army. Additionally, all units will require multiple iterations of individual and unit home-station ranges, challenging gunnery training, and realistic Combat Training Center rotations.

Our challenge is to balance the requirements of remaining regionally engaged while simultaneously preparing to meet the demands of a globally responsive contingency force. About a third of our Regular Army Brigade Combat Teams are currently ready for high-end combat against a nation state. We will fully fund Combat Training Center rotations and protect home station training to increase training frequency, rigor and readiness across the force. However, the impacts of reduced resourcing are being felt across the force and throughout Army units and installations world-wide. The increased training tempo required to train to high-end full spectrum tasks to meet warfighting standards must also be balanced against maintaining unit equipment to operational standards.

The last key factor for improving readiness is time. Our goal is to have Regular Army Brigade Combat Teams achieve 60-66 percent full spectrum readiness, and I estimate that it will take the Army approximately four years to achieve that assuming no significant increase in demand and no sequestration levels of funding.

EQUIPPING AND MODERNIZATION

Equipment readiness is a critical component of overall unit readiness. We have deliberately allocated resources to prioritize readiness of equipment for the current fight and we have deferred investments in modernization. Our strategy has been to incrementally improve on existing platforms and we are at risk to lag behind near-peer adversaries in critical capabilities over the mid-term.

Our short-term equipment modernization strategy will continue to focus on the five critical capability areas: Aviation, the Network, Integrated Air and Missile Defense, Combat Vehicles, and Emerging Threats. The Army will invest in programs with the highest operational return and build new systems only by exception. We will delay procurement of our next generation platforms and accept risk to force in the mid-term, but we are committed to preserve some funding for research and development.

LEADER DEVELOPMENT

Our Army thrives in complex and uncertain environments because our Soldiers, Non-Commissioned Officers, and Officers are well educated, trained and equipped to think, improvise, and adapt to ambiguous and rapidly changing conditions. Our strength is derived not from platforms or high-tech equipment, it comes from our people. We continue to recruit resilient, fit men and women of character and develop them into competent Soldiers. Training, educating and compensating our personnel helps to retain the best of the best, which requires appropriate and consistent funding as much as other readiness areas. This emphasis will not change now or in the future as we reduce our end-strength while retaining the best talent within our ranks.

INNOVATION

The Army will work with all stakeholders across the Department of Defense, other services, industry, research laboratories, and civilian innovators to develop new operating concepts and technologies. In particular, we are working with the Strategic Capabilities Office, Defense Advanced Research Projects Agency, and the Defense Innovation Unit Experimental on innovative technologies to improve our current and future capabilities. Our near-term innovation efforts are focused on developing technologies to protect mission critical systems from cyber-attacks and to sustain overmatch in the key areas of: mobility, lethality, mission command, and force protection with specific emphasis on: long-range precision fires, missile defense, directed energy weapons, ground vehicles, vertical lift, cyber, electronic warfare, networks, and active protection systems (ground and air).

ACQUISITION

Our acquisition process must be innovative, agile, and effective to maintain overmatch. Most recently, the Army announced the stand-up of the Army Rapid Capabilities Office to expedite the design, development, evaluation, procurement and fielding of critical combat materiel capabilities to deliver an operational effect within one to five years. The Army remains committed to ensuring that we make the right acquisition decisions and that we improve the acquisition process to maintain a technological advantage over adversaries and provide requisite capabilities to Soldiers.

<u>RISK</u>

The Army prioritizes today's readiness and accepts risk in modernization and infrastructure maintenance in the mid and long term.

We continue to implement efficiencies and find innovative ways to preserve funding for our highest priority – increasing readiness. Over the last few years, the Army has significantly reduced headquarters at two-star and above echelons, adopted energy and other efficiencies, and made significant business transformation improvements. Even with these cost saving initiatives, however, we have had to make hard funding choices such as deferring investments in housing modernization, training facilities, and power projection platforms. Our FY17 budget request represents the Army's lowest MILCON budget since 1998.

In the current global environment, the Army will continue to meet the demands of the fight against radical terrorism and the predictable demands of our geographic combatant commanders. Absent additional legislation, the sequestration caps set by the Budget Control Act of 2011 will return in FY18, forcing the Army to draw down endstrength even further, reduce funding for readiness, and increase the risk of sending under-trained and poorly equipped Soldiers into harm's way.

CONCLUSION

Sustaining the high levels of performance our Army has demonstrated since 1775 requires consistent, long term, balanced and predictable funding. Without it, the Army must fully fund current readiness, reduce funding future readiness in modernization and infrastructure maintenance, and continue programmed end-strength reductions.

The U.S. Army has made difficult choices to sustain current readiness for today and to be prepared for tomorrow. We request the support of Congress to predictably fund the Army at balanced and sufficient levels to meet current demands and to build a more capable, modern, ready force for future contingencies.