

**DEPARTMENT OF DEFENSE AUTHORIZATION  
OF APPROPRIATIONS FOR FISCAL YEAR  
2014 AND THE FUTURE YEARS DEFENSE  
PROGRAM**

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**TUESDAY, APRIL 23, 2013**

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

**DEPARTMENT OF THE ARMY**

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

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

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

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

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

Staff assistant present: John L. Principato.

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

**OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN**

Chairman LEVIN. Good morning, everybody. The committee meets today, and we welcome Secretary of the Army, John McHugh, and Chief of Staff of the Army, General Ray Odierno, to our hearing on the Army's fiscal year 2014 budget request and current posture.

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

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

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

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

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

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

If end strength and force structure reductions in readiness were not well-managed, the Army increases the risk of allowing the non-

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

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

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

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

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

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

Senator Inhofe.

#### **STATEMENT OF SENATOR JAMES M. INHOFE**

Senator INHOFE. Thank you, Mr. Chairman.

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

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

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

we expect our Armed Forces to maintain in the budget resources provided to them.

Last week, Director of the National Intelligence, James Clapper, stated, "In my almost 50 years in intelligence, I do not recall a period in which we confronted a more diverse array of threats, crises, and challenges around the world." I agree with him. Yet, despite that reality, we're poised to cut over \$1 trillion from our military. These cuts are having a significant impact on the Army. Even without sequestration, these budget cuts are causing a significant decline in the readiness of our Army and its ability to train for the next contingency.

General Campbell, the Vice Chief of the Army, recently stated before the Senate Armed Services Committee's Readiness and Management Support Subcommittee, "To meet the sequestered targets to protect our warfighter, warfighter funding in fiscal year 2013, we've currently curtailed training for 80 percent of our ground forces for the next fiscal year. We've canceled six combat maneuver training exercises at the National Training Center (NTC) and the Joint Readiness Training Center (JRTC)."

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

Readiness is not the only area that I'm concerned about. The Army has rightfully prioritized funding to support deployed and next-to-deploy forces, but we are learning that the Army's modernization accounts, its future readiness, are at significant risk. These negative effects on modernization are only compounded by sequestration. Last week, General Campbell stated, "Sequestration will also result in delays to every 1 of our 10 major modernization programs, including the ground combat vehicle (GCV), the network, and the joint light tactical vehicle (JLTV). It will increase costs. It will create an inability to reset our equipment after 12 years of war."

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

The Service Chiefs continue to tell us that what they need the most is certainty, flexibility, and time. The Army's budget request does little to help the Army address these three concerns. Last week, in our Department of Defense (DOD) posture hearing, General Dempsey testified. He said, "When budget uncertainty is combined with the mechanism and magnitude of sequestration, the consequences could lead to a security-gap vulnerability against future threats to our national security interests." That's exactly what we are beginning to see.

I believe General Dempsey said it best in a letter signed by the Joint Chiefs to the congressional defense committees: "The readiness of our Armed Forces is at a tipping point."

So, we hear it from everyone, about what is happening, about the immorality—I call it—of the action that is being taken that's forcing you to do a better job. I've said, General Odierno, several times



in the past that you do a great job, you guys, with the hand that's dealt. We have to deal you a better hand. I think that's what this is all about, and I look forward to your testimony.

Thank you, Mr. Chairman.

[The prepared statement of Senator Inhofe follows:]

PREPARED STATEMENT BY SENATOR JAMES M. INHOFE

Thank you, Mr. Chairman, I join you in welcoming Secretary McHugh and General Odierno and thank them for their many years of dedicated service to our Nation.

The purpose of our hearing today is to discuss the fiscal year 2014 budget request for the Department of the Army. Our Army continues to perform with remarkable courage, professionalism, and effectiveness around the world. They are battletested after a decade of sustained combat operations and demonstrate every day that they are the best led, trained, and equipped land force in the world. It is our responsibility to ensure that this continues to be the case. Unfortunately, the budget request before us today falls short of this necessary goal.

This budget is emblematic of the growing mismatch between the missions and capabilities we expect our Armed Forces to maintain and the budget resources provided to them. Last week, Director of National Intelligence James Clapper stated: "in my almost 50 years in intelligence, I do not recall a period in which we confronted a more diverse array of threats, crises, and challenges around the world." I agree with him. Yet, despite this reality, we're poised to cut over a trillion dollars from our military. These cuts are having a significant impact on the Army. In August 2011, Congress passed the Budget Control Act (BCA) of 2011, which reduced planned defense spending by \$487 billion over 10 years. The Army's share of the phase 1 cuts associated with the BCA are forcing the Army to reduce its end strength by 80,000 Active-Duty Forces by 2017 and to cut the number of brigade combat teams from 44 to 36.

Additionally, these budget cuts when coupled with the impacts of sequestration are causing a significant decline in the readiness of our Army and its ability to train for the next contingency. General Campbell, the Vice Chief of Staff of the Army, recently stated before the Senate Armed Services Committee's Readiness and Management Support Subcommittee: "To meet the sequestered targets to protect war fighter funding in fiscal year 2013, [we're] currently curtailing training for 80 percent of our ground forces for the next fiscal year. We've cancelled six combat maneuver training exercises at [the] National Training Center and the Joint Readiness Training Center." These cuts in training come at great cost to the readiness of our Army. It means that our soldiers will be less capable and less prepared to deal with growing threats abroad. And, the longer these cuts continue, the closer we get to a hollow force.

Readiness is not the only area that I'm concerned about. The Army has rightfully prioritized funding to support deployed and next-to-deploy forces, but we are learning that the Army's modernization accounts—its future readiness—are at significant risk. Overall, the Army's base budget request for its modernization accounts is \$1.7 billion less than last year's request, driven primarily by reductions in aviation and ammunition procurement and Ground Combat Vehicle research and development. These reductions do not reflect cuts associated with sequestration nor do they reflect the likely reduction to the modernization accounts this year as the Army attempts to solve its fiscal year 2013 readiness shortfalls. These negative effects on modernization are only compounded by sequestration. Last week, General Campbell stated: "Sequestration will also result in delays to every 1 of our 10 major modernization programs, including the ground-combat vehicle, the network, and the joint light tactical vehicle. In most cases, this will increase our cost. It will create an inability to reset our equipment after 12 years of war."

The civilian workforce is an important component of the Army. They provide a variety of services especially in the maintenance and logistics arena. Prior to passing a defense appropriations act, the Army, along with the rest of the Department was directed to furlough its entire civilian workforce for up to 22 days. However, as a result of H.R. 933 which provided budgetary relief for fiscal year 2013, the Department adjusted the furlough period from 22 to 14 days. I'm greatly concerned with the impact of these furloughs and look to our witnesses to provide more information on how these cuts are affecting our civilians.

The Service Chiefs continue to tell us that what they need the most is certainty, flexibility, and time. The Army's budget request does little to help the Army address these concerns. Ongoing budget uncertainty has degraded the readiness of our Army

and I'm concerned with the long term impacts if we don't address these shortfalls now. Last week in our Defense Department Posture Hearing, General Dempsey testified, "When budget uncertainty is combined with the mechanism and magnitude of sequestration, the consequences could lead to a security gap-vulnerability against future threats to our national security interests." That is exactly what we are beginning to see.

I believe General Dempsey said it best in a letter, signed by the Joint Chiefs of Staff, to the Congressional Defense Committees: "The readiness of our Armed Forces is at a tipping point." I couldn't agree with him more. We're going down a path where readiness and capability are being cut at such a rate that, as General Dempsey has stated previously, it would be "immoral" to use this force. We need for our witnesses to tell us not only what it will cost to prevent a further decline in the readiness of our Army, but also what it will take to rebuild the readiness that's been lost already this year.

It is our job today to make sure we understand the impacts and ramifications of reducing the Army budget to levels from which we may never recover if we "go over the tipping point." Such an outcome would have dire implications for our Army. We cannot allow that happen.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Inhofe.  
Secretary McHugh.

**STATEMENT OF HON. JOHN M. McHUGH,  
SECRETARY OF THE ARMY**

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

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

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

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

Unfortunately, today we face an unparalleled threat to our readiness, capabilities, and soldier and family programs. That danger comes from the uncertainty caused by continued sequestration, funding through repeated Continuing Resolutions (CR), and significant shortfalls in overseas contingency accounts.

In fiscal year 2013, the blunt ax, known as sequestration, which struck in the last half of the year, on top of the \$487 billion in Department-wide cuts already imposed by the BCA, forced us to take extraordinary measures just to ensure that our warfighters have the support needed for the current fight. We made those hard decisions, but at a heavy price to our civilian employees, training needs, maintenance requirements, readiness levels, and to a myriad of other vital programs necessary to sustain our force and to develop it for the future.

For the Army, sequestration created an estimated shortfall of \$7.6 billion for the remaining 6 months of fiscal year 2013. This includes nearly \$5.5 billion in O&M accounts alone, as the chairman referenced. The impact of this drastic decline over such a short period will directly and significantly impact the readiness of our total force. We've reduced flying hours, frozen hiring, and released hundreds of temporary and term workers. We were forced to cancel initial entry training for more than 2,300 military intelligence soldiers, reduce training to the described level for our nondeploying units, and had to cancel again, as the chairman and ranking member noted, all but two of the remaining brigade decisive-action rotations at our NTC. This is on top of the drastic impacts to our depot, vehicle, and facility maintenance programs. Unavoidably, these negative effects will cascade well into the next fiscal year, and often beyond.

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

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

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

For all of its challenges, continued sequestration is only part of the danger we face. Since fiscal year 2010, the Army has experienced funding through some 15 different CRs. This has caused repeated disruptions in our modernization efforts, uncertainty in our contracts, and unpredictability for our industrial base. Each CR

prevents new starts for needed programs and creates inefficiencies that often result in wasteful spending for things we no longer need or can no longer afford. This year it was 6 months into the fiscal year before we had an appropriation, and there's more.

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

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

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

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

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

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

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

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

In conclusion, on behalf of the men and women of the Army, let me thank you again for your thoughtful oversight, your unwavering commitment, and your proud partnership with this Army. With your support, the Army has become the finest land force in history. Now we need to work together to help protect the hard-fought capabilities developed over years of war and to ensure we have the resources necessary to meet the unforeseen challenges that may lie ahead.

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

Thank you, Mr. Chairman.

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

PREPARED JOINT STATEMENT BY HON. JOHN M. MCHUGH AND  
GEN RAYMOND T. ODIERNO, USA

INTRODUCTION

The Army has been in a state of continuous war for the past 12 years, the longest in our Nation's history. More than 168,000 soldiers are deployed or forward stationed in nearly 150 countries worldwide. The global security environment points to further instability, and the Army remains a key guardian of our national security.

The Army's ability to perform this vital role, and field a ready and capable force that meets mission requirements, has been placed at risk by fiscal challenges in fiscal year 2013. The combined effects of funding reductions due to sequestration, the fiscal uncertainty of Continuing Resolutions and emerging shortfalls in Overseas Contingency Operations funding has significantly and rapidly degraded Army readiness, which will translate directly into fiscal year 2014 and beyond. This lack of predictability makes it difficult to address the posture of the Army in fiscal year 2014 with certainty and specificity. However, this document will address some of the potential long-term effects that fiscal uncertainty will have on the Army.

*Landpower for the Nation*

America's Army is the best-trained, best-equipped and best-led fighting force in the world, providing a credible and capable instrument of national power. Army forces play a fundamental role in all but one of the missions specified by the defense strategic guidance, Sustaining U.S. Global Leadership: Priorities for 21st Century Defense. The Army's ability to provide strategic landpower for the Nation makes it uniquely suited to meet these requirements. Army forces are tailorable and scalable to meet mission requirements. The Army's ability to rapidly deploy task organized forces, from company to corps level over extended distances, sustain them and deliver precise, discriminate results is unmatched. Highly ready, responsive and capable ground forces prevent conflict through deterrence, by shaping combatant commanders' operational environment and, when necessary, winning the Nation's wars.

### Missions of the U.S. Armed Forces

From *Sustaining U.S. Global Leadership: Priorities for 21st Century Defense*.

In all but one mission – maintain a nuclear deterrent – the Army is a vital contributor to the Joint Force:

- Counter terrorism and irregular warfare.
- Deter and defeat aggression.
- Project power despite anti-access/area denial challenges.
- Counter weapons of mass destruction.
- Operate effectively in cyberspace.
- Operate effectively in space.
- Maintain a safe, secure, and effective nuclear deterrent.
- Defend the homeland and provide support to civil authorities.
- Provide a stabilizing presence.
- Conduct stability and counterinsurgency operations.
- Conduct humanitarian, disaster relief, and other operations.

### *Fiscal Challenges*

The Budget Control Act of 2011 imposed caps on discretionary spending that required a \$487 billion reduction in planned defense spending over 10 years. As a result of these spending cuts and in line with the defense strategic guidance announced in January 2012, we are reducing Active Army end strength from a war-time high of about 570,000 to 490,000, the Army National Guard from 358,200 to 350,000, the Army Reserve from 206,000 to 205,000 and the civilian workforce from 272,000 to 255,000 all by the end of fiscal year 2017. These reductions, which began in fiscal year 2012, represent a net loss of 106,000 soldier and civilian positions.

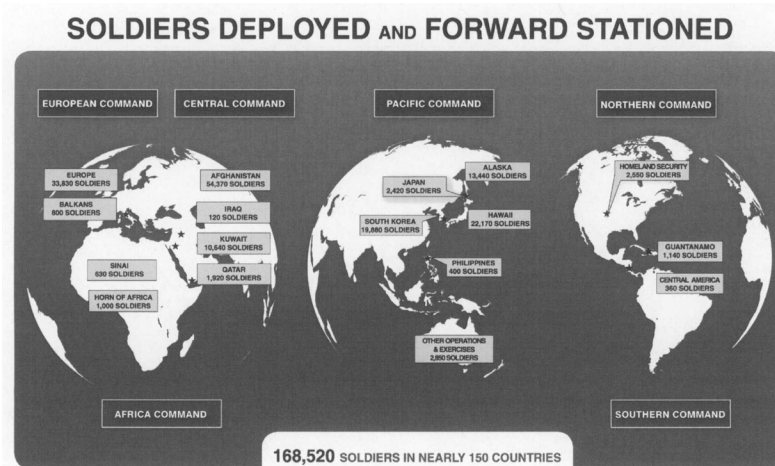
The implementation of sequestration in fiscal year 2013 created a significant shortfall in Army funding, estimated at \$7.6 billion for the remaining months of the fiscal year, which includes nearly \$5.5 billion in the Operation and Maintenance account for Active and Reserve component forces. We also face up to a \$7.8 billion shortfall in Overseas Contingency Operations funding due to increasing costs related to the war in Afghanistan. The sharp decline over a short period of time significantly impacts readiness which will cascade into the next fiscal year and beyond.

The President's budget includes balanced deficit reduction proposals that allow Congress to replace and repeal the sequester-related reductions required by the Budget Control Act of 2011 through fiscal year 2021. In the absence of such an agreement, the Army may not be able to execute the current defense strategic guidance as planned. This may compel actions that break faith with our soldiers, civilians, and families. Full implementation of sequestration and its associated outyear budget cuts will require further force structure reductions that will greatly increase strategic risk. To maintain balance between force structure, readiness and modernization, the Army may have to reduce at least 100,000 additional personnel across the Total Force—the Active Army, the Army National Guard, and the Army Reserve. When coupled with previously planned cuts to end strength, the Army could lose up to 200,000 soldiers over the next 10 years. If steep cuts are required in fiscal year 2014 and beyond, this will create imbalance and significantly compound risk. It will cause a disproportionate investment across manpower, operations and maintenance, modernization and procurement, challenging our ability to sustain appropriate readiness in the near term in support of our current defense strategy.

To some extent, the impact of spending reductions can be mitigated if funding is timely and predictable, and cuts are backloaded, enabling the Army to plan, resource and manage the programs that yield a highly trained and ready force. Continued fiscal uncertainty, on the other hand, poses considerable risk to our ability to maintain a ready force. Each Continuing Resolution prevents new starts for need-

ed programs, limits reprogramming actions, creates inefficiency and often results in wasteful funding for accounts that we no longer want or need. Resource predictability affords the Army the opportunity to plan and shape the Army's force for the future within identified budgetary constraints.

The fiscal year 2014 budget is designed to meet current operational requirements and allows us to build an Army to meet our future needs by balancing force structure, readiness and modernization. It fully supports the Army's central role in the defense strategic guidance. The budget request funds balanced readiness across the Total Force while retaining agility and capacity. It supports reset and replacement of battle-damaged equipment, as well as modernization priorities. A 4-percent reduction from the fiscal year 2013 base budget request reflects the Army's acceptance of measured risk, accommodating a tightening fiscal environment.



#### AMERICA'S ARMY TODAY

Beyond combat operations in Afghanistan, the Army conducts many missions worldwide in support of national security objectives, as well as within the United States in support of civil authorities. The Total Force provides the foundation for Joint operations. Demand for Army forces in Afghanistan will continue to decrease. However, the requirement for strategic landpower capable of worldwide deployment will endure.

#### *Operations Around the World*

The Army has nearly 80,000 soldiers currently committed to operations around the world—in Afghanistan, Kosovo, the Philippines, Horn of Africa, Turkey, Sinai Peninsula and throughout the Middle East. Forward-stationed Army forces, in the Republic of Korea, Japan, Europe and elsewhere, provide Geographic Combatant Commands with an unparalleled capability to prevent conflict, shape the environment and, if necessary, win decisively. About 77,000 soldiers are postured to support operations and engagements in the Asia-Pacific region. During 2012, these soldiers participated in security cooperation engagements in 23 countries across the Pacific. Reductions to our force posture in Europe are underway, but a significant Army presence and commitment remains. Army forces in Europe remain a critical source of timely operational and logistical support for operations in other theaters, such as Southwest Asia and Africa. The long-term impacts of sequestration and the associated outyear reductions, particularly to force structure and readiness, threaten the Army's ability to provide trained and ready forces to perform these enduring and vital missions.

#### *Operations in Afghanistan*

The approximately 60,000 soldiers deployed to Afghanistan, in both conventional and special operations units, remain our top priority. The Army provides the corps-level headquarters that form the basic structures for conventional forces in the theater, and provides two division-level headquarters that control the majority of oper-

ational activities in the country. The Combined Joint Special Operations Task Force is built on a foundation of an Army Special Forces Group. The majority of combat units in theater are U.S. Army, and some of the most critical enablers such as tactical unmanned aerial vehicles and route clearance units are almost exclusively U.S. Army. The critical transition to Afghan leadership in security is being enabled by thousands of Army noncommissioned officers (NCO), officers, and soldiers who have been remissioned to advise and assist the increasingly capable Afghan National Security Forces. The Army also provides essential logistics capabilities that sustain the land-locked Afghan theater. In fact, only the Army can provide the theater logistics, transportation, medical and communications infrastructure necessary to support operations of this size, complexity, and duration. The Army has also begun the challenging task of equipment and materiel retrograde and refit from Afghanistan. It is a daunting task by virtue of the sheer volume of the equipment that must be brought home as well; this challenge is compounded by harsh geography, adverse weather and ongoing combat operations. Funding shortfalls threaten to further extend the timeline and increase overall costs.

#### *Missions as a Member of the Joint Force*

The Army provides a wide range of capabilities as an indispensable member of the Joint Force. Every day, the Army maintains deployable contingency forces, employs forward-based capabilities, delivers humanitarian assistance and conducts multilateral exercises with partners and allies. The Army maintains a Global Response Force at constant high readiness providing the Nation its only rapid response, inland forcible entry capability for unforeseen contingencies. Army forces set theaters for the combatant commanders maintaining constantly the critical logistical, communications, intelligence, medical and inland ground transportation infrastructure to support all plans and contingencies. We maintain partner relationships that ensure access to critical regions around the world. Army commanders and headquarters lead Joint Task Forces, plan operations and exercise mission command of units across the full range of military operations. Army units provide space, air and missile defense capabilities for the Joint Force. We build and operate the space and terrestrial communication networks that connect our own units, the Joint community, and interagency and multinational partners. Soldiers provide essential logistics infrastructure, delivering food, fuel, ammunition, materiel and medical support that sustain Joint operations ranging from combat to humanitarian assistance. In addition, the Army collects and analyzes the intelligence that informs our actions and measures our progress, and provides the majority of the forces in U.S. Special Operations Command.

#### *Missions at Home and Support of Civil Authorities*

The Total Force is prepared to defend the Homeland and routinely conducts critical Defense Support of Civil Authorities operations. As this past year demonstrated through wildland fires, two major Hurricanes (Isaac and Sandy), floods in the heartland and multiple winter storm emergencies, the Army is always ready to respond to the call of its citizens. The Army does so by performing a wide range of complex tasks in support of civil authorities during natural and manmade disasters, including Chemical, Biological, Radiological, or Nuclear incidents, and for counterdrug operations within each State, as well as along the approaches to the United States. After Hurricane Sandy struck the eastern United States, more than 22,000 Active and Reserve component soldiers, which included over 10,000 Army National Guard soldiers from 19 States, provided immediate and sustained relief. Army Corps of Engineers soldiers and civilians pumped more than 475 million gallons of water from the New York City subway system and all tunnels connecting Manhattan.

#### **The Army Vision**

The Army is **regionally engaged and globally responsive**; it is an indispensable partner and provider of a full range of capabilities to Combatant Commanders in a Joint, Interagency, Intergovernmental and Multinational environment. As part of the Joint Force and as America's Army, in all that we offer, we guarantee the agility, versatility and depth to Prevent, Shape and Win.

#### **THE ARMY FOR THE FUTURE**

The Army for the future will feature regionally aligned and mission-tailored forces designed to respond to combatant commander requirements to prevent conflict,



shape the strategic environment and, when necessary, win decisively. Maintaining credible strategic landpower requires the Army to continually assess and refine how we operate, manage our human capital and increase our capabilities, all while mitigating the effects of significant reductions in funding. We must exploit our advantages in some key areas such as leader development; strategic, operational and tactical mobility; command, control, communications, computers, and intelligence (C4I) and logistics. As we transition over the next 5 to 10 years, this effort will be underpinned by a strong institutional Army. This institutional Army mans, trains, equips, deploys and ensures the readiness of all Army forces. It generates the concepts and doctrine that guides the way we operate. It runs the professional military education system, that provides our country unparalleled thinkers and leaders at the tactical operational and strategic levels. It recruits our soldiers and prepares them for military services. It is the foundation upon which readiness is built, enabling the operational Army to provide landpower capability to the combatant commander. The institutional Army takes a deep look at the future strategic environment to formulate concepts and plans for the best mix of capabilities to meet the Nation's land warfare challenge—the right skills, right doctrine, right equipment and the right qualities in our adaptive leaders.

The Army must strike a balance between force structure, readiness and modernization, in a manner that is mindful of fiscal realities yet also provides the Nation with optimized but capable landpower. The decisions we have made in response to fiscal year 2013 budget reductions will have far reaching impacts on the Army. Clear priorities guided these decisions. All soldiers meeting operational requirements—such as those deployed to Afghanistan, Kosovo and the Horn of Africa or forward stationed in the Republic of Korea—will be prepared and ready. We will fund programs related to Wounded Warrior care. Finally, we will determine whether we have sufficient funds to continue training the units that meet our Global Response Force requirements. The rest of the Army, however, will experience significant training and sustainment shortfalls that will impact readiness this year and will be felt for years to come. The Army's ability to perform its missions, as directed in the defense strategic guidance, will inevitably be degraded.

#### *Globally Responsive, Regionally Engaged Strategic Land Forces*

Regional alignment will provide Geographic Combatant Commands with mission-trained and regionally focused forces that are responsive to all requirements, including operational missions, bilateral and multilateral military exercises and theater security cooperation activities. Regionally aligned forces are drawn from the Total Force, which includes Active Army, Army National Guard, and Army Reserve capabilities. Aligned Corps and Divisions will provide Joint Task Force capability to every geographic combatant command. Through regional alignment, the Army will maintain its warfighting skills and complement these skills with language, regional expertise and cultural training. For example, 2nd Brigade of the 1st Infantry Division, stationed at Fort Riley, KS, is aligned with U.S. Africa Command for fiscal year 2013. In support of U.S. Africa Command objectives, the brigade will conduct engagement activities in 34 African nations over the coming year.

Regionally aligned, mission tailored forces play an essential role in the defense strategic guidance, which rebalances to the Asia-Pacific region while maintaining our commitment to partners in and around the Middle East. Lessening demand for forces in Afghanistan allows our aligned units in the Asia-Pacific theater to refocus on supporting U.S. Pacific Command's objectives. In addition, U.S. Army Pacific will be elevated to a four-star headquarters in 2013. I Corps, stationed at Joint Base Lewis-McChord, WA, is developing Joint Task Force command capability, which will provide a deployable headquarters that can meet contingencies across the full range of military operations. These initiatives will enhance the capability and responsiveness of our forces. However, the training shortfalls and readiness impacts of sequestration places the Army's ability to provide these critical capabilities at risk.

#### *Training for Operational Adaptability*

In recent years the Army has deliberately focused training on counterinsurgency and stability operations to support requirements in Iraq and Afghanistan. We will build upon that expertise while transitioning to a more versatile Army, with operationally adaptable land forces that will take on a broader range of missions in support of the national defense strategy. Innovative training methods produce ready and responsive forces while optimizing our resources. Army units train at Combat Training Centers, while deployed and at home station. Live, virtual, and constructive training enables Army commanders to conduct multi-echelon events in a complex environment at home station. The Army's Decisive Action Training Environment, which has been incorporated by each of our three maneuver Combat Training

Centers, creates a realistic training environment that includes Joint, Interagency, Intergovernmental, and Multinational partners against a wide range of opportunistic threats.

Sequestration has had an immediate impact on the Army's ability to train at every level—individual soldier, Brigade Combat Team, and deployable headquarters. We were forced to cancel fiscal year 2013 Initial Entry Training (IET) for more than 2,300 Military Intelligence soldiers, and we may have to cancel up to 10 Field Artillery IET classes, which would affect over 200 soldiers. We may also be forced to cancel all but two of the remaining fiscal year 2013 brigade-level Decisive Action rotations at our Maneuver Combat Training Centers unless additional funds become available. Training in fiscal year 2014 and beyond remains at risk as well. With sequestration, the Army will not be able to fully train our soldiers, whether through professional military education or collective unit training, in a way that enables them to operate successfully in a complex environment across the full range of military operations. The long-term readiness impacts of the resulting deficit in trained forces will jeopardize the Army's ability to meet war plan requirements.

#### *People*

The soldiers of our All-Volunteer Force are the Army's greatest strategic asset. These professional men and women provide depth and versatility throughout the Total Force—the Active Army, the Army National Guard, and the Army Reserve. As the Army gets smaller, it becomes even more important that we retain and recruit only the highest quality soldiers. With the support of Congress, we will maintain a military pay and benefits package—to include affordable, high-quality health care—that acknowledges the burdens and sacrifice of service while understanding our future fiscal environment. During 2012, 96 percent of the Army's recruits were high school graduates, exceeding the goal of 90 percent. The fiscal year 2012 Active component recruiting effort produced the highest quality enlisted recruits in our history, based on test scores and waivers issued. We are also on track to sustain the high retention rate of the past 3 years. While the Army draws down, it is important that we do so at a pace that will allow us to continue to recruit and retain these high-quality soldiers. A precipitous drawdown, which may be necessary if sequestration and associated reductions in budgetary caps are fully implemented over the coming years, will have lasting impacts on the quality of the force.

The Army is committed to ensuring that female soldiers are provided career opportunities that enable them to reach their highest potential while enhancing overall Army readiness. Over the last year, the Army opened more than 13,000 positions to women. In January 2013, the Department of Defense rescinded the Direct Ground Combat Definition and Assignment Rule, thus enabling the elimination of unnecessary gender-based restrictions for assignment. The Army is currently developing, reviewing and validating occupational standards, with the aim of fully integrating women into occupational fields to the maximum extent possible. We are proceeding in a deliberate, measured and responsible way that preserves unit readiness, cohesion and morale.

#### *Ready and Resilient*

Caring for the Army means doing our best to prepare soldiers, civilians, and families for the rigors of Army life. The Army remains committed to providing soldiers and families with a quality of life commensurate with their service. We continue to review our investments and eliminate redundant and poor performing programs. The Army will make every effort to protect essential Army Family Programs, but they will be unavoidably affected by workforce reductions, cuts to base sustainment funding and the elimination of contracts.

The Army's Ready and Resilient Campaign enhances readiness for the Total Force by tailoring prevention and response measures to promote physical and mental fitness, emotional stability, personal growth and dignity and respect for all. An integral part of this campaign is the Comprehensive Soldier and Family Fitness Program, which strengthens soldiers, family members, and Army civilians by addressing physical, emotional, family, spiritual, and social fitness collectively. Healthy soldiers, families, and civilians perform better, are more resilient, and improve unit readiness.

The challenges associated with suicide directly affect the force. It is a complex phenomenon that reflects broader societal problems and defies easy solutions. To better understand psychological health issues, the Army has partnered with a number of agencies to assess mental health risk and help commanders effectively address this persistent problem. In collaboration with the National Institute of Mental Health, the Army is examining risk and resilience factors among soldiers in the largest behavioral health study of its kind ever undertaken. The study will develop

data-driven methods to reduce or prevent suicide behaviors and improve soldiers' overall mental health. The objective is to identify the most important risk and protective factors, and then act on them. Programs that improve soldier and family access to care, while reducing stigma, are essential to our efforts. The Embedded Behavioral Health program, which is being established for all operational units in the Active Army, is a leading example of how we are redesigning behavioral health services to improve the care that our soldiers receive.

The Army is committed to providing quality care for our wounded, ill, and injured soldiers and their families. During 2012, six new warrior transition complexes were completed, which consist of barracks, administrative facilities and a Soldier and Family Assistance Center. Medical innovation and groundbreaking research in areas such as traumatic brain injury and post-traumatic stress disorder are helping us improve the care we provide our wounded soldiers. Our command climate must foster an environment in which soldiers can seek assistance without stigma.

#### *Sexual Harassment / Assault Response and Prevention Program*

The Army continues to employ the Sexual Harassment/Assault Response and Prevention Program (SHARP) to eliminate sexual assault and harassment within our ranks. Active and engaged leadership is central to helping the Army community understand that a climate that respects and grants dignity to every member of the Army family increases our combat readiness. The Army will reinforce a culture in our basic training units, our officer training courses and our operational units in which sexual harassment, sexual assault and hazing are not tolerated, and if they occur are dealt with rapidly and justly. We are adding 829 full-time military and civilian sexual assault response coordinators and victim advocates at the brigade level as well as 73 trainers, certifying those personnel, and executing more frequent command climate surveys in units. We have begun the hiring process for the 446 civilian positions.

The Army has increased emphasis on investigations, prosecutions and laboratory resources needed to effectively build cases in order to ensure each alleged incident is adequately investigated, and if found credible, prosecuted to the full extent of the law. All unrestricted sexual assault allegations are referred to the Criminal Investigation Division, where we have added four highly qualified expert criminal investigators and 6 expert military attorneys and 20 specially trained agents who pursue their investigations independent of the command. We have also hired 30 additional Lab Examiners. Our 20 Special Victim Prosecutors educate and support the victim and provide advice and counsel to the criminal investigators as well as commanders. Sequestration and associated civilian furloughs are likely to degrade aspects of our SHARP efforts, from slowing hiring actions, to delaying lab results which hinders our ability to provide resolution for victims.

#### *Develop Adaptive Leaders*

One of our greatest advantages is our officers and noncommissioned officers, and the Army's ability to provide strategic landpower depends on the quality of these leaders. While we can recruit and train soldiers in relatively short order, the Army cannot build leaders in a similar timeframe. Army leaders must be innovative, possess a willingness to accept prudent risk in unfamiliar, highly complex and dangerous environments and display an ability to adjust based on continuous assessment. As we face an uncertain future with an uncertain level of resources, we must prudently commit to the one certain, high-payoff investment—our leaders. Training, education and experience are the pillars of our leader development strategy, and we have many initiatives underway to ensure we cultivate, manage and optimize the talent of our leaders. We are instituting a program to match personal history and informal skills to duty assignments. We are implementing and improving our 360-degree assessment programs for officers and are making 360-degree assessments prerequisites to assume command at the lieutenant colonel and colonel levels. We are dramatically increasing the opportunity for and emphasis on broadening experiences and have increased the number of fellowships for our officers in government, industry and academia. Cuts to institutional and unit training, due to sequestration, OCO budget shortfalls in fiscal year 2013 and continuing fiscal uncertainty, will degrade our ability to develop leaders and will have long-term impacts on the readiness of the force.

#### *Equipment Modernization and Reset*

As we prepare for the future, we will need to invest considerable time and resources to restore equipment used in combat operations to an acceptable level of readiness through reset operations, a combination of repair, replacement, recapitalization and transition. At the same time, other pressing modernization needs require attention and investment. The long-term nature of sequestration-related budg-

et reductions puts each of the Army's investment priorities at risk. All acquisition priorities and many equipment modernization programs may face unanticipated schedule or cost impacts in the out years.

The Army will require Overseas Contingency Operations funding for equipment reset for 3 years after the last piece of equipment has been retrograded from Afghanistan. This funding will support the substantial workload required for equipment retrograde, induction and repair, a process that can take up to 3 years for some items such as crash and battle damaged aircraft. Fiscal year 2013 budget reductions have already placed the Army at a disadvantage, forcing the cancellation of depot maintenance that will delay required repairs and upgrades.

#### *Organic and Commercial Industrial Base*

The Army will deliberately draw down force and production levels to fulfill the strategic guidance we have received. Aware that the future may bring unexpected crises, we must retain the ability to regenerate capabilities quickly in response to unforeseen emergencies. It is critical that we find the right balance between our organic and the commercial industrial bases. The ability to reduce the industrial base in times of peace but surge as required remains essential to equipping the Army, the Joint Force, and, in many cases, our allies and coalition partners. The current fiscal environment threatens the retention of critical skill sets in our depots, arsenals and ammunition plants. Fiscal uncertainty in fiscal year 2013 led to delays in awarding many new contracts. Industry also began laying off workers and postponed hiring actions due to the slowdown in funding.

#### *Acquisition Reform*

The Army continues to reform the way it develops and acquires services and materiel through a capability portfolio review process. This approach exposes redundancies and ensures that funds are properly programmed in accordance with combatant commanders' requests, wartime lessons learned, progressive readiness and affordability. The Army develops capabilities through Army research and development processes, collaborating with other Services, industry, academia and international partners to identify and harvest technologies suitable for transition to the force.

#### *Modernization Strategy*

The Army must maintain the technological edge over potential adversaries, enabling the force to prevail in all domains. The Army for the future requires capabilities that are versatile and tailorable, yet affordable and cost effective. The Army modernization effort goes beyond materiel and equipment solutions. It is a comprehensive strategy that includes doctrine, organizations, training, leadership, personnel and facilities. The heart of the strategy is the use of mature technologies and incremental upgrades of existing equipment, while balancing research investments between evolutionary and disruptive technologies. The modernization strategy is also supported by a risk-based assessment to identify candidate capabilities for complete divestiture. Divestiture decisions will reduce total costs and preserve our ability to sustain the force.

#### *Soldier Systems*

The centerpiece of the Army Modernization Strategy is the soldier and the squad. The soldier portfolio focuses on equipment vital for squad success and empowers and enables squads with improved lethality, protection and situational awareness. It also includes resources to develop leaders and train soldiers to take advantage of new or improved capabilities. Planned improvements for dismounted soldiers include a mission command system that allows soldiers to see each other's positions, mark hazards collaboratively and access on-the-move broadband voice, data and video capabilities. This unprecedented situational awareness, coupled with the continued fielding of advanced sensors and lightweight small arms systems, will ensure that our soldiers and squads remain the best in the world.

#### *The Network and Investment in Cyber Capabilities*

The Network, also known as LandWarNet, is critical to empowering our soldiers. Our senior leaders and soldiers must have the right information at the right time to make the decisions essential to mission success. Consequently, the Army is building a single, secure, standards-based, versatile network that connects soldiers and their equipment to vital information and our joint, interagency, intergovernmental and multinational partners. It is critical that network modernization and sustainment efforts meet the ever-growing demand for tactical and business-related information and enterprise services in a timely manner and at an affordable cost.

Ensuring freedom of maneuver in cyberspace and protecting our information and the Network is a continuing Army priority. The Army must strengthen its cyber security and network defense by building secure and resilient network environments, providing greater situational awareness, expanding programs for ensuring compliance with information assurance policies and best practices, and increasing training for all technical and non-technical personnel. To ensure the Army can defeat adversaries in both land and cyber domains, a full range of cyberspace capabilities must be available in support of the combatant commander, including well-trained cyber warriors, cyberspace operational freedom and assured mission command. This will require investment not only in technology, but also in people and process improvement.

*Ground Combat Vehicle and Joint Light Tactical Vehicle*

The Army's top two vehicle modernization programs are the Ground Combat Vehicle and Joint Light Tactical Vehicle. As a replacement for the Bradley Infantry Fighting Vehicle, the Ground Combat Vehicle will accommodate a full nine-man infantry squad in a vehicle that features increased underbelly and ballistic protection with scalable armor that provides maximum mission flexibility. The Ground Combat Vehicle will also provide sufficient space and power to host the Army's advanced network, increasing the effectiveness of the vehicle in any threat environment. The Army is developing the Joint Light Tactical Vehicle to fill capability gaps in the light wheeled vehicle fleet, carefully balancing payload, performance and protection. The Joint Light Tactical Vehicle combines an increased level of protection with improved mobility and transportability. It is also the Army's first network-ready vehicle. Together, this integrated team of vehicles will be capable of dominating across the range of military operations and allow for incremental improvements.

CLOSING

The American people have learned time and again that they can trust their Army to protect our national interests at home and abroad. Over the past 12 years of conflict, our Army has proven itself in arguably the most difficult environment we have ever faced. Our leaders at every level have displayed unparalleled ingenuity, flexibility and adaptability. Our soldiers have displayed mental and physical toughness and courage under fire. They have transformed the Army into the most versatile, agile, rapidly deployable and sustainable strategic land force in the world.

We live in an uncertain world, which often requires a military response to protect our national security interests. When that time comes, the Army must be ready to answer the Nation's call. We cannot take the readiness of the force for granted. Sequestration budget cuts, and continuing fiscal uncertainty, have placed us on the outer edge of acceptable risk for our future force. The Army must be capable of providing strategic landpower that can prevent conflict, shape the environment and win the Nation's wars. Preventing conflict demands presence, shaping the environment demands presence, restoring the peace demands presence, and more often than not, that presence proudly wears the uniform of an American soldier.

### 2013 Army Reserve Component Submission

Sections 517 and 521 of the National Defense Authorization Act (NDAA) 1994 require the information in this addendum. Section 517 requires a report relating to implementation of the pilot Program for Active Component Support of the Reserves under Section 414 of the NDAA 1992 and 1993. Section 521 requires a detailed presentation concerning the Army National Guard (ARNG), including information relating to implementation of the ARNG Combat Readiness Reform Act of 1992 (Title XI of Public Law 102-484, referred to in this addendum as ANGCRRA). Section 704 of the NDAA amended Section 521 reporting. Included is the U.S. Army Reserve information using Section 521 reporting criteria. Unless otherwise indicated, the data included in the report is information that was available 30 September 2012. Section 517 (b) (2) (A). The promotion rate for officers considered for promotion from within the promotion zone who are serving as active component advisors to units of the Selected Reserve of the Ready Reserve (in accordance with that program) compared with the promotion rate for other officers considered for promotion from within the promotion zone in the same pay grade and the same competitive category, shown for all officers of the Army.

	AC in RC (%)*	Army Average (%) **
FY 2011		
Major	(73 of 86) 84.9%	93.3 %
Lieutenant Colonel	(6 of 11) 54.5%	86.8 %
FY 2012		
Major	(64 of 81) 79.0%	88.9%
Lieutenant Colonel	(8 of 12) 66.7%	82.7%

\*Active component officers serving in reserve component assignments at time of consideration.

\*\*Active component officers not serving in reserve component assignments at the time of consideration.

Section 517 (b) (2) (B). The promotion rate for officers considered for promotion from below the promotion zone who are serving as active component advisors to units of the Selected Reserve of the Ready Reserve (in accordance with that program) compared in the same manner as specified in subparagraph (A) (the paragraph above).

	AC in RC (%)*	Army Average (%) **
FY 2011		
Major	(3 of 57) 5.3%	8.7%
Lieutenant Colonel	(0 of 10) 0.0%	3.5%
FY 2012		
Major	(1 of 57) 1.8%	8.0 %

Lieutenant Colonel	(1 of 10) 10.0%	8.0%
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\*Below the zone active component officers serving in reserve component assignments at time of consideration.

\*\*Below-the-zone active component officers not serving in reserve component assignments at time of consideration.

#### Section 521(b)

1. The number and percentage of officers with at least two years of active-duty before becoming a member of the Army National Guard or the US Army Reserve Selected Reserve units.

ARNG officers: 13,653 or 30.7 percent of which 422 were FY 12 accessions.

Army Reserve officers: 10,026 or 32 percent of which 698 were FY 12 accessions.

2. The number and percentage of enlisted personnel with at least two years of active-duty before becoming a member of the Army National Guard or the U.S. Army Reserve Selected Reserve units.

ARNG enlisted: 63,567 or 20 percent of which 1,644 were FY 12 accessions.

Army Reserve enlisted: 36,175 or 24 percent of which 6,068 were FY 12 accessions.

3. The number of officers who are graduates of one of the service academies and were released from active duty before the completion of their active-duty service obligation and, of those officers:

a. The number who are serving the remaining period of their active-duty service obligation as a member of the Selected Reserve pursuant to section 1112(a)(1) of ANGCRRA:

In FY 12, there were five Service Academy graduates released from active duty before completing their obligation to serve in the Army Reserve.

b. The number for whom waivers were granted by the Secretary of the Army under section 1112(a)(2) of ANGCRRA, together with the reason for each waiver:

In FY 12, the Secretary of the Army granted no waivers under section 1112(a) (2) of ANGCRRA to the Army Reserve.

In FY 12, under section 1112(a) (2) of ANGCRRA the Secretary of the Army granted five waivers to the Army Reserve. The waiver provided one Soldier an opportunity to play a professional sport and complete service obligation. Waivers allowed four Soldiers to enter the Health Professionals Scholarship Program. All five Soldiers were appointed Reserve component officers.

4. The number of officers who were commissioned as distinguished Reserve Officers' Training Corps graduates and were released from active duty before the completion of their active-duty service obligation and, of those officers:

a. The number who are serving the remaining period of their active-duty service obligation as a member of the Selected Reserve pursuant to section 1112(a)(1) of ANGCRRA:

In FY 12, there were no distinguished Reserve Officers Training Corps (ROTC) graduates serving the remaining period of their active-duty service obligation as a member of the Selected Reserve.

b. The number for whom waivers were granted by the Secretary of the Army under section 1112(a)(2) of ANGCRRA, together with the reason for each waiver:

In FY 12, the Secretary of the Army granted no waivers.

5. The number of officers who are graduates of the Reserve Officers' Training Corps program and who are performing their minimum period of obligated service in accordance with section 1112(b) of ANGCRRA by a combination of (a) two years of active duty, and (b) such additional period of service as is necessary to complete the remainder of such obligation served in the National Guard and, of those officers, the number for whom permission to perform their minimum period of obligated service in accordance with that section was granted during the preceding fiscal year:

In FY 12, there were no graduates released early from an active-duty obligation.

6. The number of officers for whom recommendations were made during the preceding fiscal year for a unit vacancy promotion to a grade above First Lieutenant, and of those recommendations, the number and percentage that were concurred in by an active duty officer under section 1113(a) of ANGCRRA, shown separately for each of the three categories of officers set forth in section 1113(b) of ANGCRRA (with Army Reserve data also reported).

In FY 12, the ARNG recommended 2,183 commissioned officers for a position-vacancy promotion and the Senior Army Advisor, an active duty officer, concurred with all those promotion actions. The ARNG also recommended 1,234 warrant officers for a position-vacancy promotion, and the Senior Army Advisor likewise concurred with all those promotion actions. Prior to FY 12, warrant officers were not required to go before Federal Recognition Boards for promotion. Therefore, the numbers of warrant officers have not previously been included in the response to this question.

In FY 12, the Army Reserve recommended 62 officers for a position-vacancy promotion and promoted 35.



7. The number of waivers during the preceding fiscal year under section 1114(a) of ANGCRRRA of any standard prescribed by the Secretary establishing a military education requirement for non-commissioned officers and the reason for each such waiver.

In FY 12, the ARNG had a total of 14 Soldiers that received a military education waiver. The waivers were granted based on non-completion of the Warrior Leader Course (WLC) due to assignment to a Warrior Transition Unit (WTU) (“medical hold” or “medical hold-Over” units); and non-completion of the Advanced Leader Course or Senior Leader Course due to deployment or training schedule constraints.

In FY 12, the Army Reserve had a total of 7 Soldiers eligible for promotion if recommended that received Warrior Leadership Course (WLC) military education waivers as a result of being deployed or assigned to a Warrior Transition Unit (WTU) (i.e. medical hold). The USAR saw a reduction in waivers due to the Department of the Army (DA), Army Leader Development Strategy that went into effect 1 Oct 11. This policy discontinued waivers for the Advanced Leader Course (ALC) and Senior Leader Course (SLC).

The Secretary of the Army has delegated the authority for the waivers referred to in section 114(a) of ANGCRRRA to the Director, ARNG and to the Commander, U.S Army Reserve Command. The National Guard Bureau and the U.S. Army Reserve Command maintain details for each waiver.

8. The number and distribution by grade, shown for each State, of personnel in the initial entry training and non-deployability personnel accounting category established under section 1115 of ANGCRRRA for members of the Army National Guard who have not completed the minimum training required for deployment or who are otherwise not available for deployment. (Included is a narrative summary of information pertaining to the Army Reserve.)

In FY 12, the ARNG had 83,728 Soldiers considered non-deployable for reasons outlined in Army Regulation 220-1, Unit Status Reporting (e.g., initial entry training; medical issues; medical non-availability; pending administrative or legal discharge; separation; officer transition; non-participation or restrictions on the use or possession of weapons and ammunition under the Lautenberg Amendment). The National Guard Bureau (NGB) maintains the detailed information.

In FY 12, the Army Reserve had 55,639 Soldiers considered non-deployable for reasons outlined in Army Regulation 220-1, Unit Status Reporting. The population of ‘non-available’ reflects 28% of the total USAR end strength: 14% do not meet medical readiness standards (e.g., profile, pending medical review boards, adjudication) and 14% do not meet administrative requirements (e.g., initial entry training; pending administrative or legal discharge; separation; officer transition; non-participation; family-care plan, or Lautenberg Amendment restriction). The U.S. Army Reserve Command (USARC) maintains detailed information.

9. The number of members of the Army National Guard, shown for each State, that were discharged during the previous fiscal year pursuant to section 1115(c)(1) of ANGCRRRA for not completing the minimum training required for deployment within 24 months after entering the National Guard. (Army Reserve data also reported.)

A total of 65 ARNG Soldiers, with at least 24 months time in ARNG, were losses in FY 12 due to lack of minimum required military education. The breakdown is 19 enlisted and 46 officers.

In FY12, the USAR discharged 32 officers and 7 enlisted Soldiers for not completing the required initial entry training required for deployment within 24 months.

10. The number of waivers, shown for each State, that were granted by the Secretary of the Army during the previous fiscal year under section 1115(c)(2) of ANGCRRA of the requirement in section 1115(c)(1) of ANGCRRA described in paragraph (9), together with the reason for each waiver.

In FY 12, there were no waivers granted Secretary of the Army to the Army National Guard under section 1115(c)(2) of ANGCRRA of the requirement in section 1115(c)(1) of NGCRRA described in paragraph (9).

In FY 12, The Chief, Army Reserve, granted 210 waivers. The Army Reserve was delegated the authority to grant waivers for personnel who did not complete the minimum training required for deployment within 24 months after entering the Army Reserve. The reasons for waivers were categorized as Hardship, Medical or Administrative (i.e. Failed Height/Weight Standards, Failed to obtain Driver License, Accepted ROTC Scholarship, Temporary Disqualified, and Failed to Complete High School).

11. The number of Army National Guard members, shown for each State, (and the number of AR members), who were screened during the preceding fiscal year to determine whether they meet minimum physical profile standards required for deployment and, of those members: (a) the number and percentage that did not meet minimum physical profile standards for deployment; and (b) the number and percentage who were transferred pursuant to section 1116 of ANGCRRA to the personnel accounting category described in paragraph (8).

a. The number and percentage who did not meet minimum physical profile standards required for deployment:

In FY 12, 297,515 ARNG Soldiers underwent a Periodic Health Assessment (PHA). There were 14,233 (4.8 percent of the Soldiers who underwent PHA) personnel identified for review due to a profile-limiting condition or failure to meet retention standards.

In FY 12, 160,864 USAR Soldiers underwent a Periodic Health Assessment (PHA). These PHAs identified 10,879 (6.7%) soldiers for further review due to condition-limiting profiles (temporary or permanent) or failure to meet retention standards. The USAR expects temporary disqualifications to return to duty/deployable status upon resolution of the limiting condition.

b. The number and percentage that transferred pursuant to section 1116 of ANGCRRA to the personnel accounting category described in paragraph (8).

In FY 12, the ARNG transferred all 14,233 Soldiers to a medically non-deployable status who were identified for a review due to a profile limiting condition or failure to meet retention standards.

In FY 12, the Army Reserve identified a total of 7,696 Soldiers through PHAs or other field generated source (medical commands) as having a permanent non-deployable medical condition. These Soldiers are being vetted through a medical evaluation board or a non-duty related physical evaluation board for final determination.

12. The number of members and the percentage total membership of the Army National Guard shown for each State who underwent a medical screening during the previous fiscal year as provided in section 1117 of ANGCRRA.

Public Law 104-106 (NDAA 1996), Div A, Title VII, Section 704 (b), February 10, 1996, repealed Section 1117 of ANGCRRA.

13. The number of members and the percentage of the total membership of the Army National Guard shown for each State who underwent a dental screening during the previous fiscal year as provided in section 1117 of ANGCRRA.

Public Law 104-106 (NDAA 1996), Div A, Title VII, Section 704 (b), February 10, 1996, repealed Section 1117 of ANGCRRA.

14. The number of members and the percentage of the total membership of the Army National Guard shown for each State, over the age of 40 who underwent a full physical examination during the previous fiscal year for purposes of section 1117 of ANGCRRA.

Public Law 104-106 (NDAA 1996), Div A, Title VII, Section 704 (b), February 10, 1996, repealed Section 1117 of ANGCRRA.

15. The number of units of the Army National Guard that are scheduled for early deployment in the event of a mobilization, and of those units, the number that are dentally ready for deployment in accordance with section 1118 of ANGCRRA.

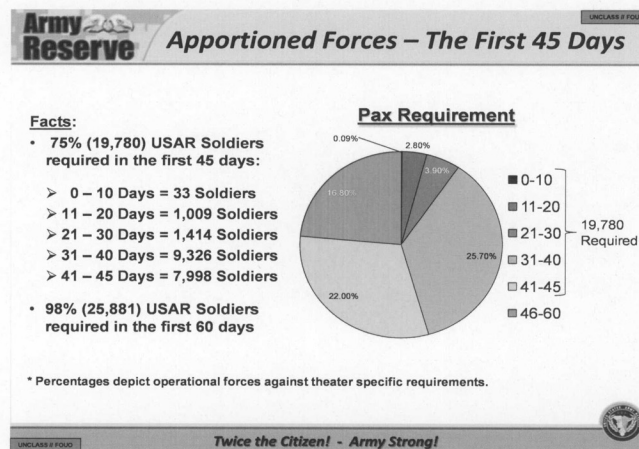
Public Law 104-106 (NDAA 1996), Div A, Title VII, Section 704 (b), February 10, 1996, repealed Section 1118 of ANGCRRA.

16. The estimated post-mobilization training time for each Army National Guard combat unit (and Army Reserve unit), and a description, displayed in broad categories and by State of what training would need to be accomplished for Army National Guard combat units (and AR units) in a post-mobilization period for purposes of section 1119 of ANGCRRA.

USAR Training Strategy IAW the Army Training Strategy executes the progressive training ARFORGEN model (Reset, Train/Ready 1, Train/Ready 2, Train/Ready 3, Available) over a 5 year cycle. The training proficiency achieved at the end of year 3 (Train/Ready) is contingent on Allocated or Apportioned designation.

Effective 1 January 2012, the Secretary of the Army implemented 9-months "Boots on the Ground" (BOG) for the Army. Under this policy USAR units are mobilized for 12 months with 9 months BOG and up to 90 days of post-mobilization training. This allowed the USAR to reduce the training demand on their allocated units while in a pre-mobilization status. For allocated units, the bulk of individual skills training are a pre-mobilization requirement consisting of 24 days of Inactive Duty Training (IDT). Collective training is conducted during 15 days of Annual Training (AT). USAR units will mobilize at no less than a T3 rating and deploy at T2. First Army assumed the training for Theater Specific Required Training (TSRT) on 1 October, 2012.

The USAR generates apportioned units to execute contingency missions, Operational Plans (OPLANS), or other Army requirements during the available year of the ARFORGEN cycle. The USAR is required to provide 26,284 soldiers to the Available Force Pool annually. During a surge requirement the USAR must be able to provide 19,780 (75%) of its total requirement within the first 45 days and 25,881 (98%) within 60 days. The demand for apportioned units within the first 60 days precludes pre-deployment training to achieve deployment readiness after mobilization. The graphic below demonstrates precisely why the Army Reserve must maintain T2 levels of readiness for USAR apportioned formations. The USAR training strategy produces T2 units at the start of the Available Year.



The number of pre-mobilization training days required to train Contingency Expeditionary Force (CEF) units is based on the complexity of the training to achieve T2. The USAR established three levels of training complexity based on the resources required to achieve readiness objectives.

- Level 1 - Most difficult to train based on Decisive Action mission essential tasks, unit complexity, 6 additional training days – T/R 2&3. Ex: Signal Command, Theater Military Police Command, Combat Support Brigade.
- Level 2 - Moderately difficult to train based on Decisive Action mission essential tasks, unit complexity, 6 additional training days – T/R3. Ex: Transportation Battalion, Military Police Battalion.
- Level 3 - Least difficult to train based on Decisive Action mission essential tasks and unit complexity; no additional days required. Ex: Airfield Operations Detachments, Medical and Dental Companies

The Army Reserve has internal training support assets to meet collective training and mission command training requirements. The 84th Training Command (Unit Readiness) is the Army Reserve's Executive Agent for planning, coordinating, and conducting Warrior Exercises (WAREX) and Combat Support Training Exercises (CSTX) rotations. The command's training support brigades and battalions provide Observer, Controller/Trainer coverage for WAREXs and CSTXs. The 75th Training Division (Mission Command) advises assists, and trains battalion and higher staffs in Mission Command. They provide exercise leadership and certified Observer, Controller/Trainers. They focus on developing the exercise architecture by replicating operational environments that facilitate Mission Command training; integrate Live/Virtual/Constructive-Gaming (LVC-G) design and simulations capabilities into seamless exercises that facilitate achievement of training objectives. Training is supported by First Army.

Timely alert for mobilizations—at least one year prior—is crucial to the Army National Guard's mission success. Under the Army Force Generation (ARFORGEN) model, many training tasks previously conducted during the post-mobilization phase now occurs in local training areas before mobilization. First Army, in CONUS, manages and directs post-mobilization training for Reserve Component conventional forces. First Army, in theater, conducts the theater-specified training required and confirms the readiness of mobilized units waiting to deploy.

Army National Guard training and Army Reserve training complies with the ARFORGEN model of progressive training over multi-year cycles and reflects the Army Training Strategy. Units move through the ARFORGEN cycle in three force pools (reset, train/ready, and available). Training progresses through these force pools with the initial focus on individual and leader training, migrating to low-level unit and battle staff, and finally culminating in multi-echelon, combined-arms exercises in the Ready year.

All ARNG units are "Combat Units." Forces Command Pre-Deployment Training, in support of Combatant Commands' guidance, identifies four categories of deploying units:

- Category (CAT) 1 includes units that would rarely, if ever, travel off a Contingency Operating Base/Forward Operating Base (COB/FOB)
- CAT 2 includes units that will, or potentially will, travel off a COB/FOB for short durations

- CAT 3 includes units that travel and conduct the majority of their missions off a COB/FOB
- CAT 4 consists of maneuver units with an Area of Operations (such as Brigade Combat Teams).

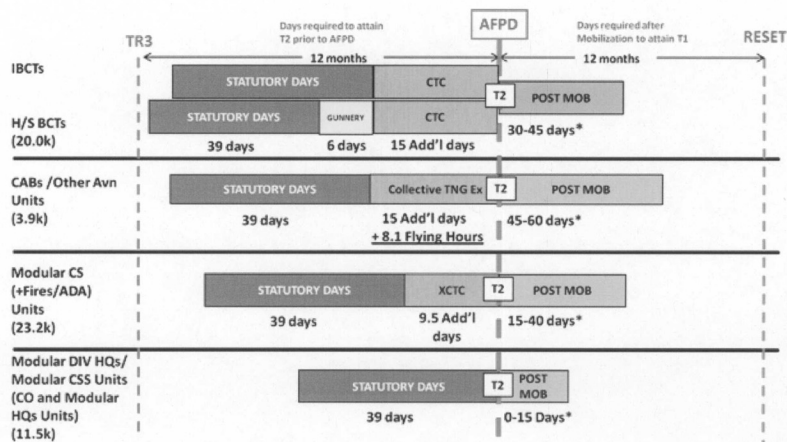
The pre-mobilization tasks increase by category, up to CAT 4. A unit's post-mobilization training time depends on the number of the pre-mobilization tasks completed during pre-mobilization. Army goals for post-mobilization training for Reserve Component headquarters and combat support/combat service support units range from 15 to 45 days, depending on the type and category of the unit (note: this time does not include administrative and travel days). Any pre-mobilization tasks not completed during the pre-mobilization phase must be completed at a mobilization station. The ARNG typically sends units to a mobilization station with a pre-mobilization task completion rate of 90-95 percent. Smaller ARNG units typically arrive at mobilization station 100 percent complete.

Post-mobilization training conducted by First Army typically consists of:

- theater orientation
- rules of engagement and escalation-of-force training
- counterinsurgency operations
- counter-improvised-explosive-device training
- convoy live-fire exercises
- completion of any theater-specified training not completed during the pre-mobilization period

Post-mobilization training days for a CAT 4 unit range from 50-65 training at mobilization station. This training supports a Combat Training Center culminating training event during post-mobilization CAT 4 unit is required to perform in order to be validated and deployed (National Training Center or Joint Readiness Training Center; 30 day training exercises).

Below is an outline depicting post-mobilization training day goals for various units:



3

The outline below depicts the actual number of post-mobilization training days for various units:\*

	Post Mobilization Training Days		
	Current	Goal	Delta
I/H/S Brigade Combat Team	63	45	18
Combat Aviation Brigade	33	60	-27
Military Police (Internment/Resettlement)	27	40	-3
Engineer Battalion (Route Clearance)	37	40	-3
Military Police Company	30	40	-10
Quartermaster Company	23	15	8
Engineer Company (Construction)	29	40	-11
Transportation Company (Heavy Equip Trans)	37	40	-3

\*from First Army-approved Post-Mobilization Training Plans.

17. A description of the measures taken during the preceding fiscal year to comply with the requirement in section 1120 of ANGCRRA to expand the use of simulations, simulators, and advanced training devices and technologies for members and units of the Army National Guard (and the Army Reserve).

During FY 12, the ARNG continued to synchronize the use of existing and ongoing live, virtual, and constructive training aids, devices, simulations and simulators (TADSS) programs. During Army Training Summit III the ARNG-TRS/TRC branches participated in working groups with Department of the Army Management Office Training Support (DAMO-TRS), Training and Doctrine Command (TRADOC) and the Army Training Support Command (ATSC-STIDD) and other Major Commands to develop an ARFORGEN resourced training model. By synchronizing the use of TADSS with current Event Matrix Menu and ARFORGEN cycles for all components.

To support the training requirements of M1A1 Abrams and M2A2 Bradley equipped Brigade Combat Teams (BCT's) the ARNG is continuing to field and train using the Conduct of Fire Trainer- Situation Awareness (COFT-SA) and the Mobile-Conduct of Fire Trainer Situation Awareness (M-COFT-SA). Due to the geographical dispersion of units, the ARNG has a larger requirement for simulations that are Armory based. This brought the ARNG to develop and purchase the M-COFT-SA trainer as a mobile solution to fulfill training gaps. The ARNG continued fielding Tabletop Full-fidelity Trainers and is fielding the Bradley Advanced Training System (BATS) for the M2A2/A3 units. When fully fielded, these devices, in addition to the Conduct of Fire Trainer Advanced Gunnery Trainer System (CAGTS), Mobile Advanced Gunnery Trainer System (M-AGTS) will be the primary simulation trainers to meet the virtual gunnery requirements of M1A1 and M2A2/A3 crews.

The ARNG-TRS continues to participate in the Analysis of Alternatives (AoA) to address the emerging requirement from the Training General Officer Steering Committee (TGOSC) to address the non-stabilized platform gunnery requirements. The ARNG has developed two solutions and updated those devices to meet the non-stabilized Gunnery requirements. The ARNG has fielded the Virtual Convoy Operations Trainer (VCOT) to train crew drills, convoy operations, command and control and non-stabilized platform gunnery. In addition, the ARNG has added an Individual Gunnery Trainer (IGT) to train individual gunners for .50 caliber, MK19, and M240 machine gun non-stabilized gunnery tasks listed in the forthcoming HBCT gunnery manual. Currently, all 54 States and Territories have received the VCOT capability. The IGT is an initiative that is currently being fielded; to date 147 IGT systems have been fielded to ARNG units with 80 more of the Brigade Combat Team solution.

The ARNG has bought down its requirement for 11 of the Non-Rated Crew Member Trainer for aviation crews using National Guard and Reserve Equipment Appropriation (NGREA) funding. This is an Army Program of Record (PoR) trainer that simulates training the aviation crew skills prior to live events.

The ARNG is currently fielding the Operation Driver Simulator that trains transportation tasks in a family of vehicles, at both the unit and institutional levels. This is a recognized "In Lieu Of" training device.

The ARNG is continuing to field the Engagement Skills Trainer (EST 2000) to meet basic and advanced rifle marksmanship requirements. In FY 12 they have bought down their requirements using NGREA funding. This system is a PoR marksmanship training device. The ARNG is also continuing the use of its previously procured Fire Arms Training System (FATS) and phasing out systems that have concurrency issues. The EST 2000 and FATS also provides static unit



collective gunnery and tactical training, and shoot/don't shoot training. The ARMY is currently re-competing this contract and the ARNG has a representative that is on the source selection committee to address the ARNG dispersion challenges and additional training requirements.

The ARNG supplements its marksmanship-training strategy with the Laser Marksmanship Training System (LMTS). The use of LMTS helps to develop and maintain basic marksmanship skills, diagnose and correct problems, and assessing basic and advanced skills. The ARNG has over 900 systems fielded down to the company level. The LMTS is a laser-based training device that replicates the firing of the Soldier's weapon without live ammunition.

The Improvised Explosive Device Effects Simulator (IEDES) supports the training requirements for the detection, reaction, classification, prevention, and reporting of Improvised Explosive Devices. The IEDES kits consist of pyrotechnic and/or non-pyrotechnic training devices to achieve scalable signature effects. The ARNG has fielded 258 total IEDES kits, of which, 194 are non-pyrotechnic kits (A-kits) and 64 are pyrotechnic kits (B-kits). This distribution includes 53 ARNG training sites across 39 states and territories. They have received fielding, New Equipment Training (NET) and life cycle sustainment as of 3rd Quarter FY12. ARNG-TRS is continuing the effort to identify and fill requirements based on the recently completed Army Training Summit III. The latest IEDES innovation is the fielding of the IEDES Transit Cases to support less than company size training scenarios that has started in 3d Quarter FY12. The ARNG has restructured the Training Support section of the G-3 to address this issue and assigned an officer to manage the program of asymmetric warfare.

The ARNG continues to develop its battle command training capability through the Mission Command Training Support Program (MCTSP). This program provides live, virtual, constructive, and gaming (LVC&G) training support at unit home stations via mobile training teams. Units can also train at Mission Training Complexes (MTC). The MCTSP consists of three MTCs at Camp Dodge, IA; Fort Indiantown Gap, PA; and Fort Leavenworth, KS, with two additional sites for the future at Camp Gowen field/Orchard Range and Fort Chaffee. The Army Campaign Plan 2011 requires the ARNG to train 172 units (Brigade equivalents and above). The MCTSP synchronizes ARNG mission command training capabilities to help units plan, prepare, and execute battle staff training. The objective is to develop proficient battle command staffs and trained operators during pre-mobilization training.

In order to provide the critical Culminating Training Event for the U.S. Army Forces Command (FORSCOM) ARFORGEN cycle, the ARNG has implemented the Exportable Combat Training Capability (XCTC) Program. The ARNG XCTC program provides Battalion Battle Staff training to the level organized, coupled with a theater immersed, mission focused training event to certify company level proficiency prior to entering the ARFORGEN Available Force Pool defined as certified company proficiency with demonstrated battalion battle staff proficiency, competent leaders, and trained Soldiers prepared for success on the battlefield.

The ARNG is also looking to procure their requirement of the Dismounted Soldier Training Suite to compliment the Close Combat Tactical Trainer.

The ARNG way-ahead is continuing to use PoR and seven recognized “In Lieu of” devices to train and sustain vital and perishable skill sets and interact with all components to support the live, virtual, constructive and gaming training strategy. The ARNG-TRS is drafting a white paper that will address a well-informed TADSS strategy that is ARFORGEN or Future Forces Generation (FUFORGEN) driven. TADSS are a key function of the ARNG training at home station and are heavily relied upon by commanders at all levels. In times of fiscal uncertainty the use of simulations becomes greater and critical to the readiness of the ARNG.

The USAR executes a training strategy committed to producing trained units and battle staffs for 21st Century operations that are prepared for operational deployment in support of Combatant Commanders and other Army requirements. This requires realistic and comprehensive home station training supported by sufficient number of training man-days, and an appropriate mix of Live, Virtual, Constructive, and Gaming platforms.

The USAR focused on maximizing simulation technology and home station training opportunities in support of commander’s Force Generation training readiness objectives. Home station training capabilities must provide a training framework (operational, institutional, and self development) that approximates the conditions of the operational environment while mitigating resource constraints of land, manpower, facilities, and training dollars. The Army Reserve requires blended, integrated, and distributive training capabilities (software, equipment, network capacity, and facilities) to train and educate more efficiently and effectively in support of ARFORGEN, the Army’s Training Concept, the Army Learning Concept, and the Army Leader Development Strategy.

The USAR is currently conducting a pilot program which adds ten laptops to ten different USARC locations. These computers are being fielded for Distance Learning (DL) to support commanders in the field and allow Soldiers to meet mandatory DA Electronic Based Distributed Learning (EBDL), Distance Learning (DL), and other training requirements.

The Warrior and Combat Support Training Exercises are the Army Reserve’s major collective training exercises conducted on Army Reserve installations. These exercises integrate live and constructive environments to train senior battle staffs and to conduct company and platoon level lanes training. The Army Reserve has made sizable investments in improving facilities and infrastructure in order to leverage technologies to enhance training, reduce costs, and facilitate collaboration. The TADSS and Virtual Battle Space 2 (VGS2) systems have increased the readiness of units trained on them. Additionally, the 75th Mission Command Training Division has integrated a high-tech joint constructive battle staff training simulation to provide more realistic training to rotating soldiers. The next step for the USAR is to link Virtual, Constructive, and Live environments.

The USAR has fifty (50) Digital Training Facilities (DTFs), located in twenty-eight (28) states. Daily, our Soldiers conduct DL training on any of the 562 course, Structured Self Development, and individual or squad and platoon level collective training within these facilities. The Army Reserve is currently focused on using the VBS2 and distributed capability within these facilities as Spokes to the Reserve’s five (5) Mission Command Training Centers (MCTCs) to conduct worldwide virtual and or constructive training.

The USAR has identified the Deployed Digital Training Campus (DDTC) as an effective portable capability to provide Gaming and Structured Self Development training to its units. In FY 12, the Army Reserve conducted an analysis to identify training gaps within the Pacific areas of American Samoa, Saipan and Guam. The Army Reserves will conduct a Proof of Principle (PoP) using the DDTC in American Samoa to enhance and improve the Soldiers' proficiency in Structured Self Development and individual, squad and platoon level proficiency. Additionally, VBS2 will be incorporated in Samoa, Guam and Saipan to supplement the current training and enhance training proficiency.

18. Summary tables of unit readiness, shown for each State, (and for the Army Reserve), and drawn from the unit readiness rating system as required by section 1121 of ANGCRRRA, including the personnel readiness rating information and the equipment readiness assessment information required by that section, together with:

a. Explanations of the information:

Readiness tables are classified and can be provided upon request. The Department of the Army, G-3, maintains this information. The states do not capture this data. The information is maintained in the Defense Readiness Reporting System – Army.

b. Based on the information shown in the tables, the Secretary's overall assessment of the deployability of units of the ARNG (and Army Reserve), including a discussion of personnel deficiencies and equipment shortfalls in accordance with section 1121:

Summary tables and overall assessments are classified and can be provided upon request. The Department of the Army, G-3, maintains this information. The information is maintained in the Defense Readiness Reporting System – Army.

19. Summary tables, shown for each State (and Army Reserve), of the results of inspections of units of the Army National Guard (and Army Reserve) by inspectors general or other commissioned officers of the Regular Army under the provisions of Section 105 of Title 32, together with explanations of the information shown in the tables, and including display of:

a. The number of such inspections;

b. Identification of the entity conducting each inspection;

c. The number of units inspected; and

d. The overall results of such inspections, including the inspector's determination for each inspected unit of whether the unit met deployability standards and, for those units not meeting deployability standards, the reasons for such failure and the status of corrective actions.

During FY 12, Inspectors General and other commissioned officers of the Regular Army conducted 1,887 inspections of the Army National Guard. Regular Army Officers assigned to the

respective States and Territories as Inspectors General executed the bulk of these inspections (1,833). Of the remaining, First Army and the Department of the Army Inspector General conducted 26 inspections, and U.S. Army Forces Command (FORSCOM), the Communications-Electronics Command (CECOM), and various external inspection agencies conducted 28. Because the inspections conducted by Inspectors General focused on findings and recommendations, the units involved in these inspections were not provided with a pass/fail rating. Results of these inspections may be requested for release through the Inspector General of the Army.

The Army Reserve Office of the Inspector General conducted two special assessments within the last 12 months. The first assessment was entitled "Personnel Transition within the Army Reserve" and was directed by the Chief, Army Reserve on 11 August 2011. This assessment (Personnel Transition within the Army Reserve) was conducted 17 October 2011 through 26 January 2012. A total of 38 units were assessed as part of this assessment. The final report was approved in April 2012. The second assessment entitled "Special Assessment of the Organizational Inspection Program (OIP) within the US Army Reserve" was also directed by the Chief, Army Reserve on 22 August 2012. This assessment began in October 2012 and is concurrently ongoing; the expected completion date is February 2013. To date, a total 30 of the 50 units selected for this assessment have been assessed by members of the Army Reserve Office of the Inspector General. The Army Reserve Office of the Inspector General has also conducted 7 Intelligence Oversight (IO) inspections within the past 12 months. The overall goal of both assessments as well as the IO inspections was not to evaluate a unit's deployability status. However, out of the total 74 units assessed/inspected, nothing was found that would cause a unit to be listed as non-deployable. Results of these inspections may be requested for release through The Inspector General of the Army.

20. A listing, for each ARNG combat unit (and US Army Reserve FSP units) of the active-duty combat units (and other units) associated with that ARNG (and US Army Reserve) unit in accordance with section 1131(a) of ANGCRRRA, shown by State, for each such ARNG unit (and for the US Army Reserve) by: (A) the assessment of the commander of that associated active-duty unit of the manpower, equipment, and training resource requirements of that National Guard (and Army Reserve) unit in accordance with section 1131(b)(3) of the ANGCRRRA; and (B) the results of the validation by the commander of that associated active-duty unit of the compatibility of that National Guard (or US Army Reserve) unit with active duty forces in accordance with section 1131(b)(4) of ANGCRRRA.

The Army continues to meet Congressional intent as it pertains to Active Component (AC) support to Reserve Component (RC) readiness outlined in Title XI of the National Defense Authorization Act of 1993, as amended. Every RC unit that deployed during Fiscal Year 2012 was properly manned, equipped, trained, and certified to meet Combatant Commander (CCDR) requirements prior to employment overseas and in the Continental United States (CONUS) by processes associated with Army Force Generation (ARFORGEN).

The legislated roles and responsibilities formerly given to the commanders of multiple associated AC division and above units continue to be executed by the commanders of First Army (FORSCOM's executive agent for Active Army support for the training, readiness, and

mobilization of conventional RC units in the Continental United States); the 196<sup>th</sup> Infantry Brigade (U.S. Army Pacific's executive agent for the training and readiness of conventional RC units located in the Pacific Command's area of responsibility); and the U.S. Army Europe (USAREUR) (for the training and readiness of conventional RC units located in the European Command's area of responsibility).

ARFORGEN continues to be the Army's core process to synchronize the progression of unit readiness over time to produce trained, ready, and cohesive units prepared for operational deployment in support of CCDR and other Army requirements. Within ARFORGEN, all active Army, Army National Guard, and Army Reserve units cycle through the ARFORGEN force pools and are designated either for deployment to a validated CCDR operational requirement or for the execution of a contingency mission, operational plan, or other validated Army requirement.

Assessments of the manpower, equipment, and training resource requirements of these RC units and validation of their compatibility with AC forces (as required by sections 1131(b)(3) and 1131(b)(4) of the Army National Guard Combat Readiness Reform Act of 1992) are executed and maintained by First Army, the 196<sup>th</sup> Infantry Brigade, and USAREUR as the RC units progress through the ARFORGEN process into the deployment window.

On September 4, 2012, the Secretary of the Army signed Army Directive 2012-08 (Army Total Force Policy). This policy establishes a framework for the integration of the Army's Active and Reserve Components as a "Total Force" and includes general guidance on the integration of AC and RC forces for training, readiness, and employment. Implementation guidance is expected to be published in FY 2013.

21. A specification of the active-duty personnel assigned to units of the Selected Reserve pursuant to section 414(c) of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (10 USC. 261 note), shown (a) by State for the Army National Guard (and for the US Army Reserve), (b) by rank of officers, warrant officers, and enlisted members assigned, and (c) by unit or other organizational entity of assignment.

Title XI (FY 12) Authorizations				
	OFF	ENL	WO	TOTAL
U.S. Army Reserve	41	18	0	59
TRADOC	51	12	0	63
FORSCOM	1033	2165	101	3299
USARPAC	30	49	1	80
TOTAL	1155	2244	102	3501

Title XI (FY 12) Assigned				
	OFF	ENL	WO	TOTAL
U.S. Army Reserve	43	30	0	71

TRADOC	26	13	0	39
FORSCOM	869	2108	87	3064
USARPAC	25	46	1	72
TOTAL	963	2190	88	3241

As of February 5, 2013, the Army had 3,241 active component Soldiers assigned to Title XI positions. In FY06, the Army began reducing authorizations in accordance with the National Defense Authorization Act 2005 (Public Laws 108-767, Section 515). Army G-1 and U.S. Army Human Resources Command carefully manages the authorizations and fill of Title XI positions. The data is not managed or captured by state – the chart above provides the best representation of how Title XI positions are dispersed and utilized.

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

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

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

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

Second, I want to thank Congress for its hard work in passing the fiscal year 2013 Consolidated Appropriations and Further Continued Appropriations Act. We very much appreciate your help, which has alleviated nearly \$6 billion of the \$18 billion shortfall to the Army's O&M accounts in fiscal year 2013.

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

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

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

Today, the Army's primary purpose remains steadfast: to fight and win the Nation's wars. We will continue to be ready to do that, even as we do our part to help the country solve our fiscal problems. But the timing, magnitude, and method of implementing budget reductions will be critical.

In fiscal year 2013, the Army still faces a more than \$13 billion O&M shortfall, which includes a \$5.5 billion reduction to the Army's base budget and a \$7.8 billion shortfall to OCO. As a result, we have taken drastic actions to curb spending. In the final 6 months of the year, we have curtailed training for 80 percent of the force, canceled 6 brigade maneuver combat training center rotations, and cut 37,000 flying hours, initiated termination of 3,100 temporary employees, canceled third- and fourth-quarter depot maintenance, and are planning to furlough our valued civilian workforce for 14 days in fiscal year 2013.

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

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

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

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

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

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

Under sequestration, the Army would need to again absorb immediate cuts in fiscal year 2014. This would likely force us to cut personnel accounts, reductions that could equate to tens of thousands of soldiers. By the time we paid separation benefits for these soldiers, the cost to separate them would exceed the savings garnered. The maximum we can reduce the force by without breaking readiness and including excessive separations costs is somewhere between 15,000 and 20,000 soldiers per year, but this would only save \$2 billion a year. So, right now, almost the full weight of sequester will again fall on the modernization and readiness accounts, where such drastic cuts will take years to overcome. The net result will be units that are overmanned, unready, and unmodernized. The steepness of the cuts in sequestration forces us to be hollow.

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

As we look to fiscal year 2014 and beyond, our foremost priority is to ensure that our soldiers deployed on operational commitments are trained, ready, and able to execute their missions. Simultaneously, we'll continue to draw down the force. We are on schedule to remove 89,000 soldiers from the Army by fiscal year 2017, due to the budget reductions levied by the 2011 BCA. So far, most of these cuts have come from our overseas formations; specifically, in Europe. In fiscal year 2014, future force reduction will affect almost



every Army and joint installation across the United States. We will release our plans for these reductions in June. The key to the current drawdown is to maintain that the balance between end strength, readiness, and modernization so that we are properly sized and ready for whatever the country needs us to do. Such an evenhanded approach is the only acceptable one while the world remains such an unstable place, the most unstable I have seen in my nearly 37 years of service.

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

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

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

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

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

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

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

As we prepare to operate in an increasingly complex and uncertain environment, our number-one priority is to invest in our leaders. This spring, we will roll out a brand new leader development strategy, which will invest in our soldiers' training, education, and development. It will fundamentally change the way we train, edu-

cate, assign, assess, and promote our leaders. It will be the foundation of our future Army.

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

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

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

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

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

Our soldiers are the finest men and women our country has to offer. Since 2001, more than 1.5 million soldiers have deployed, and more than a half a million have deployed two, three, or four more times. More than 35,000 soldiers have been wounded, and over 4,800 soldiers have made the ultimate sacrifice to defend this great Nation. It is our responsibility to ensure that we never again send soldiers into harm's way that are not trained, equipped, well-led, and ready for any contingency, to include war. It is our responsibility to honor the service and sacrifices of our veterans, whether they remain in uniform or transition back to civilian life.

The strength of our Nation is our Army. The strength of our Army is our soldiers. The strength of our soldiers is our families, and that's what makes us Army Strong.

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

Chairman LEVIN. Thank you so much, General.

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

Let me start with this question. We were notified recently that the Army's Active Duty end strength at the end of fiscal year 2013 would be approximately 530,000. Now, that's below their authorized strength. It's 22,000 below the authorized strength for the Army, and it's 12,000 below the floor established in law. The President is given the power to waive end strength laws in time of war in order to avoid violating the law. But, nonetheless, those seem to be the statistics.

Now, the Army Times had an article recently in which they said the following, that 11,000 Active Duty soldiers backlogged in the IDES are going to be separated this year, and as many as 15,000

soldiers, according to this article, will be separated this year, “for misconduct or for not meeting the required standards, such as physical fitness and weight control.”

So, my question, starting with you, Mr. Secretary—this is a rapid reduction, more than expected, in the Army’s fiscal year 2013 end strength. Is that due to the expedited processing in the IDES, or are we removing soldiers who no longer meet the requirements for detention, or both, and to what degree is each involved?

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

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

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

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

Chairman LEVIN. Right.

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

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

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

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

Mr. MCHUGH. I do, Senator.

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

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

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

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

Chairman LEVIN. Thank you.

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

General ODIERNO. I do, Senator. As I mentioned in my opening statement, we have to reduce the rate of growth of the cost of our soldiers that has doubled since 2001. If we don't, that will require further significant reductions in end strengths across all the Services, but specifically the Army. So, I think there's a way for us to balance. I think this proposal balances proper compensation with what we need in order to sustain the right level of end strength for our Army as we move forward.

Chairman LEVIN. Thank you.

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

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

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

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

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

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

General Odierno, we talked about this in my office. There are proposed changes to the Uniform Code of Military Justice (UCMJ) that have, up until now, been the responsibility of commanders. Now, to date, we've only had Judge Advocate Generals (JAG) testify up here before the subcommittee and give their opinions, so I would like to get a commander's perspective. As a commander, we trust you to make decisions that may result in the loss of life in order to protect the Nation and accomplish the mission. We trust you with our sons' and daughters' lives, but we don't trust you, or your discretion, when it comes to UCMJ offenses. This seems a little bit hard for normal people to believe that you would have that responsibility, but not have that responsibility, in terms of what they are doing.

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

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

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

Senator INHOFE. General, that's a great answer. I appreciate that very much. I had the staff look up a couple of things for me, and I just got it this morning. In the Marine Corps, only 7 out of 1,768 has the convening authority actually changed a guilty decision. In the Air Force, it's 1.1 percent. The Navy has had 16,056 general court-martials, and in only 2 known cases have they reduced them.

Now, in the Army, it's very similar; since 2008, the Army convening authority has disapproved the findings and sentence of a soldier convicted of a sexual assault and returning the soldier to Active Duty. So, they didn't have any of those.

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

[The information referred to follows:]



THE VICE CHAIRMAN OF THE JOINT CHIEFS OF STAFF  
WASHINGTON, D.C. 20318-9999

23 July 2013

The Honorable Carl Levin  
Chairman  
Committee on Armed Services  
United States Senate  
Washington, DC 20510

Dear Mr. Chairman:

As General Dempsey and I stated during our reconfirmation hearing, the military services have investigated and prosecuted a number of sexual assault cases after civilian authorities either did not pursue a full investigation or formally declined to prosecute. The Army and Marine Corps statistics we cited are below, as well as additional statistics from the Navy and Air Force. The statistics cover the last two years.

U.S. Army. Commanders exercised jurisdiction in 49 sexual assault cases that local civilian authorities declined to pursue.

- 32 of these cases were tried by court-martial, resulting in 26 convictions—an 81% conviction rate
  - 25 of the 26 (96%) convicted were sentenced to confinement and a punitive discharge or dismissal from the military
  - Six accused were acquitted of sexual assault charges
- Two of the accused were administratively discharged in lieu of trial by court-martial under other than honorable conditions
- 15 cases are still in the pre-trial phase of the military justice system

U.S. Marine Corps. Commanders exercised jurisdiction in 28 sexual assault cases that local civilian authorities declined to pursue.

- All 28 cases were tried by court-martial
- 16 cases resulted in convictions—a 57% conviction rate

U.S. Navy. Commanders exercised jurisdiction in six sexual assault cases that local civilian authorities declined to pursue.

- Three cases were tried by court-martial, resulting in one conviction—a 33% conviction rate
- Three cases are still in the pre-trial phase of the military justice system

U.S. Air Force. Commanders exercised jurisdiction in ten sexual assault cases that local civilian authorities declined to pursue.

- All ten cases were tried by court-martial, resulting in nine convictions—a 90% conviction rate

- o Seven of the nine (78%) convicted were sentenced to confinement and/or a punitive discharge or dismissal from the military

I believe these statistics demonstrate the personal ownership commanders take in the discipline of their units—even in the face of often challenging circumstances.

In one case, for example, two soldiers engaged in sexual intercourse with a victim who was substantially incapacitated by alcohol. When questioned, both soldiers lied to civilian law enforcement. A civilian investigator accused the victim of lying, and concluded as much in the official report. After local authorities declined to prosecute, military investigators opened a case, located additional victims, and discovered evidence indicating that the soldiers had conspired to obstruct justice. Both soldiers were convicted by a court-martial, sentenced to confinement, and punitively discharged.

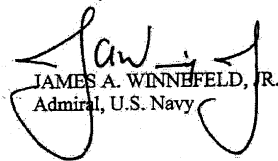
Another case involved a soldier's rape and forcible sodomy of his 10-year-old autistic step-daughter. Lacking physical evidence and a statement from the accused, civilian authorities declined to prosecute. Military investigators opened a case and located a key piece of evidence that corroborated the victim's allegations against the soldier. A court-martial convicted the soldier, sentencing him to 35 years confinement and a dishonorable discharge.

In cases like these and others, which independent authorities declined to pursue, commanders recognized the need to hold service members accountable for their crimes both for the sake of justice, and to preserve good order and discipline.

You also asked whether, conversely, civilian authorities have prosecuted cases that the military services did not pursue. The services currently do not track that information. However, after querying the field, the Army, Navy, and Air Force have responded that they have no recollection of cases in which commanders declined to prosecute, or a court-martial ended in an acquittal, and civilian authorities subsequently prosecuted. From time to time, civilian authorities prosecute cases that the military could prosecute, but that is the result of informal discussions regarding which system is better suited to handle the case rather than a result of a service formally declining prosecution.

I appreciate your energetic support for our determined efforts to eliminate the insider threat of sexual assault, and your continued concern for and support of our men and women in uniform.

Sincerely,

  
JAMES A. WINNFELD, JR.  
Admiral, U.S. Navy

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

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

Senator INHOFE. Yes.

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

Senator INHOFE. Yes.

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

Senator INHOFE. Yes. Well, no, and I appreciate that. Let me ask both of you—because there is an independent panel that is investigating this. They're going to convene in the summer. I don't know exactly when they're going to have the report. But, it would seem to me that, if we're going to take something that is as far-reaching as this, that we should at least wait until we get an independent panel, get the results, and consider their recommendations. Would both of you comment on that or agree with that?

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

Senator INHOFE. Okay, that's—

Mr. MCHUGH.—very carefully.

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

Mr. MCHUGH. It depends what the commission says. I never like to commit to an outcome before I know what that outcome is.

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

Mr. MCHUGH. I can't, again, judge outcome.

Senator INHOFE. Sure.

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

Senator INHOFE. Okay, that's fair. I have a couple of other questions. I may have to take some of these for the record. But, you've heard several of us up here talking about the cost of energy. I know when you're cutting defense there are cuts, there are delays. A lot of times, I think the delays, like the 2-year delay on the 179 F-35s, that could end up being a cut. But, the thing that people are not as aware of is putting the agenda, as this President has done,



into the defense budget. For example, why should DOD be paying for biorefineries and solar panels and these things? It's my understanding that right now—the Army budgeted \$562 million and approximately \$4.2 billion in the Future Years Defense Program (FYDP) for operational energy initiative. Now, down here in the last—it says, “In addition, the Army announced, late last year, an initiative to award \$7 billion a contract”—over a period of time, I'm sure—“to procure renewable and alternative energy.”

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

[The information referred to follows:]

The Multiple Award Task Order Contract (MATOC) is an Indefinite Delivery Indefinite Quantity (IDIQ) contract vehicle that establishes a pool of qualified firms/contractors for four renewable energy technologies (i.e., solar, wind, biomass, and geothermal) to compete for individual task order contracts. These contracts will be for renewable energy projects located on or adjacent to U.S. military installations. The objective of this acquisition is to procure reliable, locally-generated renewable and alternative energy utilizing Power Purchase Agreements (PPA) or other contractual equivalents. There is no capital or military construction appropriation connected with a PPA. PPAs are third-party funded acquisitions where the Army only buys the power and does not own, operate, or maintain the generating assets that are built on federal land. The intent is to award contracts to all qualified and responsible competing firms, both large and small businesses, whose offers receive the required minimum acceptable evaluation ratings and whose price is reasonable and realistic.

The MATOC's total estimated value of \$7 billion refers to the total dollar value of energy available for purchase under all PPA task orders for their entire term (up to 30 years). The authority to enter into such contracts has been provided by Congress to all military departments for renewable energy projects located on land under the Secretary's jurisdiction or privately held.

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

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

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

Senator INHOFE. Yes, of course.

Mr. MCHUGH. The multiple award task order contract (MATOC), the multiple year—30-year contract you've mentioned, that really is private-sector investment money. What it does is allow us, as the Army, to purchase power that is produced through the investments. Those programs, by our analysis, for every dollar of government taxpayer money invested, we get \$7 of private investment and a dollar on—in return. So it's just energy independence, it's not a biofuel.

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

Mr. MCHUGH. I won't speak for the Navy. We don't have that program.

Senator INHOFE. Well, all right.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much.

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

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

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

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

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

Senator DONNELLY. I'm fine with having Senator Reed go before me.

Chairman LEVIN. Thank you both.

Senator King.

Senator KING. Thank you.

Mr. Secretary, we've been talking a lot about sequestration and budgets. We know that the Senate—the budget, that was passed by the Senate several weeks ago, essentially unwinds the sequester in fiscal year 2014, and thereafter, through a different series of cuts and revenues. Have you analyzed the House budget that's been passed and what it does? I've tried to research this, and I'm a little confused. Does the House budget maintain the sequester on into the indefinite future?

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

Senator KING. Thank you very much.

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

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

Senator KING. Thank you.

On the issue of maintenance, you have mentioned—both of you, I think, mentioned that maintenance is going to have to be cut. In my view, cutting maintenance isn't a savings. It may be a savings this year, but it's ultimately something that's going to have to hap-

pen, and it may be more expensive in the future. Mr. Secretary, do you have a thought on that?

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

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

Senator KING. Thank you.

We had a hearing last week of the Senate Armed Services Committee Personnel Subcommittee with representatives of the veterans organizations. You used terms today like "keep the faith," "breaking faith with our troops," particularly in terms of TRICARE. What does that term mean? The implication from our hearing last week was that the veterans assume a lifetime of health benefits at a much reduced rate as part of their employment package, if you will. Is that the way the Army sees it? What are people told when they enlist?

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

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

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

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

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

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

Senator KING. I'd appreciate that.

General ODIERNO. Yes.

[The information referred to follows:]

The fiscal year 2014 Army budget includes 44 percent of the base request in the Military Personnel Appropriations (MPA). Of this, the projected percentage of the total cost associated with long-term health care in fiscal year 2014 is 2.31 percent. This information is reflected as the fiscal year 2014 contribution to the Medicare-Eligible Retiree Health Care Fund (MERHCF) in the budget estimates dated April 2013 for the MPA, NGPA, and RPA appropriations. These documents display a total fiscal year 2014 personnel request of \$56.6 billion. This includes MERHCF contributions of \$3.0 billion. The MERHCF is for retiree health care for those over 60 years of age. Most health care costs can be found in the Department of Defense health programs budget submission.

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

General ODIERNO. I agree with you, Senator. We have two things that we're doing. One, we have the Soldier-for-Life program that we've established. We have a Soldier-for-Life office that is helping to place veterans as they come out. They are organized regionally. They deal with many corporations regionally to help the transition of our veterans. But also the execution of the Veterans Opportunity to Work (VOW) Act that was passed last year which significantly increases the assets we have available to us in order to help soldiers transition, is allowing us to develop programs that are important.

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

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

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

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

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

Senator KING. Appreciate it. Thank you.

General, Mr. Secretary, thank you.

Mr. MCHUGH. Thanks.

Senator KING. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator King.

Senator McCain.

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

General Odierno, I understand that you were commissioned in 1976. So as a junior officer, you were aware of the condition the Army was in at that time. I'm sure you recall when the Chief of Staff of the U.S. Army, General Meyer, came before this committee and said we had a hollow Army. Can you compare that situation with the situation we're in today, as regards to the impact of sequester? I'm sure you were much smarter in 1976 than you are now.

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

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

So, what I worry about, the steepness of cuts of sequestration could lead us back to where we were in the late 1970s.

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

General ODIERNO. If something does not change.

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

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

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

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

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

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

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

General ODIERNO. I absolutely agree with that.

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

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

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

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

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

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

Mr. MCHUGH. That is correct. We've——

Senator MCCAIN. So——

Mr. MCHUGH. Sorry, sir. Go ahead.

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

So I hope that you will continue to—not only to Members of Congress, but to the members of the administration—convey the urgency of this situation, because I don't hear anything from the administration saying we want it repealed, and yet we continue to have testimony as to the draconian effects.

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

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

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

General ODIERNO. No.

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

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

Senator MCCAIN. Thank you.

I thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator McCain.

Senator Udall.

Senator UDALL. Good morning, gentlemen.

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

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

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

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

As the Chief mentioned in his opening comments, we have already reduced 6 of the necessary 8 brigades to meet that 490,000, those 2 both coming out of Europe, 2 heavy BCTs, that needs 6 to be assessed across our remaining structure.

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

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

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

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

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

Senator UDALL. All right.

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

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

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



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

General ODIERNO. They will rotate through habitual relationships with the combatant commanders. The concept of reorganizing these brigades, we've done an extensive analysis that tries to tell us what is the most capable organization to operate across the spectrum of conflict that we can expect? The results are, it looks like we probably should reorganize. But, the Secretary and I have not made that final decision yet, but that would be part of this process as we announce in June.

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

But does the division structure become almost obsolete, given the ways in which the division structure will still have application. If you'd respond to that in more detail for the record that would be terrific.

General ODIERNO. Sure.

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

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

Senator UDALL. Okay.

Mr. MCHUGH. Could I add a comment?

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

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

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

General ODIERNO. Thank you, Senator, for asking that question.

Senator UDALL. Yes.

General ODIERNO. We have reworked, I did talk about that. That was one of the decisions that we'd have to make. That's one of the reasons why we have to continue, unfortunately, with 14 days'

worth of furloughs, because that's allowing us to have enough money to invest in the training of the units that would replace those in Afghanistan so we will not have to increase tour lengths. We've had to make some very difficult decisions here in 2013 in order to ensure that we do not extend those tour lengths. They were tough, difficult decisions, but we believe right now that tour lengths will remain the same and we will be able to train the forces that follow up those units.

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

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

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

Senator UDALL. Thank you, gentlemen.

Chairman LEVIN. Thank you, Senator.

Senator VITTER.

Senator VITTER. Thank you, Mr. Chairman.

Thank you both, again, for your service.

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

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

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

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

Senator VITTER. Yes, great.

Can you also confirm that the process will certainly consider the factors I mentioned, including that Fort Polk has a land acquisition program, is growing for mission expansion, and would not need any additional military construction?

Mr. MCHUGH. Yes. All of those factors are critical to establishing military value, are critical to judging the kinds of investments that

may be needed in the future. So, anything that a post, camp, or station is in a posture to do, like adding land, is certainly something we have to judge.

Senator VITTER. Right.

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

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

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

Senator VITTER. Okay, great.

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

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

That said, it doesn't mean they necessarily have to be colocated to do that, but it is something we want is to have the divisions more involved with the BCTs.

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

General ODIERNO. It does not.

Senator VITTER. Okay.

Thank you very much.

Chairman LEVIN. Thank you, Senator Vitter.

Senator Manchin.

Senator MANCHIN. Thank you, Mr. Chairman.

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

Also, I think you know in the State of West Virginia we have the utmost respect for all of our servicemembers and all of the veterans. We have a high percentage of veterans in a little State of West Virginia. We're proud of what we've done. We recently saw the National Guard people—it was just so moving to see in Boston

[Boston Marathon bombings on April 15, 2013], as horrible and horrific as that was, to see all men and women in uniform, and National Guard especially, running towards the area of danger. That just speaks volumes of how they're trained and the people that you're attracting to there.

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

Mr. McHUGH. I don't think our real problem is that we didn't plan. Our real problem is the depth and the breadth of these cuts. As the Chief noted, and as I've commented as well, it really didn't come just from sequester. We have a \$7.6 or \$7.8 billion hole in our overseas contingency accounts, which is really unrelated to sequester, per se. The fact that we've had CR after CR that has caused us to do what, in the longer-term, were inefficient things. So, we can do the math of sequester. The problem is, the math is so hard and it's so devastating—

Senator MANCHIN. Let me ask both of you, and maybe, General, you might want to chime in on this one, but right now you have \$42.5 billion of cuts that have to come under sequestering between now and September 30, right? October 1? If we in Congress were able to give you the flexibility to make those adjustments—and I have every confidence that you'll make the \$42.5 billion—would it be a lot different than what we're seeing today if you had the ability to recommend to us what you'd want to change and cut?

General ODIERNO. Yes, I would say for 2013, there's nothing we can do. Because there's flexibility—there is no flexibility—

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

General ODIERNO. 2013?

Senator MANCHIN. Right now, for the rest of 2013, and say: "General, tell us how you could do it."

General ODIERNO. Yes. So, it would help us if we could move more money between accounts, because if we would do that, we would be able to probably invest a bit more in our O&M accounts. That would allow us to mitigate much of this.

Senator MANCHIN. By Congress not giving you the flexibility, we're basically just shooting ourselves in the foot, if—literally.

General ODIERNO. It's making it more difficult.

Senator MANCHIN. More difficult.

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

Senator MANCHIN. Right.

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

Senator MANCHIN. With that being said, let me ask you—I know you're going to—you're thinking about a 100,000 troop-level cut, in

that neighborhood, correct? Why wouldn't you move those to the National Guard?

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

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

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

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

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

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

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

Senator MANCHIN. But, they've been able to just about meet every—

General ODIERNO. Two years notice for deployments to Iraq and Afghanistan. Two years. If we have to respond to Korea, I can't give them 2 years notice and slowly build up readiness. I need both.

Senator MANCHIN. I see.

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

Senator MANCHIN. If there's an opportunity, I'd love to come and sit down and make sure I understand it better.

General ODIERNO. Sure.

Senator MANCHIN. Secretary McHugh, if I may ask you—I asked this question, I believe, about the expense of the private contractors that we have with all different branches. You told me one of the major initiatives we have is to diminish significantly the number of contractors that we employ. So my question would be pretty

straightforward. How many contractors did the Army have last year, and how many do they have this year?

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

[The information referred to follows:]

In compliance with statutory requirements in 10 U.S.C. 2330a, the Army does not generate contractor inventory data until the end of the fiscal year in order to minimize reporting requirements on contractors in accordance with the Paperwork Reduction Act. The Army's contractor inventory is captured in the Contractor Manpower Reporting Application (CMRA) Report. For its Fiscal Year 2012 CMRA Report, the Army reported approximately 150,535 contractor full-time equivalents for the generating force and 90,319 contractor full-time equivalents in the operating force (which includes Overseas Contingency Operations).

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

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

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

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

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

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

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

Senator MANCHIN. I'm talking about fighting forward operating base (FOB).

Mr. MCHUGH. Carrying a rifle out—

That's why we were—

Senator MANCHIN. Security?

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

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

General ODIERNO. Excuse me—

Senator MANCHIN. Why would we have anybody in contracting doing what the military—

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

General ODIERNO. Yes. The missions that they do are missions that are nowhere near what we ask our military to do, carrying a weapon. But, I would say this. If you don't want contractors to do

that, you have to significantly increase the size of the Army. So the reason we've gone into this strategy is, we can't afford an increased size in the Active and National Guard and Army. You'd have to increase it 200,000 to 300,000 in order to be able to meet these commitments, if we had to go to war.

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

General ODIERNO. No, it's not. The analysis has been done that says in order to sustain 300,000 for a lifetime—it's about benefits, it's about retirements, it's about—it's significantly more than hiring contractors for short periods of time. I would love to be able to use soldiers for this. I would much rather have soldiers doing all of those jobs. But I don't think we can afford it. I don't think we can—hell, we're cutting 100,000 more right now. This sequester, I'm going to cut 200,000 soldiers out of the Army.

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

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

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

Senator MANCHIN. Thank you.

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

Chairman LEVIN. Thank you, Senator Manchin.

Secretary McHugh, will you get these numbers to Senator Manchin, at least as of one particular point in time, how many contractors we have? Because that is a knowable number. So, if you would.

Mr. MCHUGH. That absolutely is. I just wasn't prepared to answer it exactly 1 year to the next.

Chairman LEVIN. All right. That's fine.

That's fine, but I think that—anyway.

Mr. MCHUGH. Absolutely.

Chairman LEVIN. Thank you.

Senator Blunt.

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

My note says "Blunt," but my other note says "Ayotte." So, Ayotte is next.

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

Chairman LEVIN. Senator Ayotte.

I was half-tempted to say that, but I avoided it. Politically incorrect. [Laughter.]

But, Senator Ayotte.

Senator AYOTTE. Thank you, Mr. Chairman.

Thank you, Senator Blunt.

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

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

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

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

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

General ODIERNO. I am, Senator.

Senator AYOTTE. To what extent are you looking at best practices around the Nation, both within the Army, Active Duty, and then obviously, with the Guard and Reserve, we have different challenges because they're going back in their communities. One of the things I'm very proud of in New Hampshire is that we be able to bring the private sector in this to leverage resources. What are your thoughts on this issue? What more can we do?

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

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

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



actually do a face-to-face discussion, and to get a referral, if absolutely essential.

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

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

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

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

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

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

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

Senator AYOTTE. Thank you, General. I do hope—obviously, I know you're familiar with our program, but I think it is a very important model. Not every State has had everyone coming together around this issue like New Hampshire. We hope that we can, obviously, continue to improve our program—it's a terrific program—

but also to bring it to the rest of the Nation, because this is a huge issue and something we have to address, not only in the general population, but, in particular, for our military, with this rise that we're seeing. So, I appreciate very much how concerned you are about this.

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

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

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

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

Senator AYOTTE. Thank you.

Chairman LEVIN. Thank you, Senator Ayotte.

Senator Donnelly.

Senator DONNELLY. Thank you, Mr. Chairman.

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

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

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

All the Guard is asking for is, "Can we keep our bonus? Can we have 180 days of TRICARE?" Because they're trying to figure out a whole lot more than that right now.

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

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

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

Senator DONNELLY. Great.

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

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

Senator DONNELLY. Sure.

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

Senator DONNELLY. I wanted to ask you another Indiana-specific question. That is in regards to the Humvees. There's \$100 million that's been appropriated as part of fiscal year 2013 to be spent to purchase, it was allocated to be spent to purchase new Humvees. The adjutant generals have asked that it be spent for new Humvees. It is the Army's decision. It is being talked about that it will possibly be used for recapitalization instead. The adjutant generals have asked for new ones. So, I just wanted to put that on your radar.

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

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

Mr. MCHUGH. Yes.

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

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

Senator DONNELLY. Biggest challenge, then.

General ODIERNO. The biggest—what we have to watch is the confidence of the ANSF as we go through this fighting season. We think they're ready. They're in the lead in about 73 percent or 75

percent of the country. It is about helping them to ensure they're able to themselves to get through the fighting season, protect their citizens in a way where they continue to have the confidence, so when we leave in 2014, they are prepared to do this on their own. So for me, that's the most important thing.

So far, we're pretty confident.

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

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

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

Senator DONNELLY. Okay. In regards to North Korea—and this is to you, General, or to you, Mr. Secretary—have you seen any change in the last week or 2? Is there any walking back on their part or is it right where it was or getting worse at this point?

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

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

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

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

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

weapons, which is something that we think is quite significant. We'll continue to watch that very carefully. It's also important for us to ensure that we take care—we help and assist and take care of some of the citizens, which we've been doing.

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

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

Thank you.

Chairman LEVIN. Thank you, Senator Donnelly.

Senator Chambliss.

Senator CHAMBLISS. Thanks, Mr. Chairman.

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

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

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

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

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

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

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

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

Mr. MCHUGH. Could I add just a couple of words?

Senator CHAMBLISS. Sure.

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

Senator Chambliss, I know you've been to Iraq and, of course, Afghanistan, and you've seen as I have these captains and lieutenants, young men and women, out there making decisions that usually had to have an O6 full-bird colonel insignia to make. They want to come back into this Army and stay challenged. One of the biggest problems we have as we attempt to deal with sequestration is funding the training opportunities, the schoolhouses, the kinds of things that we're going to need to make as robust as possible and as available as possible to these young leaders so that they stay challenged and they stay excited about being in the Army. So that's why predictability is so critical for us.

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

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

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

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

Senator CHAMBLISS. Yes.

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

General ODIERNO. We are in the process of downsizing. I would just say the Army has the lowest ratio of general officers to soldiers than any other Service. I think we're 1 to 1,700 or 1,800. So we have been very cognizant of doing this. We have met, or are going

to meet, the initial reductions that we put in for ourselves by the end of next year. We'll continue to review this as we downsize the Army.

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

Senator CHAMBLISS. General, as we come out of Afghanistan—I heard what you just said in response to Senator Donnelly. I look at what's going on in Iraq now. The violence appears to be on the rise. We have no idea, obviously, what difference it would have made had we left a residual force in Iraq. But I know that's under consideration right now as to what we're going to do, what size of a residual force needs to be there. What's your thought with respect to how we're going to ensure, number one, that the violence in Afghanistan does not start on the upswing like we're seeing in Iraq? Then, number two, what size residual force do we need to have to make sure that the Afghans are able to do what we expect them to do?

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

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

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

Senator CHAMBLISS. The size of the force?

General ODIERNO. I think they're looking at anywhere from 0 to 12,000 to 13,000. I think it depends on the type of missions you want them to do. I think we want to do training and advising at higher levels. I think we want to be able to have some special operations capability on the ground. My opinion is somewhere around 9,000, 8,000 is probably about the right number. We're continuing to work that, and I'd leave that up to the commander on the ground, General Dunford.

Senator CHAMBLISS. Thank you.

Chairman LEVIN. Thanks, Senator Chambliss.

Senator Reed.

Senator REED. Thank you very much, Mr. Secretary and General Odierno, for not only your testimony but for your service. A lot of the questions that have been raised today go to the reduction-in-

force of the Army. Let me ask a question and either the Secretary or the Chief can take it.

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

General ODIERNO. In reality, as we've gone through natural attrition, where we'll see some access right now is at the O6 level, the O5 level, and then, for some year groups, O3s, and then senior NCOs, sergeant first class, master sergeant, sergeant major. Because we've been able to do everything else by attrition, we'll have to see where we'll have some actions where we will have to make some selections, and it's going to be by year group, because it's about balancing it across the years as we go forward. We'll have to make some of those decisions pretty shortly.

Senator REED. You, in fact, are contemplating a selective early retirement board?

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

Senator REED. Which is, in the old terminology, a reduction-in-force.

General ODIERNO. Except that they get to retire.

Senator REED. Okay.

General ODIERNO. Yes, so this will be for lieutenant colonels and colonels.

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

General ODIERNO. But, they—right.

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

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

Senator REED. Okay.

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

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



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

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

Senator REED. Let me ask a related question. A lot of the equipment that we required was very specialized for both Afghanistan and Iraq—the mine-resistant ambush-protected (MRAP) vehicles, the type of suspension systems, everything was necessarily thrown in to protect our men and women in these situations. Do you find yourself now with equipment that you don't need because of this shift from the full-scale operations together with a deliberate decision to conduct much smaller-scale counterinsurgency operations?

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

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

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

Senator REED. That will allow some limited cost savings, nothing spectacular, but some limited cost savings.

General ODIERNO. That's right.

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

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

Senator REED. I remember.

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

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

Senator REED. I remember the training time being a mess officer. [Laughter.]

Mr. MCHUGH. For whatever it's worth—

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

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

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

Thank you.

Chairman LEVIN. Thank you, Senator Reed.

Senator Blunt.

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

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

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

Mr. MCHUGH. Public Law 113-6, I believe was the number, gave us what the Chief and I have been talking about. That is, predictability and stability. It was an important step with respect to being able to redirect funds. We were initially estimating that a year-long CR would cost us about \$6 billion. So by interrupting that progression, it saved us some money, but most importantly, allowed us to take funds and do what we consider our prime objective for the moment and that is to continue to provide for the warfighters.

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

For example, at the Aviation Center of Excellence at Fort Rucker, sequestration will probably require the reduction of more than 500 training seats. Those just don't get recreated in a year's time. The Chief mentioned about how we'll only be able to do two BCT rotations at our NTC. All of those other rotations will be put

back into the queue. It's not like they'll make up that readiness in a 6-month period.

So those are holes that are, even under the best circumstances as we can see it, that we're going to be dealing with for some time. But at least with predictability and an on-time budget and, if not the elimination, certainly the control of CRs, we're going to be significantly challenged in the way ahead.

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

You mentioned the OCO accounts. I want to be sure I understood what your concern was there.

Mr. MCHUGH. Well, money.

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

Mr. MCHUGH. No.

Senator BLUNT. Or there's not enough money in contingencies?

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

Senator BLUNT. Okay. Thank you.

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

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

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

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

So for now, we're doing okay. But we are worried, 2014, 2015, 2016, as the economy continues to get better and, frankly, this unpredictability that we have, how will that contribute to people wanting to come into the Army? We're concerned about the out-years because even though we're reducing, you have to keep those fresh people coming in every single year.

Senator BLUNT. Some of the reductions would actually not impact in a negative way your intake numbers. Your intake numbers are still going to be pretty high. Is that what I understand?

General ODIERNO. It is. When we were growing the Army, they were much higher, but they're about 65,000 this year, is how many we're bringing in to the Active component, and we're bringing in more to the National Guard and Army Reserve. So that number continues. We have to stay consistent with that number.

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

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

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

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

Geographic dispersal in equity is part of our consideration.

Senator BLUNT. Okay.

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

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

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

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

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

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

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Blunt.

Senator Blumenthal.

Senator BLUMENTHAL. Thank you, Mr. Chairman.

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

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

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

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

We actually are doing a pilot right now with field artillery officers. Women were always able to serve in field artillery, but they were limited in the units they could go to. We are now doing a pilot that will put them in the positions for them to do this. So we're doing that first, and then we'll move—and as we get the standards developed and what we need them to do—and they would be standards that are the same for everybody—and once we establish those and everybody understands what those are, we will start to attempt to begin to run pilots with the women. I see that about 2 years down the road from now. We're going to slowly move our way towards that.

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

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

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

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

Senator BLUMENTHAL. Enlisted would probably follow that?

General ODIERNO. That's right, NCOs. Because the issue is, you want to develop a cadre of officers and NCOs. Since you can't grow them, we're going to have to move them from other positions and train them, and we have to figure out how we do that to make them successful. Then the soldiers would follow. That's the model that we think is the most successful model.

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

General ODIERNO. That's correct.

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

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

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

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

IEDs are still being used. We continue to try to come up with capabilities that allow us to detect at the point of attack but we're still really focused on how do we get there to the left? That's where we made our most progress, in trying to develop and understand the networks and get involved with the networks, identify the

things necessary that are made to use and build IEDs. We've made some good progress there.

But we still have an issue with IEDs.

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

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

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

Mr. MCHUGH. Could I add a comment?

Senator BLUMENTHAL. Yes, Mr. Secretary.

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

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

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

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

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

General ODIERNO. I will get back to you with that number; I have not said that.

[The information referred to follows:]

As of February 13, the Army had \$28 billion worth of Army equipment in Afghanistan with the requirement to retrograde and reset \$21 billion to meet Army requirements. The estimated cost to do so is between \$1.8 billion and \$3.2 billion in Overseas Contingency Operations funding. This range of costs is based on numerous variable conditions such as the viability of the Pakistan Ground Lines of Communication, the availability of overflight/landing rights at multi-modal sites, the condi-

tion of combat operations on the battlefield, and political/election unknowns. A worst-case scenario, in which all equipment must be flown from Afghanistan directly to the United States by military aircraft, could cost as much as \$6 billion.

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

Senator BLUMENTHAL. Despite what you very aptly describe in your testimony as the harsh weather conditions, the adverse geography, and the need for sufficient funding to do it, because I think, to state the obvious, although it may not be obvious to most Americans, the difficulty of withdrawing that equipment from Afghanistan is far, far greater than it was in Iraq.

General ODIERNO. It is, yes.

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

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

Thank you.

Chairman LEVIN. Thank you, Senator Blumenthal.

Senator Hagan.

Senator HAGAN. Thank you, Mr. Chairman.

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

The Army's fiscal year 2014 military construction request is over 35 percent less than last year's. The Army has stated that this request reflects a return to a more historical level of funding, following the completion of the Grow the Army and the 2005 BRAC changes and investments. One of the concerns that I have with this is that there are no transportation projects at Fort Bragg in fiscal year 2014, and there's also nothing planned for the FYDP either. Roads and these other projects have not kept up with the facilities projects in the growth of that base. It's created a serious safety problem at one of, I believe, the Army's most elite bases, including an increase in over 400 percent of traffic accidents since 2005. With an increase of over 200 percent in injuries also during the same period, it appears to me that investing in transportation infrastructure there would be a smart and critical safety investment. In our current fiscal environment, this seems like low hanging fruit in terms of payback to the Army.

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

Mr. MCHUGH. Senator, I have no doubt that there are projects such as that spread across the Army that, had we the money, we could expand upon. What this budget, as I mentioned in my opening comments, attempts to do is balance the wide range of needs against the available funding. The statements, you are absolutely correct, and the posture that notes this is historically a number



that reflects our past military construction numbers, that doesn't necessarily reflect the statement that we're meeting every one of our needs in this budget.

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

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

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

As I go down there, first, I'm very pleased with the work that the State is doing outside, increasing the road network coming into Fort Bragg, which I think will help a lot coming off of I-95, there.

Senator HAGAN. It will.

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

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

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

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

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

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

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

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

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

Senator HAGAN. General Odierno?

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

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

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

Senator HAGAN. Okay.

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

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

As to predeployment, it goes to the part of the comments that the Chief made about making sure that our lessons on sexual harassment, sexual assault, are not just confined to a single touch-point during initial entry training. We have embedded this into virtually

every aspect of our training, through all ranks and through all processes that we offer to our soldiers, and not just for 1 day, not just 1 time, but repeatedly. That includes part of their predeployment counseling.

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

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

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

Senator HAGAN. Thank you.

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

One is, we've also increased the number, we've trained criminal investigation command-qualified experts, we have also trained prosecutors, and we've increased those numbers in Afghanistan, so they are available to conduct investigations and make sure that we have the expertise over there as we move forward. So as we have increased them around the Army, we also have that increased expertise there as well.

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

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

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

Senator HAGAN. Thank you.

My time is up. Thank you.

Chairman LEVIN. Thank you very much, Senator Hagan.

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

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

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

Mr. MCHUGH. That's correct.

Senator INHOFE. The \$7 billion would be over a period of time. There's going to be contracts that over a period of time, maybe 10, 20, 30 years, in terms of the amount or the percentage that would go to renewable sources. I guess the multiple award task order contract would use the power purchase agreements by the Army for a long-term contract. Is that correct?

Mr. MCHUGH. That is correct, yes.

Senator INHOFE. Which would be 10 to 30 years?

Mr. MCHUGH. Probably 30 years, I believe, is the multiple award task order contract length, sir.

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

Mr. MCHUGH. It would commit us to purchasing energy from a private developer at a set price, that the objective is to reach a price that is at least at parity, if not lower, than what we would pay otherwise.

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

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

Senator INHOFE. Is the request for proposal already out or is it planning to be out?

Mr. MCHUGH. On the multiple award task order contract, it has been released, yes.

Senator INHOFE. Oh, it has been released.

Mr. MCHUGH. That is my understanding. I'll check that though. [The information referred to follows:]

The U.S. Army Corps of Engineers, Huntsville Center issued the solicitation notice for the Multiple Award Task Order Contract in August 2012. Proposals for prequalification were due to the Government in September 2012. Individual Multiple Award Task Order Contract awards are being staggered by technology and are anticipated for release through the remainder of calendar year 2013. The intent is to award contracts to all qualified and responsible offerors, both large and small businesses, whose offers receive the required minimum acceptable evaluation ratings and whose price is reasonable and realistic. Individual project task orders will be competed amongst those qualified offerors on a project-by-project basis.

Senator INHOFE. Okay. What I'd like to get, and I think it's a reasonable request, is a copy of it. I'd like to see how the wording is stated and to be able to look at it.

Mr. MCHUGH. Of course, absolutely.

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

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

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

Mr. MCHUGH. Absolutely.

Senator INHOFE. Also, how I might be able to impact that.

Mr. MCHUGH. Absolutely, Senator.

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

Chairman LEVIN. Thank you, Senator Inhofe.

I think, actually, all of us would be interested in seeing that request for proposal, if you could submit that to the committee.

Mr. MCHUGH. Sure.

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

We thank you both very much, again, for your service, for your testimony. Thank you for joining us this morning, Secretary McHugh and General Odierno.

We will stand adjourned.

[Questions for the record with answers supplied follow:]

#### QUESTIONS SUBMITTED BY SENATOR CARL LEVIN

##### MANAGEMENT OF RISK IN THE COMBAT AND TACTICAL VEHICLE INDUSTRIAL BASE

1. Senator LEVIN. Secretary McHugh, given the fiscal year 2013 and now fiscal year 2014 and beyond reductions in the Army's ground combat and tactical vehicle investment accounts, what, in your view, are the risks, if any, to the combat and tactical vehicle industrial base and what actions, if any, is the Army taking to mitigate these risks?

Mr. MCHUGH. In the overall combat and tactical vehicle industrial base, single point failures and the loss of critical component suppliers are a concern. These disruptions would negatively affect overhaul and rebuild operations. The Army is tak-

ing action to keep production lines open to minimize these risks. Using the Abrams tank as an example, the Army has extended production of 67 M1A2SEP v2 tanks for 2 years through December 2014. In addition, there is every indication that both “Firm” and “High Potential” foreign military sales (FMS) production will maintain a minimal level of sustaining work flow through fiscal year 2016.

The Army is also conducting a comprehensive Combat Vehicle Portfolio Industrial Base Study through A.T. Kearney, a global management consulting firm. The 21-week study is assessing the Commercial and Organic Combat Vehicle Industrial Base, viable strategic alternatives, and sustainment of the Combat Vehicle Industrial Base in a constrained fiscal environment. A final report will be submitted to Congress later this year.

#### USE OF SOLAR ENERGY IN OPERATIONS

2. Senator LEVIN. Secretary McHugh and General Odierno, in Afghanistan, the smart use of alternative energy directly translates into an enhanced combat capability that enables soldiers to accomplish their missions, save lives, and increase efficiency. How do these renewable energy technologies enhance the combat capability of our soldiers deployed around the globe?

Mr. McHUGH and General ODIERNO. The Army is fielding renewable energy technologies in both its soldier power systems and on its contingency bases. The Army has been fielding the Rucksack Enhanced Portable Power System, which combines lightweight solar panels, connectors, and adapters that can charge most common military batteries in 5 or 6 hours, and can also be daisy-chained together for more power. This system reduces battery requirements enabling greater mobility and extended resupply intervals.

On its contingency bases the Army is installing hybrid power systems that help to reduce fuel consumption and improve the reliability of electrical supply for critical systems. These fuel savings lead to enhanced mission effectiveness by returning combat power to commanders through reduction in resupply missions, which reduces the risk to the warfighter.

We have a dedicated effort underway, lead by the Army G-4 and the Army's Training and Development Command to incorporate operational energy lessons learned in Afghanistan into our doctrine and into our training centers in order to ensure they are part of all future, global operations.

3. Senator LEVIN. Secretary McHugh and General Odierno, how do these technologies affect soldiers' fuel consumption demand and logistical resupply efforts?

Mr. McHUGH and General ODIERNO. Renewable energy technologies, along with other operational energy efforts in theater, such as improved generators and minigrids, significantly reduce fuel consumption on Army outposts and contingency bases. These investments are improving performance of critical equipment, reducing the logistic footprint, increasing efficiency, creating energy alternatives, and assuring availability of supply. The combined effect of these efforts is a reduction in resupply missions to our outposts and contingency bases, which in turn allows the return of combat power to commanders.

#### ARMY ROLE IN STRATEGIC SHIFT TO ASIA-PACIFIC

4. Senator LEVIN. General Odierno, what, in your view, is the impact on the Army of the new Asia-Pacific-oriented strategy?

General ODIERNO. The Army's contribution to the region will only increase as the Department of Defense (DOD) rebalances toward the Asia-Pacific region, pending fiscal decisions. The Army already maintains a robust presence through forces assigned to U.S. Pacific Command (PACOM) and the placement of Army pre-positioned equipment sets in Korea, Guam, Japan, and Diego Garcia. Three of the Army's four forward-stationed Patriot battalions are located in the region. In recognition of the importance of the region, the Army has upgraded U.S. Army Pacific Command to a four-star headquarters. At a time of fiscal difficulties and downsizing, we are preserving the readiness of forces stationed in Korea at the expense of other forces. The Army recently deployed one of its two Theater High Altitude Air Defense systems to Guam in support of regional objectives. Beginning next year, the Army will rotate an additional Combined Arms Battalion and Attack Reconnaissance Squadron to Korea. Another important focus for the region is building partnership capacity. Acknowledging the region includes a number of U.S. treaty allies and 7 of the world's 10 largest armies, we will strengthen relationships with

our key partners while cultivating relationships with nations that share our common values.

#### ARMY FORCE STRUCTURE CHANGES

5. Senator LEVIN. General Odierno, with respect to increasing the size and capability of armored and infantry brigades by adding a third maneuver battalion, will the Army need to further reduce the number of combat brigades to find the troops necessary to implement this change, and if so, by how many more and over what period of time?

General ODIERNO. The Army announced its force structure decision on June 25, 2013. The reorganized Brigade Combat Team (BCT) provides a third maneuver battalion, a brigade engineer battalion, improved fires and other capabilities and directly addresses capability gaps identified by extensive modeling and by tactical commanders based on their experiences with the modular BCTs. As announced, this conversion required a further reduction of BCTs beyond the eight previously announced resulting in fewer, more capable BCTs. This will allow us to reduce some overhead and maintain more combat capability. We have performed significant analysis in U.S. Army Training and Doctrine Command (TRADOC) using a series of 34 vignettes and conducting extensive interactive interviews and modeling with both the Army's Division commanders and with current or recent combat veteran BCT commanders (23) across the range of military operations, and in every case the three-maneuver battalion brigade outperformed the two-maneuver battalion brigade. The Army National Guard's (ARNG) BCTs would also be reorganized to the same design. The reorganization will begin in fiscal year 2014 and continue through fiscal year 2017. This does not take into account sequestration. If sequestration is allowed to continue, the Army will have to further reduce end strength and adjust force structure across all three components.

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#### QUESTIONS SUBMITTED BY SENATOR CLAIRE MCCASKILL

##### BRIGADE COMBAT TEAM REORGANIZATION

6. Senator MCCASKILL. Secretary McHugh and General Odierno, following the 2005 Base Realignment and Closure (BRAC) round, the Army made a conscious effort to co-locate Army schools with related operational units because doing so enhances Army readiness and welfare. Does the Army continue to see value co-locating U.S. Army Forces Command and TRADOC units?

Mr. MCHUGH and General ODIERNO. The 2005 BRAC round did recommend co-locating a number of operational units on TRADOC installations, though the analysis underpinning the BRAC did not treat any benefit deriving from co-location as a singular factor. Rather, TRADOC installations offered other benefits such as available training land and ranges. The same considerations would apply as part of the programmed 80,000 reduction in Active component Army end strength.

7. Senator MCCASKILL. General Odierno, you have testified that you believe it is important to reconfigure BCTs by adding a third maneuver battalion, and have stated that you do not believe there are enough engineers within the brigades. What analysis has been done to justify this conclusion?

General ODIERNO. In the overall combat and tactical vehicle industrial base, single point failures and the loss of critical component suppliers are a concern. These disruptions would negatively affect overhaul and rebuild operations. The Army is taking action to keep production lines open to minimize these risks. Using the Abrams tank as an example, the Army has extended production of 67 M1A2SEP v2 tanks for 2 years through December 2014. In addition, there is every indication that both "Firm" and "High Potential" FMS production will maintain a minimal level of sustaining work flow through fiscal year 2016.

The Army is also conducting a comprehensive Combat Vehicle Portfolio Industrial Base Study through A.T. Kearney, a global management consulting firm. The 21-week study is assessing the Commercial and Organic Combat Vehicle Industrial Base, viable strategic alternatives, and sustainment of the Combat Vehicle Industrial Base in a constrained fiscal environment. A final report will be submitted to Congress later this year.

8. Senator MCCASKILL. General Odierno, was this analysis based on the Army's experiences over the last 10 years of war, or was it based on likely scenarios that

would stem from the Defense Strategic Guidance (DSG) announcement by DOD in January 2012?

General ODIERNO. The decision to reorganize the BCTs was based on both lessons learned in our recent wars and on our perception of the needs of the Army as we move forward into a different security environment—which was in turn informed by scenario guidance stemming from the January 2012 DSG. Working with the Office of the Secretary of Defense (OSD) and the Army Staff to develop a range of possible visions of the future demands for the Army and for BCTs, TRADOC then conducted extensive analysis.

TRADOC's analysis can be broken into three primary areas. First, using a series of 34 vignettes and conducting extensive interactive interviews and modeling with both the Army's division commanders and with 23 current or recent combat veteran BCT commanders, TRADOC established how the force would use the different BCT designs differently in order to accomplish the full range of missions—from Homeland Defense/Security missions, to full-scale combat missions, to a wide variety of stabilization and other missions. Understanding commander's preferences and concerns about the different BCT designs and mixes (Stryker, Infantry, and Armored) and how they would be employed, TRADOC then did force-on-force modeling to understand the differences in outcomes from over 6,500 hours of simulated combat examining four organizational options across three vignettes (ranging from 7 to 72 hours of operations) and measuring success and speed in winning battles/engagements, casualties (friendly and enemy), other combat losses (equipment), and ability of the unit to continue on to a subsequent mission or the amount of time it might need to reconstitute prior to performing a subsequent mission. At the strategic level, TRADOC's analysis looked at multiple different mixes of future demand using campaign level criteria such as how long it took to deploy and how well the Army could sustain supplying BCTs over time to a wide range of different mission demands at acceptable levels of stress on the force.

Across all of the different levels of analysis the new BCT design, with its third Maneuver Battalion and other combat support enablers, represented the clear best choice for the Army. From a Headquarters, Department of the Army perspective, the new design also allowed us to reduce some overhead and maintain more combat capacity than would have been possible if we stayed with the older design.

9. Senator MCCASKILL. General Odierno, in April at a speech at the National Defense University, Secretary Hagel announced that he had tasked Deputy Defense Secretary Carter and General Dempsey to lead a Strategic Choices and Management Review (SCMR). How will the findings of this review inform the Army's ultimate decision on any reorganization of its BCTs?

General ODIERNO. The Army has been an active participant in the SCMR. We anticipate that the output from this review will be used to frame fiscal guidance for 2015. At this point we don't expect the results of the SCMR to affect the Army's decision on whether to reorganize the BCTs. As you know, we have completed a very lengthy and complex analysis to inform our decisions on the organizational design of the Army's BCTs. The SCMR results will provide fiscal guidance to help inform the size of the operating force that will remain in the Army.

#### CHEMICAL, BIOLOGICAL, RADIOLOGICAL, NUCLEAR, AND ENVIRONMENTAL RESPONSE

10. Senator MCCASKILL. General Odierno, last month General Charles H. Jacoby, Jr., USA, testified that, "U.S. Northern Command, in close collaboration with the National Guard Bureau and our other military and civilian partners, has made significant progress improving our ability to respond in the aftermath of chemical, biological, radiological, nuclear, and environmental (CBRNE) hazards incident by increasing the overall readiness of the Nation's CBRNE Response Enterprise. Following a series of external evaluations and confirmatory exercises, the Enterprise achieved full operational capability (FOC) on October 1, 2012. Despite the FOC designation, important work remains to be done to realize the full potential of the enterprise."

In September 2012, Mr. John W. Newman, Special Assistant to the Assistant Secretary of the Army for Manpower and Reserve Affairs (M&RA), visited Fort Leonard Wood, the Maneuver Support Center of Excellence (MSCoE), to discuss the need for an Emergency Management (EM) training program to ensure that the Active and Reserve component personnel supporting future Defense Support to Civil Authorities (DSCA) missions are fully prepared and/or can train others in DSCA operations. Fort Leonard Wood already has a training program for CBRNE training that qualifies DOD and interagency personnel; however the program is not accredited for of-



fering civilian educational credit. The Missouri National Guard has offered the MSCoE the use of its Regional Training Institute for a proposed EM training program that could be combined with an existing University of Central Missouri bachelors and master degree program that could be merged with existing CBRNE training to offer MSCoE an accredited degree program for EM. The Assistant Secretary of the Army for Manpower and Reserve Affairs directed a review of EM and DSCA with a projected completion by March 1, 2013. What are the findings of this review?

General ODIERNO. The Assistant Secretary of the Army (Manpower and Reserve Affairs) directed TRADOC to study a range of issues related to EM and DSCA. TRADOC is in the early stage of its analysis, and is not anticipated to report its finding to Headquarters, Department of the Army until late in fiscal year 2013.

#### QUESTIONS SUBMITTED BY SENATOR JOE MANCHIN III

##### UNEMPLOYMENT IN THE ARMY

11. Senator MANCHIN. General Odierno, the Army has spent more than \$3 billion dollars on unemployment compensation over the last 10 years. Last year, you said that the Army was working on a single portal than links up soldiers and jobs. Can you update me on the progress of this single portal concept?

General ODIERNO. Yes. The Army uses Hero2Hired (H2H) as a single portal for both soldiers who will transition from Active Duty and employers who want an expedited way to connect soldiers to their various employment opportunities. The H2H portal makes it easy for soldiers to connect to employers and find jobs, explore careers, translate military skills to civilian careers, find hiring events, and post resumes. Employers get free, direct access to qualified soldiers, who in many cases already have background checks and security clearances.

##### C-23 DIVESTURE

12. Senator MANCHIN. General Odierno, language in this year's appropriation bill states that no funds shall be used to retire C-23 Sherpa aircraft. What is the Army going to do with C-23s that were scheduled to be divested?

General ODIERNO. In order to comply with Public Law 113-6, which prohibits the expenditure of funds to retire C-23 aircraft in fiscal year 2013, Headquarters, Department of the Army is implementing a semi-flyable storage plan for its C-23 fleet for fiscal year 2013. No fiscal year 2013 appropriated funds will be used to retire C-23 aircraft. This semi-flyable storage plan will result in approximately \$30 million in savings and allows for eight C-23 aircraft to remain assigned to the Army National Guard. The intent will be to use these savings for higher priority mission requirements.

13. Senator MANCHIN. General Odierno, will the C-23s prohibited from divesture continue to be used in support of the National Guard's domestic mission?

General ODIERNO. The Army no longer has a Fixed Wing Cargo mission. The September 2009 Resource Management Decision 802 transferred all direct support (cargo) missions and program requirements to the U.S. Air Force. In October 2009, a Memorandum of Agreement (MOA) was signed between the U.S. Army and the U.S. Air Force to implement this direct support mission. Eight C-23 aircraft assigned to the Army National Guard will likely continue flight operations until placed in storage at the end of fiscal year 2013.

##### ARMY END STRENGTH REDUCTIONS

14. Senator MANCHIN. Secretary McHugh and General Odierno, the 2014 defense budget does not conform to the caps set under sequestration. While we all want a more balanced approach, the Budget Control Act (BCA) is the law of the land. If no deal is reached, at some point, between now and October, DOD will have to adjust to the sequester levels. If the sequester remains in place, what type of end strength cuts, by Army component, do you project for the Army in fiscal year 2014?

Mr. MCHUGH and General ODIERNO. The Army is already reducing 80,000 out of the Active Army, 8,000 out of the Army National Guard, and 1,000 out of the U.S. Army Reserve based on the initial \$487 billion reduction in the BCA of 2011. If full sequestration is implemented, the Army may have to reduce up to an additional 100,000 soldiers across the Active Army, Army National Guard, and U.S. Army Reserve and further reduce the civilian workforce in future program submissions. In doing so, the Army would strive to maintain a balance between end strength, readi-

ness, and modernization. The Army is assessing the distribution of such reductions across the Army components to strike the best possible balance for the future, but our assessment is that the Army that results in the near years will be forced to accept hollowness in our modernization and readiness accounts.

15. Senator MANCHIN. Secretary McHugh and General Odierno, in your estimation, when would that decision need to be made?

Mr. MCHUGH and General ODIERNO. The Army has been an active participant in the SCMR. We anticipate that the output from this review will be redefined DSG which will be used to frame fiscal guidance for 2015. That fiscal guidance combined with direction from the OSD will be the basis for any further reductions in Army end strength. Once the Army is provided with guidance from the OSD to execute plans to accommodate long-term sequestration of our budgets, the Army would initiate the actions to draw-down the force over time. The sooner those decisions and actions are taken, the sooner savings from personnel draw-down could materialize. The Army is beyond the window for any decisions that would generate large changes to strength in fiscal year 2014 that would save fiscal year 2014 resources. We are fast approaching the decision window for actions that would adjust fiscal year 2015 strength. If sequestration remains unaltered through 2023, the Army will be forced to initiate further reductions in order to properly balance end strength, readiness, and modernization, and ensure our formations are prepared for any contingency.

#### TRAINING DAYS FOR THE RESERVE COMPONENTS

16. Senator MANCHIN. General Odierno, in the hearing, you gave the following statement regarding training days in the National Guard: "What we're investing in our National Guard is an ability to expand over a period of time—39 days a year they train." It is my understanding that 39 days is the statutory minimum for a member to perform in the selected Reserve and that most soldiers in the National Guard train in excess of 39 days. Is this a correct assessment?

General ODIERNO. According to 32 U.S.C. Section 502, the Army Reserve/National Guard units are required to assemble for at least 48 drills (2×4-hour drills=1 Inactive Duty Training (IDT) day) and 15 days of annual training each year. As a result, a unit must conduct a minimum of 39 days of training annually. However, individual soldiers may be excused from this training for a variety of reasons—for example, attendance at military school, Special Training, mobilization, etc.—resulting in some soldiers training at less than the unit minimum. In fact, a majority of National Guard soldiers train 39 days or less, though soldiers can add to their total number of training days by conducting military duty in other statuses, such as Active Duty for training or operational support.

17. Senator MANCHIN. General Odierno, what is the average annual number of training days for a soldier in the Army National Guard?

General ODIERNO. The average annual number of training days executed in fiscal year 2012 (the most recent fiscal year with complete data) per drilling soldier was 18 days of IDT (36 drill periods) and 12 days of annual training, for a total of 30 training days. Of the total average drilling strength, a portion do not participate in all Annual Training/IDT for various reasons (e.g. military school attendance, Special Training, mobilization, etc.). Thus, the average annual number of training days is fewer than 39 days. If the non-participating population is removed from the data, the average annual number of training days per soldier increases to 42 days—26 days of IDT (52 drill periods) and 16 days of annual training.

#### ARMY CONTRACTORS

18. Senator MANCHIN. Secretary McHugh, what is the approximate number of contractors the Army presently has in its inventory?

Mr. MCHUGH. The Army's contractor inventory is captured in the Contractor Manpower Reporting Application (CMRA) Report that is generated at the end of the fiscal year. For the fiscal year 2012 CMRA Report, the Army reported approximately 150,535 contractor full-time equivalents for the generating force and 90,319 contractor full-time equivalents in the operating force (which includes Overseas Contingency Operations (OCO)).

19. Senator MANCHIN. Secretary McHugh, has this figure gone up or down since last year?

Mr. McHUGH. In compliance with statutory requirements in 10 U.S.C. 2330a, the Army does not generate contractor inventory data until the end of the fiscal year in order to minimize reporting requirements on contractors in accordance with the Paperwork Reduction Act. The Army's contractor inventory is captured in the CMRA Report. For purposes of comparison, between fiscal year 2011 and fiscal year 2012, contractors in the generating force increased by 15,870 contract full-time equivalents and contractors in the OCO part of the contractor inventory decreased by 21,940 contractor full-time equivalents.

#### SUPPORT FOR MILITARY SPOUSES

20. Senator MANCHIN. General Odierno, in many cases, servicemembers convicted of Uniform Code of Military Justice (UCMJ) violations lose their retirement pension and benefits. When this happens, innocent family members also suffer. Can you tell me about the Victims' Transitional Compensation Benefit Program?

General ODIERNO. As currently structured, the Transitional Compensation program helps ease the unexpected transition from military to civilian life for eligible family members who have experienced a dependent-abuse offense. The program was established by Congress as an entitlement for abused dependents of military personnel in the National Defense Authorization Act (NDAA) for Fiscal Year 1994 (P.L. 103-160). The Act authorizes temporary payments for families in which the Active Duty soldier has been court-martialed with a qualifying sentence or is being administratively separated from the military as a result of a dependent-abuse offense. Crimes that may qualify as dependent-abuse offenses include, but are not limited to, sexual assault, rape, sodomy, assault, battery, murder, and manslaughter. Under current law, crimes such as larceny of military property, desertion, and those not related to directly abusing dependents do not qualify for Transitional Compensation. There are still some dependents who are not adequately covered. I encourage Congress to review the legislation further.

The Army provides benefits and entitlements for 36 months to eligible family members. Eligible family members receive monthly payments based on the current monthly dependency and indemnity compensation rate. During the entitlement period, beneficiaries are also entitled to commissary and exchange privileges. They are also eligible to receive medical care, including behavioral health services, as TRICARE beneficiaries. Dental care services may be provided in dental facilities of the Uniformed Services on a space available basis.

21. Senator MANCHIN. General Odierno, could this program be expanded to protect families in other cases?

General ODIERNO. Broadly speaking, the Transitional Compensation program could be expanded to protect families in other cases, but such an expansion would require congressional action.

As the DOD is the proponent to implement the policy, assign responsibilities, and prescribe procedures under 10 U.S.C. section 1059, they would have the lead in providing views on any changes to existing law. The Army stands ready to partner with DOD and Congress to consider shortfalls in the existing program and ensure any change to the law is affordable, supportable, and inclusive of all Services.

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#### QUESTIONS SUBMITTED BY SENATOR JEANNE SHAHEEN

##### ARMY SUSPENSION AND DEBARMENT BACKLOG

22. Senator SHAHEEN. Secretary McHugh, on March 27, 2013, I joined a bipartisan group of Senators in a letter to you and General Odierno expressing our continued concern and deep frustration over the Army's apparent lack of progress to date to thoroughly process the 43 debarment referrals involving individuals and companies with links to terrorist groups, including the Haqqani Network and al Qaeda, as identified by the U.S. Central Command (CENTCOM) Commander under the Section 841 designation and the Department of Commerce, Bureau of Industry and Security, Entity List. Given the serious nature of these cases, we strongly believe that special and immediate consideration from the Army is required. In our letter, we requested the Army Suspension and Debarment Official commit to thoroughly reviewing these 43 cases and to make a determination on each within 30 days, and to notify us of the final decisions of each case. How soon can we expect to receive a response to our March 27 letter?

Mr. McHUGH. As discussed in my April 15, 2013 response to your March 27 letter, the Army's Procurement Fraud Branch (PFB) initially received the Special Inspector General for Afghanistan Reconstruction's (SIGAR) recommendation concerning these 43 cases (9 based upon section 841 designations and 34 based upon Department of Commerce (DoC) decisions to place individuals and entities on the Entity List) on September 4, 2012. Initially, the 43 recommendations did not include any supporting evidence, but merely cited the fact that these individuals or entities were so designated. After a number of requests from PFB, on November 13, 2012, SIGAR provided the classified documentation on which SIGAR relied to support the nine Section 841 designations, which consisted of classified intelligence summaries derived from unidentified sources of "unknown" or "varying credibility/reliability." The summary reports are unattributed and include neither indicia of reliability nor evidence of corroboration, and amount to mere suspicion. While such reports may be adequate under Section 841 and for the DoC Entity List decisions (both of which have severely limited due process and reduced burdens of proof), they are not an adequate basis to propose debarment. SIGAR did not provide supporting documentation on the 34 Entity List recommendations. On December 18, 2012, PFB returned the 43 recommendations to SIGAR with a detailed explanation of the basis for their return, and requested supporting evidence underlying the summary reports and Entity List decisions.

23. Senator SHAHEEN. Secretary McHugh, where is the Army in the review process and on making final determinations for these 43 cases?

Mr. McHUGH. On December 18, 2012, Army PFB returned the 43 recommendations to the SIGAR with a detailed explanation of the reason for their return, and requested supporting evidence underlying the summary reports and Entity List decisions. On March 14, 2013, SIGAR and the DoC made a number of classified documents available for PFB review concerning the one company on SIGAR's referral of DoC Entity List companies that appeared to do business with the Army. These documents consisted of summaries from un-named sources of varying credibility/reliability which were legally insufficient to support the initiation of debarment action. Subsequently, on April 4, 2013, PFB requested that SIGAR and DoC provide all available supporting documentation to enable PFB to conduct a thorough review of all 34 individuals/entities on the DoC Entity List. SIGAR notified PFB that it is coordinating with DoC and the Defense Intelligence Agency to make additional documents related to the 34 Entity List recommendations available for PFB to review. PFB continues to work with SIGAR and DoC, but PFB has not yet received any additional supporting evidence upon which to conduct a review.

24. Senator SHAHEEN. Secretary McHugh, will you commit to ensuring these 43 cases are thoroughly reviewed and processed in order to make sure that these individuals and companies are not funneling U.S. taxpayers' dollars to our enemies?

Mr. McHUGH. Once the SIGAR and the DoC make additional evidence available for review, the Army PFB will promptly review the material for legal sufficiency in accordance with the requirements of Federal Acquisition Regulation (FAR) 9.406.

25. Senator SHAHEEN. Secretary McHugh, is the Army committed to preventing U.S. taxpayers' dollars from flowing to insurgent and terrorist groups?

Mr. McHUGH. Yes. The Army fully supports the comprehensive exercise of both authorities under Section 841 (to include the authority to restrict the award of future contracts to designated 841 entities) and Suspension and Debarment action under FAR 9.406 when such action is warranted and supported by sufficient credible evidence. Army PFB attorneys will continue to work with the SIGAR staff to develop supporting evidence to proceed with recommendations from SIGAR. In fact, just since October 1, 2012, the Army Suspension and Debarment Official has taken 156 suspension and debarment actions on cases from the Afghanistan theater of operations, 127 of which were forwarded to PFB by SIGAR.

#### QUESTIONS SUBMITTED BY SENATOR KIRSTEN E. GILLIBRAND

##### PROGRAMMATIC ENVIRONMENTAL ASSESSMENT

26. Senator GILLIBRAND. Secretary McHugh, I want to ask you about a place you know well—Fort Drum and the 10th Mountain Division. Over the last decade, the 10th Mountain Division has been one of the most deployed divisions, demonstrating its importance to the Army and the Nation. I am very proud of the work these soldiers have done and am honored to represent them. As we begin to transition away

from combat operations in Afghanistan, I want to make sure the 10th Mountain Division is still seen as a vital division for the Army. As you analyze the findings from the Programmatic Environmental Assessment, what metrics will you use to make force reduction decisions?

Mr. McHUGH. The Army realignment and stationing decisions are based on quantitative and qualitative factors that ensure that the Army is properly stationed at installations where we can best train and deploy to meet the Army's worldwide mission.

To begin its analysis, the Army uses the Military Value Analysis (MVA) model to evaluate five broad operational categories critical to BCTs including: (1) training; (2) power projection; (3) well-being; (4) mission expansion; and (5) geographic distribution. Within each category, the Army weighs a number of attributes. For example, in analyzing an installation's ability to support training, the Army considers available maneuver land, range sustainability, training facilities, indirect fire capabilities, and available airspace. Power projection evaluations look at an installation's deployment infrastructure, aerial port of embarkation and sea port of embarkation proximity. Factors that impact soldier well-being include access to medical care, family housing availability, the general quality of life of an installation (e.g., access to Army Community Services, child care development centers, fitness centers, chapels, and youth centers), and the quality and quantity of brigade facilities and barracks. Mission expansion considerations include buildable acres, urban sprawl, and telecommunications infrastructure. Finally, we will evaluate geographic distribution by examining the dispersion of the Army's BCTs in order to support civil authorities for disaster response, minimize vulnerability to a catastrophic attack or natural disaster, and keep our All-Volunteer Force connected to the American people.

Using the MVA model scores as a baseline, the Army applies qualitative factors, including environmental and socioeconomic impacts, military construction (MILCON) costs, readiness, command and control proximity, and support to National Defense Strategy to evaluate various courses of action in order to reach an optimal stationing solution that is both feasible and acceptable.

27. Senator GILLIBRAND. Secretary McHugh, will you make these metrics available to our military communities so that they can understand your decisions?

Mr. McHUGH. Yes. The Army recently completed Community Listening Sessions at 30 installations in order to explain the process that the Army is using to make these difficult decisions and to receive community input before any final decisions are made. The Army's brief detailed the operational categories contained in the MVA model—training, power projection, well-being, mission expansion, and geographic distribution, as well as the qualitative factors outside the MVA model that the Army is using, to include strategic considerations, command and control proximity, MILCON costs, readiness impacts, environmental and socioeconomic impacts, and community input.

#### CYBER CAPABILITIES

28. Senator GILLIBRAND. General Odierno, the fiscal year 2014 budget indicates a large investment in our military's cyber capabilities. DOD approved a major expansion of the U.S. Cyber Command (CYBERCOM), to include growing its ranks from around 900 to 4,900 personnel or cyber warriors which I understand will: (1) fortify DOD's own networks; (2) help plan and execute offensive attacks; and (3) protect critical infrastructure like power grids and power plants. What is the Army doing to recruit the best and brightest cyber talent?

General ODIERNO. The Army, as part of a Joint Service research team, is making strides in efforts to screen new recruits to assess their ability to perform cyber-related functions. The Information and Communication Technology Literacy Test (ICTL), an Air Force sponsored test, is designed to measure aptitude for cyber security specialties. The Army Research Institute (ARI), through the testing of tens of thousands of applicants at U.S. Military Entrance Processing Stations, is gathering data to validate the ICTL instrument to determine its viability for Army use. The Army's signal proponent is conducting a pilot study of ICTL for use in selecting soldiers for cyber-related occupations. The ICTL also appears to have potential for use in the selection process for military intelligence cyber occupations. ARI researchers believe the instrument will prove to be a credible screening tool. The Army has also greatly expanded its targeting of applicants with Science, Technology, Engineering, and Mathematics (STEM) degrees to improve production of officers with these skills. The Army in the last 2 years has increased by nearly one third the number of acces-

sions with these degrees into our technical branches and is on a path to have nearly half of new officer accessions in these branches hold these degrees.

29. Senator GILLIBRAND. General Odierno, what mechanisms do we have in place to encourage cyber studies at West Point and in Reserve Officer Training Corps (ROTC) programs across the country?

General ODIERNO. On October 19, 2012, the Secretary of the Army established the Army Cyber Center at West Point to serve as the Army's premier resource for strategic insight, advice, and exceptional subject matter expertise on cyberspace-related issues affecting Army operations, organizations, and institutions. With a view towards building the Army's cadre of cyber-qualified leaders, the Army Cyber Center will develop the educational and training programs to foster the rigorous study of the intellectual underpinnings of cyberspace operations to enhance the competencies of Army personnel in the cyber domain.

All cadets attending the U.S. Military Academy (USMA) complete an information technology course that provides cyber-related topics, a technology tour, and hands-on cyber security demonstration to encourage cyber-related studies as part of their West Point curriculum. A majority of juniors take another course that focuses on cyber security and cyber operations overall. A new five-course cyber minor allows cadets to take focused coursework in cyber studies and the minor will be annotated on the cadets' transcripts. Additionally, a new three-course engineering sequence focusing on cyber, one of seven such sequences at USMA will also be available and is required for non-engineer cadets.

The USMA has several other cyber-related programs that encourage participation in cyber studies. Some of the activities include a cyber warfare club that offers a robust guest-speaker program, cadet-organized lessons on cyber topics, and hands-on learning opportunities; the club boasts over 250 cadet members. Another program is the Cyber Defense Exercise, an intensive competition between all the Service Academies.

A program that covers both USMA and ROTC cadets is the cyber internship program for cadets from all academic disciplines. In 2013, there are 86 cadets from USMA and U.S. Army Cadet Command participating in internships at the National Security Agency, CYBERCOM, Army Cyber Command, and other government and industry organizations. Participating cadets receive a TS-SCI clearance.

U.S. Army Cadet Command has set conditions for meeting cyber challenges by using scholarships to increase production of STEM graduates in general, and cyber studies in particular. Currently, there are 3,334 (30 percent) ROTC scholarship cadets studying in STEM fields. We currently have 535 cadets studying in the cyber field. Other large concentrations of academic STEM studies that would facilitate future cyber support are Computer Science (225), Information Systems (147). We also have cadets studying Software Engineering, Computer Science, and Computer Engineering/Artificial Intelligence. We reward cadets by using extra points for degrees in engineering, hard sciences, math, and computer science in our Order of Merit System that determines branching. The points awarded improve cadet standing for those with STEM qualifications. Additionally, cadets with cyber compatible majors who have a 2.75 or higher GPA may be preferentially branched to our Signal Corps where a majority of cyber skill requirements reside.

30. Senator GILLIBRAND. General Odierno, is the Army considering an incentive pay system that helps in the retention of military members with high level cyber skill sets?

General ODIERNO. Yes. We have four tools available to recruit, retain, and stabilize this critical population. We have the Current Station Stabilization Reenlistment Option, the Conversion Bonus, the Selective Reenlistment Bonus, and the Critical Skills Retention Bonus to target recruitment and retention of soldiers with high level cyber skills. The Army will monitor retention trends to maximize use of these incentives as the career field matures.

31. Senator GILLIBRAND. Secretary McHugh, leveraging citizen soldiers who work in the cyber industry every day and also serve their country in uniform through the National Guard and Reserve is imperative. Senator Vitter and I have introduced a bill to create and leverage a Cyber Guard. I received a positive letter from General Alexander and the National Guard Governors Association about the idea. At the DOD posture hearing, I asked General Dempsey about the bill and he was also supportive. I'd like to work with you to ensure that we implement every available tool to recruit and retain a capable cyber force. Does this sound like legislation the Army will support?

Mr. McHUGH. The Army does not support the legislation as written, but like you, we are committed to a cyber strategy that leverages the cyber civilian skills existing in our Guard and Reserve Forces. Our concern is that this legislation would likely compete directly with Joint Staff's efforts to build Reserve Component Cyber Protection Force units inside the CYBERCOM Force Build. The Army is collaboratively working with the Army National Guard and the Office of the Chief, Army Reserve on an Army Reserve Component Cyber Integration Strategy to identify specific contributions the Reserve component could make toward the CYBERCOM Force Build. The optimal solution is one in which the Active and Reserve component cyber force structure complements each other to establish a total Army solution to providing cyber forces for defense of the Nation.

#### SEXUAL ASSAULT

32. Senator GILLIBRAND. General Odierno, I have enormous respect for the men and women who serve in the military. That is why I am committed to ending the violent crime of sexual assault among those in uniform. The new DOD Health Related Behaviors Survey of Active Duty Military Personnel was released this week, and I am very disturbed that it indicates more than 1 in 5 women in the Active Duty Armed Forces reported experiencing unwanted sexual contact by a fellow servicemember. That is unacceptable. The men and women who serve in our Armed Forces are the military's most precious resource, and clearly the system is failing to protect them from the worst kind of violence. As you may know, I am drafting legislation that will remove the initial disposition authority from commanding officers and put it in the hands of experienced military prosecutors. Over the past few months, we have been examining this change and one of the concerns that has been voiced is that it will disrupt the good order and discipline of the unit. In your opinion, what precisely about this change would disrupt good order and discipline?

General ODIERNO. Command authority under the UCMJ and the maintenance of good order and discipline are inextricably linked. The only way that a commander can be effective in enforcing good order and discipline is by having the authority to dispose of criminal offenses—quickly, visibly, and locally.

Put another way, commanders are individually responsible and accountable for everything that goes on in his or her command, including good order and discipline. Soldiers understand that, and they look to the commander, no one else, for enforcement of all standards. Command authority, particularly in the context of military justice, is and will remain the most critical mechanism for ensuring discipline, accountability, cohesion, and integrity of the force. A commander's ability to execute the responsibilities of command will be severely disrupted if that command authority is diminished in any way.

33. Senator GILLIBRAND. General Odierno, what other recommendations do you have for dealing with this crisis and actually getting results?

General ODIERNO. On May 28, 2013, the Secretary of the Army directed the Assistant Secretary of the Army (Manpower and Reserve Affairs) to establish a department-wide working group "to explore other options for ensuring the qualifications and suitability of, and incentivizing service as, a SARC or Sexual Assault Victim Advocates to ensure that the best-qualified and most suitable individuals seek out and are selected for service in these positions." The group's recommendations will be provided to the Secretary of the Army not later than October 31, 2013.

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#### QUESTIONS SUBMITTED BY SENATOR JAMES M. INHOFE

##### CIVILIAN FURLOUNDS

34. Senator INHOFE. Secretary McHugh, I am concerned about the potential impact of civilian furloughs on the Army's critically important family support programs. If furloughs take place, do you expect any cutbacks in your operating hours at commissaries, exchanges, and child development centers or curtailment of Morale, Welfare, and Recreation (MWR), Department of Defense Education Activity (DODEA), Transition Assistance Program (TAP) or military spouse employment programs?

Mr. McHUGH. As a result of funding reductions/furlough guidance, each commissary will close 1 day per week. Operations at 7-day stores will reduce to 6-day operations; 6 days to 5; and 5 days to 4. At overseas locations, stores will be closed 1 additional day a week unless adequate local nationals are available to keep them

open. HQ/Areas Operations will be closed to coincide with store closures. There will be no impact on operating hours at the Exchange.

As far as DODEA, furloughs will not affect the end of the 2012–2013 school year. Though furloughs will be in place at the start of the 2013–2014 school year, the number of days has not been confirmed. Regardless, DODEA will ensure that all students have a robust academic year. School staff will ensure students receive a full year of academic study even within a slightly shortened academic year due to the furloughs.

Transition counseling services are contracted by a fully-funded contract through September 30, 2013. There will not be a decrease/delay in providing transition services to soldiers and their families. However, the program is overseen at most installations by Transition Services Managers (TSM), who are civilian employees. Garrisons will have a civilian employee or military personnel available to oversee contract operations during the time the TSM is furloughed. At smaller installations, transitioning soldiers will utilize virtual counseling services to meet Veterans Opportunity to Work Act requirements.

Family, Morale, Welfare, and Recreation (FMWR) programs and services are currently frozen at fiscal year 2012 levels. Nonappropriated Fund (NAF) employees are currently exempt from furlough, which includes 2,637 full-time Child Development Center (CDC) and School Age Center (SAC) employees. These individuals will continue to maintain 5-day coverage of centers to accommodate the needs of soldiers and families.

Although NAF employees are the primary service providers for most FMWR programs and services, appropriated fund (APF) employees are utilized within Army Community Service (ACS) Centers and, in some cases, Community Recreation programs. These employees are subject to furlough and some services will be impacted. Installation Senior Commanders and Garrison Commanders will determine the optimum method of furlough implementation with the goal of minimizing disruption to critical soldier and family programs. Some of these key programs include spouse employment, victim advocacy for sexual assault and domestic violence, Army emergency relief, support to exceptional family members, child abuse prevention and intervention support, support to wounded warriors and their families, and support to survivors. In most cases, our ACS Centers plan to close 1 day per week during the furlough period. In order to mitigate the effect of furlough, ACS Centers will develop strategies to ensure 24/7/365 coverage for key services such as victim advocacy and child abuse/domestic violence response. We encourage our Centers to rely on electronic resources such as Army OneSource and Military OneSource to provide information and link up service providers to our soldiers and families.

35. Senator INHOFE. Secretary McHugh, if civilian furloughs, in response to sequestration, impact the mission of the Military Entrance Processing Stations, then what options does the Army have to ensure your recruit accessions are not disrupted?

Mr. MCHUGH. By shifting funding, the Army addressed the risk of accession mission failure in fiscal year 2013 and fiscal year 2014 due to sequestration. Civilian furloughs will not affect the ability of Army accessioning agencies to achieve fiscal year 2013 accession missions. However, if the U.S. Military Entrance Processing Command curtails operations in fiscal year 2013 due to civilian furloughs, some delays in contracting new soldiers for entry into the Army in fiscal year 2014 may occur. For example, the Military Entrance Processing Stations will be shut down for 1 day per week. This will significantly increase applicant travel costs and adversely affect the streamlined process of new recruits. The Army plans to mitigate these delays by processing these soldiers after the beginning of the new fiscal year.

#### INTEGRATED DISABILITY EVALUATION SYSTEM

36. Senator INHOFE. Secretary McHugh, it is unconscionable that servicemembers must wait many months to receive a disability determination from the Department of Veterans Affairs (VA). While DOD and VA have made some progress in decreasing the amount of time it takes to get disability claims completed in the Integrated Disability Evaluation System (IDES), more work must be done. What is the Army doing to help DOD and VA to expedite claims through the system?

Mr. MCHUGH. To assist the VA in managing this additional workload, the Army is providing personnel to perform administrative procedures so that VA adjudicators can focus on rating activities. The Army is also making additional entries into the Veterans Tracking Application to allow VA to better manage cases in the benefits delivery phase of IDES. VA estimates this assistance will lead to a 10 to 15 percent



increase in the number of Ready for Decision cases over the 90-day period. We continue to explore and implement other solutions to provide the information that VA needs to finalize their rating decisions in a more timely manner.

37. Senator INHOFE. Secretary McHugh, do you believe the VA is doing all that it can do to decrease the amount of time for disability case reviews and claims adjudication?

Mr. MCHUGH. Yes, I believe our partners in the VA are doing everything they can to decrease the amount of time for disability case reviews and claims adjudication.

38. Senator INHOFE. Secretary McHugh, does the VA need additional resources to hire more claims adjudicators?

Mr. MCHUGH. The Army does not know if VA requires additional resources to hire more claims adjudicators.

#### PROTECTING PROSPECTIVE RECRUITS

39. Senator INHOFE. Secretary McHugh, a recent tragic case in Maryland appears to have been a murder/suicide incident involving a prospective recruit and her recruiter. What guidance has the Army provided to ensure that prospective recruits and their parents or guardians are fully aware of the limits for relationships with recruiters?

Mr. MCHUGH. Army recruiter contact with newly contracted soldiers, prospects, and applicants is highly restricted by Army policy. Recruiters who violate the regulations governing this contact are subject to disciplinary action, relief, or separation. Cards describing sexual harassment prohibitions and what the prohibited activities are for recruiters and applicants are given to all applicants upon first contact, as well as to their parents. These cards are used by the U.S. Army Recruiting Command in its recruitment of Regular Army and Army Reserve applicants. The Army National Guard has similar cards in development. In addition, all recruits in all the Army's components sign contracts that include descriptions of sexual harassment prohibitions and what the prohibited activities are for recruiters and members of the Delayed Entry Program (DEP).

40. Senator INHOFE. Secretary McHugh, what information does the Army require to be provided to prospective recruits to ensure that they have immediate access to assistance and intervention, if necessary, if they believe a recruiter is intending to take improper advantage of them?

Mr. MCHUGH. Army recruiter contact with newly contracted soldiers, prospects, and applicants is highly restricted. Cards describing sexual harassment prohibitions and what the prohibited activities are for recruiters and applicants are given to all applicants upon first contact, as well as to their parents. These cards are used by the U.S. Army Recruiting Command in its recruitment of Regular Army and Army Reserve applicants. The Army National Guard has similar cards in development. Applicants and recruiters are offered a Hot Line phone number on the card to report any improper actions. In addition, all recruits in all the Army's components sign contracts that include descriptions of sexual harassment prohibitions and what the prohibited activities are for recruiters and members of the DEP. The contract also provides the applicant a recruiting agency senior leader's telephone number for reporting sexual harassment or prohibited activity violations.

#### DEFENSE SEXUAL ASSAULT INCIDENT DATABASE

41. Senator INHOFE. Secretary McHugh, DOD has told us they have achieved full-deployment of the congressionally-mandated Defense Sexual Assault Incident Database (DSAID). Is the Army providing data to populate the database, and if so, what information, specifically, is this database providing Army leadership concerning sexual assault incidents?

Mr. MCHUGH. The Army has a Memorandum of Agreement (MOA) with DOD that allows us to continue to use our Sexual Assault Data Management System (SADMS), which has been operational since 2005. Under that MOA, the Army "pushes" the required sexual assault data to DSAID from SADMS on a monthly basis. Accordingly, the sexual assault information provided to Army leadership comes from SADMS through our Sexual Harassment/Assault Response and Prevention (SHARP) Program Office. This information includes the type of reports (Restricted or Unrestricted), type of assault (rape, forcible sodomy, aggravated sexual contact, et cetera), gender, rank, location (on/off post), investigation status, disposi-

tion status (court-martial, non-judicial punishment, adverse administrative action, et cetera) and victim services (counseling, healthcare, advocacy, legal, et cetera).

#### SEXUAL ASSAULT

42. Senator INHOFE. Secretary McHugh and General Odierno, before this committee, DOD witnesses described the recently revised DOD-wide policy on Sexual Assault Program to standardize prevention, health care, victim safety, training and response efforts, and to clearly convey the role of servicemembers and employees in sexual assault prevention and recovery. This committee is concerned that medical care providers were not fully aware of their obligations concerning restricted reports, including the obligation to withhold disclosure to the chain of command. What actions have been taken to ensure standardization with response to protecting the sanctity of Restricted Reports?

Mr. MCHUGH and General ODIERNO. The Army follows DOD policy and requires our healthcare providers to notify a Sexual Assault Response Coordinator (SARC) when a sexual assault victim seeks care at a Military Treatment Facility (MTF). The SARC (if not present with the victim) will then respond to the victim as quickly as possible.

Health care providers are trained to safeguard the confidentiality of medical information and maintain it in accordance with current Health Insurance Portability and Accountability Act (HIPAA) guidelines regardless of whether the soldier elects restricted or unrestricted reporting. Improper disclosure of covered communications and improper release of medical information are prohibited and may result in disciplinary actions under the UCMJ, loss of credentials, or other adverse personnel or administrative actions.

Additionally, each Army MTF has a Sexual Assault Care Coordinator, Sexual Assault Clinical Provider, and a SARC who train other health care providers and health care personnel on their requirements regarding the preservation of restricted reports, including withholding protected information from the chain of command.

43. Senator INHOFE. Secretary McHugh and General Odierno, what additional challenges do you see in attaining the required level of standardization?

Mr. MCHUGH and General ODIERNO. I do not see any challenges with respect to protecting sanctity of restricted reports in standardization that the Services and DOD, working together, have not already addressed. Two examples include the decisions by DOD to standardize SARC and Victim Advocate credentialing requirements and train sexual assault investigators from all Services at the U.S. Army Military Police School.

44. Senator INHOFE. Secretary McHugh and General Odierno, what additional tools does the Army need in order to continue to reduce—with the goal of eliminating—sexual assault?

Mr. MCHUGH and General ODIERNO. The Army possesses the tools needed to achieve the goal of resolving the problem of sexual assault in the military, but additional refinement is needed. We look forward to the results of the Response Systems Panel, which will highlight components of the UCMJ that may need to be changed, while at the same time thoroughly exploring the second and third order effects of those refinements. However, we know it is our responsibility to establish the positive organizational climate and culture needed to protect victims, and appropriately prevent and respond to sexual assault.

45. Senator INHOFE. General Odierno, some have suggested that it would be appropriate to incorporate standardized assessments of commanders' performance in prevention, investigation, accountability, advocacy, and assessment of sexual assault response and prevention lines of effort. What is your assessment of the feasibility of implementing commanders' performance in Service-specific performance appraisals?

General ODIERNO. It is feasible and very appropriate to assess all officers and noncommissioned officers (NCO) on their enforcement of sexual assault prevention and response principles, including their establishment or support of a positive command climate. The current officer and NCO evaluation reports allow for comments regarding support of Equal Opportunity (EO) and Sexual Harassment. AR 600-20, Army Command Policy, also encourages comments for this topic. The future officer and NCO evaluations will continue to stress this topic and the Army Doctrine Reference Publication (ADRP) 6-22, Army Leadership under the Leader Competency of Trust reinforces this in leader development. We are exploring methods to reinforce

the SHARP effort by including SHARP and EO topics as part of the performance evaluation and including a directed comment in both the officer and NCO evaluations reports, both of which are currently under revision.

46. Senator INHOFE. Secretary McHugh, the annual report on sexual assault at the Service Academies revealed that many people who enter the armed services have experienced and report sexual assault or unwanted sexual contact that occurred before they entered the Service Academies or the armed services. What could the Army be doing to improve support to men and women in the accession process, to identify whether individuals have experienced sexual assault?

Mr. MCHUGH. The USMA does not screen applicants for a history of sexual assault but does provide all new cadets information about the Army's SHARP Program.

When a new cadet self-identifies during cadet basic training, or subsequently over the course of their career as a cadet, the cadet is referred to a SARC or Victim Advocate who provides essential support and care to the victim.

This support includes, but is not limited to, providing information on available reporting options (restricted and unrestricted), available resources to assist the victim in the healing process (e.g., on- and off-post counseling, chaplaincy, DOD SafeHelpline), and due process and investigation procedures (legal assistance and/or law enforcement to include Criminal Investigation Division—even if serving in a liaison role between civilian law enforcement and the military for off-post incidents).

The Victim Advocate provides continual support until the victim states that s/he no longer requires assistance or until departure from the Academy, at which point s/he receives information about resources available after departure.

#### COMMAND CLIMATE ASSESSMENTS

47. Senator INHOFE. Secretary McHugh and General Odierno, what percent of your commands conduct command climate assessments?

Mr. MCHUGH and General ODIERNO. Per Army regulations, all Active component company commanders (or equivalents) must administer a command climate survey within 30 days of assuming command, then again at 6 months, and annually thereafter. Reserve component company commanders receive 120 days to complete command climate surveys upon assuming command. I have also directed command climate surveys at all levels of command through Division level. Revised policy will require command climate assessments to be conducted at all command and major organization levels and for results to be reviewed with the next higher level commander or leader.

Unfortunately, the Army is unable to respond to the specific question of the percent of commands which have completed fiscal year 2013 company-level assessments. The Defense Equal Opportunity Management Institute provides automated organizational climate survey services, and this service was shut down for several months during this last year. While this service was down, the Army conducted its assessments manually (paper and pencil surveys). A way ahead is being planned for Army automated survey administration, tracking, and accountability mechanisms.

48. Senator INHOFE. Secretary McHugh and General Odierno, what is the Army doing to improve the regularity of command climate assessments?

Mr. MCHUGH and General ODIERNO. We updated Army Regulation 600–20 in September 2012 to read “Company level commander (or their equivalents) will conduct a unit command climate survey within 30 days of assuming command (120 days for ARNG and USAR), again at 6 months, and annually thereafter. Assessments must include a facilitated small group discussion of topics. Company level commanders (or equivalents) may supplement any survey efforts with individual and group interviews, the analysis of unit records, and statistical information (awards, promotions, reenlistments, incidents of misconduct resulting in UCMJ, and EO complaint reports).” We report and track the compliance rates for command climate surveys. I have also directed command climate surveys at all levels of command through Division level.

49. Senator INHOFE. Secretary McHugh and General Odierno, what is the Army doing to evaluate the results of the command climate assessments to ensure necessary follow-up action?

Mr. MCHUGH and General ODIERNO. Current Army policy requires company level commanders to administer command climate surveys within 30 days of assuming

command (120 days for Army National Guard and Army Reserve), again at 6 months and annually thereafter. I have also directed command climate surveys at all levels of command through division level. Revised policy will require command climate assessments to be conducted at all command and major organization levels and for results to be reviewed with the next higher level commander or leader. Additionally, revised evaluations policy will include mandatory comments on unit climate. Results of an ongoing 360 Assessment Pilot will provide information for a decision to expand this assessment to all brigade and battalion commanders. Completion of command climate assessment survey requirements will be tracked and reported to Army Senior Leaders as a part of the Army's Ready and Resilient Campaign.

#### FEDERAL VOTING ASSISTANCE PROGRAM

50. Senator INHOFE. Secretary McHugh, what is your assessment of the performance of the Army's Federal Voting Assistance Program (FVAP)?

Mr. MCHUGH. In my view, the Army has a very robust voting assistance program. We have a large network of Installation Voting Assistance (IVA) offices and Unit Voting Assistance Officers (UVAO), who are providing voting assistance on a year-round basis. In 2012, the Army voting assistance program had over 7,800 appointed and trained Active Duty UVAOs who provided information to eligible voters within their organizations. The Army also created Public Service Announcements (PSA) that were seen overseas and State-side and participated in Absentee Voters Week and Armed Forces Voters Week to encourage eligible voters to register and vote. The Army voting assistance program has also successfully leveraged social media by using Facebook and Twitter, and established and maintain a vigorous communications strategy. We empower individual voters and continue to provide voting assistance and guidance to soldiers, civilians, and their dependents.

51. Senator INHOFE. Secretary McHugh, what Army-specific initiatives have you implemented to improve compliance with FVAP and to maximize the opportunity for servicemembers to exercise their right to vote?

Mr. MCHUGH. The Army welcomes the responsibility for providing voting assistance to our servicemembers, their family members, and our civilian employees. Before the 2012 elections, we made weekly phone calls and/or e-mail communications to IVA offices to ensure proper manning and updated any changes to office contact information. The Army continues to complete monthly phone and/or e-mail communications to the IVA offices. To maximize voter participation, over 7,800 Active Duty UVAOs provided voting assistance at the unit level. They presented registration and voting information during meetings, training sessions, and formations. The UVAOs provided assistance and encouraged servicemembers to access the FVAP website for fast and efficient voter registration and assistance. Some of the Army voting activities for 2012 included participation in Armed Forces Voters Week and Absentee Voters Week with IVA offices setting up voting information tables in high traffic areas. To increase voter awareness and participation, the Army Voting Assistance Program uses Facebook, Twitter, PSAs, print media, and mass e-mail distribution. The Army continues to use collaborative tools and information sharing with FVAP to push current and relevant voting information to our voting assistance personnel and eligible voters.

#### OPERATIONAL TEMPO OVERSIGHT

52. Secretary McHugh, what is your assessment of the Army's operational tempo (OPTEMPO) reporting and how well are we meeting our OPTEMPO requirements to reduce stress on our servicemembers and their families?

Mr. MCHUGH. Overall, the Army is meeting its OPTEMPO, with the exception of the Army Reserve. The Active component goal is a ratio of 1:2 (time deployed vs. time home). The Active component is exceeding this goal with a ratio of 1:2.46. The Army National Guard is achieving the goal of 1:4 (time deployed vs. time home). The Army Reserve is continuing to improve; however its current ratio of 1:3.5 is below the goal of 1:4. A number of high demand military occupational specialties such as interpreters, aviation maintainers, and engineer specialties fall below the goals, with ratios ranging from 1:1.5 to 1:2. However, given the expected reduction in demand for ground forces in support of Operation Enduring Freedom (OEF), we expect ratios to improve.

## LANGUAGE AND CULTURE TRAINING

53. Senator INHOFE. Secretary McHugh, military members with language and culture training are essential to a U.S. global force. The NDAA for Fiscal Year 2013 authorized the Secretary of Defense to transform the National Language Service Corps (NLSC) from a pilot to a permanent program, and also to enhance the ability of our Federal agencies to hire people with strategic foreign language skills and as National Security Education Program awardees. What are the Army's goals with respect to the capabilities represented by the NLSCs?

Mr. MCHUGH. The Army continues to support and leverage the capabilities provided by the NLSC under the NDAA. Currently, the Army works with NLSC's recruiters to hire language proficient soldiers departing the Army to work at NLSC. We display NLSC advertisements on various portals targeting language qualified soldiers and civilians. Additionally, the NLSC provides an overview of their organizational opportunities to our O9L soldiers (native speakers of foreign languages who serve as interpreters) planning to depart military service. The Army is very active in supporting this program's growth. In addition, the Army leverages NLSC capabilities to fill short-term foreign language requirements that cannot be met from within. Some of these categories include: role players, interpretation, translation and analysis, training (instruction), and administrative language support services.

To respond to increasing demands for foreign language skills, the NLSC plans to increase membership from the current 4,200 to at least 5,500 personnel. The number of languages/dialects represented is expected to increase from 283 to at least 350 by fiscal year 2015. The Army continues to work with the Secretary of Defense to actively expand the NLSC membership, reaching out to groups in which the government has already invested while seeking to leverage the capabilities of this organization.

## MARKETING AND ADVERTISING

54. Senator INHOFE. Secretary McHugh, one effect of sequestration was that the Services quickly moved to end service advertising, marketing, and outreach programs that have been used to aid in recruiting. What is your assessment of the value of funding these programs, and the projected impact to recruiting if these programs are not funded?

Mr. MCHUGH. It is essential that the Army conduct a vigorous and sustained marketing and advertising program in order to recruit a quality force capable of handling 21st century mission challenges.

## INTEGRATED ELECTRONIC HEALTH RECORD

55. Senator INHOFE. Secretary McHugh, DOD and VA have been working on an integrated electronic health record (IEHR) for a number of years with very little progress being made towards a truly seamless transition of health information between the two departments. In January 2013, VA decided to use VistA, its legacy system, as its core health record despite the findings of a recent study commissioned by the VA that identified many VistA deficiencies. We've been told that DOD has been evaluating existing solutions to determine the appropriate core health record to use. Has DOD coordinated its proposed EHR program with the Army?

Mr. MCHUGH. Yes, the Army has coordinated with the Navy and Air Force in the review of the request for information submissions. This information was released to the public on February 8, 2013. Results and recommendations were briefed to DOD leadership and the three Service Deputy Surgeon Generals. The Army actively contributed to defining EHR core capabilities.

56. Senator INHOFE. Secretary McHugh, how much will it cost for the Army to field a new IEHR?

Mr. MCHUGH. The estimated costs as determined by the DOD Cost Assessment and Program Evaluation (CAPE) office are acquisition sensitive and not available for public release at this time.

57. Senator INHOFE. Secretary McHugh, what impact do you anticipate for the Army's medical readiness?

Mr. MCHUGH. The IEHR provides a lifetime EHR from the time a soldier enters the Army; it is a key enabler for a soldier's seamless transition to the VA. The IEHR will make it easier to extract medical records as a soldier goes through the IDES process, which will improve readiness capabilities, for example, by making it easier

to track immunizations. Current systems require duplicate efforts that cause errors and gaps, so it is important that the IEHR have full compatibility with readiness data systems for all Services to enable crucial bidirectional data exchange.

58. Senator INHOFE. Secretary McHugh, do you believe the EHR must be deployable?

Mr. MCHUGH. Yes, it is essential that the IEHR be deployable to support soldiers in theaters of operation or doing contingency operations. A deployable IEHR will allow data input and visibility throughout the continuum of care from point of injury to DOD medical treatment facilities to VA treatment facilities. Documenting care in the deployed environment will enhance the accuracy of a soldier's medical history, which could affect future disability assessments and benefits determination.

Documenting pre-hospitalization care and assessment provides valuable retrospective data to conduct research to improve patient care to address preventable causes of battlefield death. Finally, a deployable IEHR also enables deployed providers to access the medical history of the injured soldiers, thereby improving the quality of care.

59. Senator INHOFE. Secretary McHugh, what input has the Army had on the EHR program?

Mr. MCHUGH. Army medicine has been involved in the IEHR program from the beginning. Army's contributions to the IEHR program include: requirements generation and support with Clinical Informatics, Capability Management, and Enterprise Architecture assets. The Army Surgeon General is a non-voting member of the Interagency Program Office Advisory Board, which is responsible for IEHR governance.

#### BENEFITS FOR SAME-SEX PARTNERS

60. Senator INHOFE. Secretary McHugh, recently, former Secretary of Defense Panetta announced that DOD will expand benefits to unmarried same-sex domestic partners who declare a committed relationship, but will not extend those same benefits to unmarried heterosexual domestic partners. Do you agree with former Secretary Panetta, that when it comes to benefits paid for by hard-working American taxpayers, that DOD should favor same-sex domestic partners over heterosexual partners, and was the Army consulted to determine the cost impact of extending these benefits to same-sex partners?

Mr. MCHUGH. We support former Secretary Panetta's decision. Heterosexual couples, if they so choose, have the opportunity in every State to get married; currently, same-sex couples do not have this opportunity. The steps that have been announced are an effort to close the equity gap for benefits, consistent with current law. Once implemented, same-sex domestic partners will be required to sign DD Form 683, (Declaration of Partnership) attesting to the committed relationship. Similarly, a DD Form 684, (Dissolution of Partnership) will be required if the relationship ends. Soldiers must notify their personnel official within 30 days of the dissolution and will be required to wait 6 months before attesting to another relationship.

#### TOTAL FORCE MIX

61. Senator INHOFE. General Odierno, General Dempsey said in his testimony last week that DOD needs flexibility to keep the force in balance and, that everything must be on the table including the mix among Active, Reserve, and National Guard units. In view of the heavy wartime demand on the forces including the Reserve and Guard, what do you envision as a viable option to change that force mix for the Army?

General ODIERNO. The Army must maintain a balance between military and civilian end strength, readiness, and modernization as it considers future strategic implications. As for force mix, I do not envision significant migration of force structure between the Active and Reserve components. As we draw down and rebalance, I would continue to see the Active component as that portion of the force best suited for unpredictable and frequent employment, for dealing with complex operational environments, and for dealing with unexpected contingencies. I would see the Reserve components best suited for predictable and infrequent deployments, for providing title 32 support to State and local authorities, and for providing operational and strategic depth.

## MILITARY COMPENSATION

62. Senator INHOFE. Secretary McHugh, our Nation's historical experience of pursuing cost savings by cutting military compensation has demonstrated that periods of designed reduction in overall compensation levels resulted in retention problems. Those retention problems, especially in the context of generally improving civilian employment opportunities, meant Congress was required to come back and authorize catch-up increases to help us keep the highly-trained talents and skills that we need. What is your assessment of the impact of the President's proposed slowdown in military compensation on retention and recruiting in your Service?

Mr. MCHUGH. The Army believes that a slowdown in the increase in military compensation can be accomplished without sacrificing recruit quality or member retention. Conditions appear favorable for slowing the increase in military pay. Recruiting quantity is being met and recruit quality is high; retention goals are typically being exceeded. Any unanticipated changes in circumstances, such as a significant improvement in civilian employment opportunities, could negatively affect Army retention and recruiting. However, at present and in the anticipated future environment, the Army does not believe that a slowdown in the increase in military compensation will adversely affect its ability to recruit and retain an adequate number of high-quality personnel.

## FAMILY SUPPORT PROGRAMS

63. Senator INHOFE. Secretary McHugh, General Dempsey testified last week that unsustainable costs and smaller budgets require DOD to examine every warrior and family support program to make sure we are getting the best return on our investment. How do you assess the investments our Nation has already made in family support programs, and suicide prevention in particular, in moving the needle with demonstrable positive return on investment?

Mr. MCHUGH. In late 2011, the Army adopted a portfolio approach for managing warrior and family support programs. This portfolio approach shifts the governance focus from individual program proponents to the entire group of related programs, such as suicide prevention. In 2012, the Army piloted its first enterprise evaluation to assess how programs within the Health Promotion and Risk Reduction Portfolio contribute to specific strategic outcomes (Help-Seeking, Risk Reduction, Transition, and Resilience and Coping). The findings of this and future evaluations will focus on how programs could increase their ability to achieve the Army's strategic outcomes and improve our return on investment.

## TUITION ASSISTANCE PROGRAM

64. Senator INHOFE. Secretary McHugh, I am pleased to learn that DOD has now reinstated the Tuition Assistance Program (TAP), previously cancelled by the Army, Marines Corps, and Air Force in response to the administration's failure to plan for sequestration. How does TAP enable your Active Duty Forces to meet the professional development requirements described by General Dempsey to establish the Profession of Arms as the foundation for the Joint Force?

Mr. MCHUGH. Tuition assistance supports soldiers in completion of classes leading to Associate's, Bachelor's and Master's degrees as well as certificate programs. This off-duty voluntary education program develops critical and adaptive thinking skills soldiers and leaders need to make informed decisions. These skill-sets allow our soldiers and the Army to learn faster and adapt more quickly than our adversaries, all of which are necessary skills to meet the challenges of today's operational environment.

## SUICIDE PREVENTION

65. Senator INHOFE. Secretary McHugh and General Odierno, our force is exceptionally well-trained on suicide awareness and prevention, and yet we still experience the tragedy of suicide at an unacceptably high rate. What is your assessment on whether the current level of training and leadership engagement is sufficient or whether it has inadvertently created a climate in which some vulnerable individuals may have contemplated suicide because we talk about it so much?

Mr. MCHUGH and General ODIERNO. We continually assess our training for effectiveness. The Ready and Resilience Campaign requires an assessment of programs that support the campaign. The Army has not, however, completed an assessment on the correlation of suicide prevention training and the incidences of suicides over-

all. What we do know is that suicide is a complex issue with a multitude of variables influencing each one. The Army focus on identifying the early signs of suicidal behaviors and intervention skills remains the best option in attempting to reduce the number of suicides. That said, we are not aware of any direct correlation that the increase in suicide prevention training has created a higher propensity of soldiers to consider suicide.

#### SEQUESTER

66. Senator INHOFE. Secretary McHugh and General Odierno, in your prepared testimony, you say, "The combined effects of funding reductions due to sequestration, the fiscal uncertainty of Continuing Resolutions and emerging shortfalls in OCOs funding has significantly and rapidly degraded Army readiness, which will translate directly into fiscal year 2014 and beyond. This lack of predictability makes it difficult to address the posture of the Army in fiscal year 2014 with certainty and specificity." Failing to budget for or at a minimum identify where DOD would cut in fiscal year 2014 in response to sequester is a failure in leadership by the President. Aside from wanting to shift the responsibility of making cuts to Congress, why doesn't your testimony address the Army's share of the \$52 billion that will have to be cut if a sequester replacement agreement cannot be reached?

Mr. MCHUGH and General ODIERNO. We built and submitted the Army's portion of the fiscal year 2014 President's budget request within the top-line provided by the DOD Comptroller. As of the date of our submission and testimony we do not know the magnitude of any potential sequestration reduction that would be applied to Army accounts. If sequestration is directed in fiscal year 2014, the Army will have to take a significant reduction in modernization and readiness accounts, severely impacting future readiness levels.

67. Senator INHOFE. Secretary McHugh and General Odierno, do you believe Congress is best informed to make such cuts?

Mr. MCHUGH and General ODIERNO. The Army and its commanders provide their best military information and assessments to the President and to Congress. We will continue to perform our advisory duties on military issues, but do not believe we are in position to identify who is best qualified to propose reductions to the defense budget. It is through Service posture, budget, and other hearings where military officials provide their best military advice that Congress obtains the best information available to make the hard choices necessary to address the growing budget deficits. Each year, the President submits the budget request to Congress, and the Army presents and defends its portion of the budget in congressional hearings to the authorization and appropriations committees. Under expressed constitutional powers, Congress strictly controls the obligation and expenditure of public funds by the executive branch, regulating virtually all executive branch programs and activities through the appropriations process.

68. Senator INHOFE. Secretary McHugh and General Odierno, do you believe Congress is best informed to make decisions on where to take risk in the defense strategy?

Mr. MCHUGH and General ODIERNO. Without question, we must work together to ensure the right decisions are made for our national security, especially in light of the harsh consequences of sequestration. Congress plays an important and positive role in exercising oversight over the execution of the national security strategy and helping the executive branch assess risks and align resources. We are committed to providing Congress the information necessary to effectively exercise these oversight responsibilities.

#### BACK LOADING DEFICIT REDUCTION

69. Senator INHOFE. Secretary McHugh and General Odierno, in your prepared testimony, you say, "The President's budget includes balanced deficit reduction proposals that allow Congress to replace and repeal the sequester-related reductions required by the BCA of 2011 through fiscal year 2021," followed later by the comment, "To some extent, the impact of spending reductions can be mitigated if funding is timely and predictable, and cuts are back-loaded, enabling the Army to plan, resource, and manage the programs that yield a highly trained and ready force." General Dempsey has stated in other venues that sequestration, even if it does not last the full 10 years, will cost more than it will save. How can you argue that the impact of an additional \$120 billion cut in the out-years will not have a significant



effect if the near-term budgets continue to consume readiness in the manner this budget will for the Army?

Mr. MCHUGH and General ODIERNO. Timely and predictable funding allows for effective and efficient execution of resources against a long-term plan (or ends). Given the opportunity to deliberately plan for reductions and establish a set of objectives to achieve readiness (or ways), the Army can assess the impact of constrained budgets on the strategy and make the necessary adjustments to implement with the allocated resources (or means). While there is no guarantee that these plans will avoid costs, predictable funding enables the Army to establish the long-term requirements necessary to man, train, equip, and sustain a highly-trained and ready-force and set the conditions necessary to maintain balance in force structure, readiness, and modernization efforts.

#### BASE REALIGNMENT AND CLOSURE

70. Senator INHOFE. Secretary McHugh and General Odierno, the President's defense budget request includes a request for authorization to conduct a round of BRAC in 2015. How many of the Army's BRAC decisions in the 2005 round end up costing the Army more than they will save over 20 years?

Mr. MCHUGH and General ODIERNO. Unlike previous BRAC rounds that focused primarily on creating savings, BRAC 2005's goal was military transformation. The process provided an opportunity to maximize the Army's warfighting capability by reshaping and transforming force structure, infrastructure, and vital industrial, training, and operational capabilities and functions. The BRAC 2005 vastly improved the quality of the Army's infrastructure portfolio, facilitated the return of thousands of soldiers from overseas, and enhanced mission capabilities. BRAC 2005 generates a \$1 billion annual net recurring savings, which the Army has been realizing since 2011.

A total of \$17.9 billion was invested to implement the Army's BRAC 2005 recommendations and total net savings will exceed total net costs for an overall break-even point of just over 12.5 years. The BRAC 2005 Commission Report identified 56 specific Army recommendations (Appendix Q): 46 recommendations will achieve the break-even point within the 20-year window; 6 recommendations will exceed the 20-year window; and 4 recommendations have transformation goals that do not produce savings with implementation costs that will never be paid back.

71. Senator INHOFE. Secretary McHugh and General Odierno, does the Army really need a BRAC round?

Mr. MCHUGH and General ODIERNO. Yes. The current budget situation and declining forces make it important to reduce overhead. Parametric techniques used to analyze aggregate assessment of excess capacity in 2004 indicated that DOD had 24 percent excess capacity overall relative to force structure plans developed by the Joint Staff. Because BRAC 2005 eliminated only a modest portion of the DOD excess capacity, we believe we have still significant excess today. The excess capacity in our infrastructure will only get larger as force structure is reduced.

Financially, the Army is reaping over \$1 billion a year in net savings from the BRAC 2005 round, and another \$1 billion a year in net savings from prior rounds of BRAC. Comparatively, the cumulative savings to the Army from previous BRAC efforts exceeds our entire fiscal year 2014 MILCON program.

72. Senator INHOFE. Secretary McHugh and General Odierno, in addition, the Army is also conducting an assessment of the number of U.S. Army personnel and units stationed overseas. Can you provide the results for the review of the stationing of U.S. Army personnel overseas?

Mr. MCHUGH and General ODIERNO. The Army, with DOD, is conducting a reassessment of our global posture in light of the emerging defense strategy. This effort remains a work in progress, and there are no results to report at this time. Overseas basing enables the United States to maintain its strong leadership role throughout the world and secures our vital national interests overseas. This sends a clear and visible sign of commitment to global security/peace to our allies and potential adversaries. The Army will maintain a flexible ground force in the U.S. European Command area of responsibility to meet Article 5 and other NATO commitments. The U.S. pledge to the NATO Response Force is essential to reassuring European allies that the United States remains invested in the trans-atlantic alliance. Army forces in South Korea are well-positioned and play a strategic role throughout the region.

73. Senator INHOFE. Secretary McHugh and General Odierno, are there any overseas basing issues for the Army remaining to be resolved?

Mr. MCHUGH and General ODIERNO. Other overseas basing issues will be informed by a potentially redefined DSG that will frame Fiscal Guidance for fiscal year 2015 and beyond.

#### BRIGADE COMBAT TEAM RESTRUCTURE

74. Senator INHOFE. Secretary McHugh and General Odierno, the Army is currently in the middle of an assessment to restructure its Active BCTs by eliminating six Active U.S.-based BCTs and realigning brigades to man BCTs with additional maneuver battalions. When can we expect a decision?

Mr. MCHUGH and General ODIERNO. The Army announced its brigade restructuring and elimination decision on June 25, 2013.

75. Senator INHOFE. Secretary McHugh and General Odierno, can you assure me that you have an open, transparent process with objective criteria to assess both the military value and external considerations for each installation?

Mr. MCHUGH and General ODIERNO. Yes. The Army recently completed Community Listening Sessions at 30 installations in order to explain the process that the Army is using to make these difficult decisions and to receive community input before any final decisions are made. The Army's brief detailed the operational categories contained in the MVA model—training, power projection, well-being, mission expansion, and geographic distribution, as well as an overview of the qualitative factors outside the MVA model that the Army is using, to include strategic considerations, command and control proximity, military constructions costs, readiness impacts, environmental and socioeconomic impacts, and community input.

76. Senator INHOFE. Secretary McHugh and General Odierno, will the Army publicly release the weighting guidance for each attribute of the qualitative assessment prior to your final decisions?

Mr. MCHUGH and General ODIERNO. The Army has briefed the committee professional staff members on the process that the Army is using to make these difficult decisions. The Army's brief detailed the operational categories contained in the MVA model—training, power projection, well-being, mission expansion, and geographic distribution, as well as the qualitative factors outside the MVA model that the Army is using, to include strategic considerations, command and control proximity, MILCON costs, readiness impacts, environmental and socioeconomic impacts, and community input. Now that the weighting for the attributes in the MVA model has been approved, we are prepared to share that information with the committee professional staff members.

77. Senator INHOFE. Secretary McHugh and General Odierno, in your testimony, you assert that without a solution to sequestration, you may have to eliminate another 100,000 Active and Reserve component soldiers. How many BCTs does this represent?

Mr. MCHUGH and General ODIERNO. We have yet to quantify the force structure impacts associated with such a significant reduction. I would anticipate additional BCTs beyond those identified would have to be reduced and that they would have to come from both the Active component and from the Army National Guard. It would impact all Combat Support and Combat Service Support structure as well.

#### FUNDS FOR OVERSEAS CONTINGENCY OPERATIONS

78. Senator INHOFE. Secretary McHugh and General Odierno, for the first time in 5 years, we cannot review the administration's request for emergency supplemental funds for OCO at the same time we are reviewing the President's base defense budget. In addition, I am also aware that \$88.5 billion requested by the administration for OCO for fiscal year 2013 is not sufficient to meet current warfighter requirements. I am concerned that this administration is losing the ability to accurately budget for OCO at the same time many core readiness needs for the Services are being migrated to the OCO from the base budget. What is the Army's share of the \$88 billion wedge for OCO?

Mr. MCHUGH and General ODIERNO. Because final decisions about the pace and structure of the drawdown of U.S. forces in Afghanistan were not available before the preparation of the budget, the fiscal year 2014 budget included a placeholder value of \$88.5 billion for DOD OCO funding. In May 2013, the President submitted

budget amendments that revised the fiscal year 2014 DOD OCO funding request to \$79.4 billion of which Army's request is \$47.6 billion.

79. Senator INHOFE. General Odierno, will the OCO request for 2014 include funds to address the fiscal year 2013 problems in both the OCO and base budget for readiness shortfalls?

General ODIERNO. The Army developed the fiscal year 2014 budget request without full knowledge of the negative impacts to the fiscal year 2013 budget driven by the Continuing Resolution, the impact of sequestration, and the OCO Operations and Maintenance (O&M), Army (OMA) budget shortfalls. Therefore, the fiscal year 2014 OCO budget request does not contain additional funds to address the fiscal year 2013 problems in either the OCO or base budget for readiness shortfalls.

#### MILITARY READINESS

80. Senator INHOFE. General Odierno, the Army has adapted a policy that rightfully prioritizes funding to deployed and next-to-deploy forces. At the same time, units not in those categories are being starved of the necessary funding to maintain readiness. For example, the Army has cancelled seven readiness exercises because of a lack of funding in fiscal year 2013. These units have lost valuable training time that cannot be addressed in your fiscal year 2014 budget submission. The fiscal year 2014 funding O&M funding request exacerbates existing fiscal year 2013 readiness challenges from which it will take years to recover from these impacts. How will you know that the forces are not ready?

General ODIERNO. The Army's critical funding priorities for readiness are unit training, maintenance and sustainment of equipment, and leader development. We will begin to see changes in readiness ratings for the next to deploy units as well as those units not scheduled to deploy immediately. The present budgetary situation forces the Army to focus training resources on next to deploy units, but only to conduct training and advisory missions. Therefore, we accept significant risk in the training of nondeploying units causing a significant degradation in readiness for fiscal year 2014 and beyond. Even though units with scheduled deployments are the priority, it will take these units much longer to meet the required training proficiency due to constrained and limited resources, which in turn affects the assessment of the ability of the deploying units to execute their assigned missions and nondeploying units to meet contingency missions. The effects of degraded readiness will manifest themselves in lower C-Levels, Training Levels, Mission Essential Tasks Assessments, and ultimately in the Army's Readiness Assessment levels.

The lack of training resources limits home station and combat training center opportunities, and stalls the development of all other units not scheduled to deploy. Another mitigating action shifts personnel from nondeployed to deploying forces in order to meet operational demands. This would exacerbate personnel shortfalls geometrically each month and put successful execution of combatant commander operational plans at greater risk. Equipment would be migrated from nondeployed to deploying forces in order to fill shortages due to incomplete reset and redistribution, or shortages arising from the lack of equipment retrograded from theater. To mitigate the impacts upon readiness, the Army limited reset and depot repair of equipment to those items required for deploying units. Again, this would jeopardize combatant commander operational plans in an ever-increasing manner each succeeding month.

The cumulative effect of reduced training, equipment readiness and availability, and leader development increases the overall risk to unacceptable. If current budgetary conditions persist, the level of risk increases if required to deploy these forces. The lack of adequate funding and the flexibility to manage the funds available, forces the Army to make resourcing decisions that have the potential to increase the level of risk with respect to other OPLANS. It is highly probable that a long-term continuance of the current fiscal limitations will degrade the overall readiness of the Army.

81. Senator INHOFE. General Odierno, what will be the triggering event that tells you we have reached a readiness crisis?

General ODIERNO. There will not be one signature event to indicate a readiness crisis. Rather, the long-term impacts of reduced fiscal resources and the associated out-year reductions, particularly to force structure and readiness, threaten the Army's ability to provide trained and ready forces to the combatant commanders and to perform enduring and vital missions. If steep cuts are required in fiscal year 2014 and beyond, this will create imbalance and significantly compound risk. It will

cause a disproportionate investment across manpower, O&M, modernization, and procurement, challenging our ability to sustain appropriate readiness in the near-term in support of our current National Defense Strategy. Initially, we will see the effects of degraded readiness reflected in lower c-levels, training levels, mission essential task assignments, and ultimately the Army's readiness assessment levels.

82. Senator INHOFE. General Odierno, what is the plan to address these impacts and when will Congress be notified of mitigation measures?

General ODIERNO. Right now with sequestration as the law, the Army will not be able to meet readiness goals for the next 3 years, incurring significant risk to our soldiers if asked to deploy on contingency operations. The steepness of sequestration does not allow us to balance end strength, modernization, and readiness.

83. Senator INHOFE. General Odierno, we are interested in knowing about readiness reporting requirements through the quarterly readiness reports. Are the reports useful to you in planning, and if not, why?

General ODIERNO. Yes they are. The Quarterly Readiness Report to Congress describes the operational overview of the Army's deployed and forward stationed soldiers, the Army's top readiness concerns, and supports the Joint Staff's effort to report DOD's current readiness posture.

However, readiness of units deploying for specific missions does not necessarily make them ready for full-scale contingency operations. This is especially true for units deploying to Afghanistan, since they are conducting advisory and assistance operations in a complex environment.

84. Senator INHOFE. General Odierno, what systems do you use internally to track readiness trends?

General ODIERNO. Unit commanders measure their unit readiness using the four functional areas of Manning, Equipping, Equipment Readiness, and Training. The unit overall readiness levels are reported using Core Mission (C levels) and Assigned Mission (A levels). The C level assessment indicates the ability of the unit to accomplish its core mission while the A level assessment indicates the unit's ability to accomplish its directed, currently assigned mission. Headquarters, Department of the Army uses many systems to measure readiness in addition to the Commanders Unit Status Report, and the Strategic Readiness Update (SRU). Presently, the Army is developing AR 525-XX-B, Army Strategic Readiness. This regulation will define Army Strategic Readiness and develop the concept for developing the Army Strategic Readiness Assessment. The Army will track leading indicators across the six strategic readiness tenets of manning, equipping, sustaining, training, installations, and capacity and capability, in order to provide a holistic view of Army readiness. Upon analyzing the leading indicators and associated trends, the Army Staff will be able to make readiness projections and recommend courses of actions to senior Army leaders to mitigate negative impacts upon Army readiness at the strategic level.

85. Senator INHOFE. General Odierno, do you have suggestions for alternative reporting mechanisms?

General ODIERNO. The Army currently has multiple readiness reporting mechanisms across the various tenets of Army readiness. The unit status report is the most recognized of these systems—it provides unit commanders with a mechanism to provide their own assessment of unit capabilities directly to Headquarters, Department of the Army. Other reporting mechanisms or databases currently exist across the readiness tenets of manning, equipping, sustaining, training, and installations that provide insight into Army capabilities. Currently, the Army is developing strategic readiness policy and procedures that will identify leading indicators of readiness deficiencies. Analysis of both deficiencies and indicators will provide the Army an assessment of current strategic readiness and an ability to project future capabilities.

86. Senator INHOFE. General Odierno, prior to the Continuing Resolution, you said the Army would have a \$17 billion to \$19 billion shortfall in Army O&M accounts. The recently passed Continuing Resolution fixed \$6 billion, leaving the Army an O&M shortfall in the range of \$113.3 billion entering into fiscal year 2014. Will the fiscal year 2014 budget request combined with the fiscal year 2013 O&M shortfall create a hollow Army, and if not, why?

General ODIERNO. As you stated, the Army faces a more than \$13 billion O&M shortfall in fiscal year 2013 which includes a \$5.5 billion reduction to the Army's base budget and a \$7.8 billion shortfall to OCO. (Operational decisions in Afghani-

stan led to adjustment to the OCO shortfall, which stands at \$6.7 billion today, July 17, 2013.)

The Army's fiscal year 2014 Base Budget Submission of \$129.7 billion enables us to support the 2012 Defense Strategy in fiscal year 2013 but does not account for the decaying readiness that will impact the Army as we enter fiscal year 2014. In addition to this base budget, the Army will continue to require OCO funding for operations in Afghanistan and to continue the reset of our force. The Army submitted a separate request for fiscal year 2014 OCO; it is critical that this request be fully funded.

It is in the best interest of our Army, DOD, and our national security to avert sequestration. The size and steepness of cuts required by sequestration make it impossible to downsize the force in a deliberate, logical manner that allows us to sustain an appropriate balance of readiness, modernization, and end strength. The cuts are simply too steep; we just cannot move enough people out of the Army quickly enough to produce the level of savings needed to comply with sequester, and therefore we will need to take disproportionate cuts in modernization and readiness. The net result will be units that are overmanned, unready, and unmodernized. Even though I think the level of sequestration cuts are too large, if we back load them into the later years of the sequester period, at least that would allow us the opportunity to properly plan and to sustain the balance we need in these uncertain times.

87. Senator INHOFE. General Odierno, what will be the trigger that signals the Army is going hollow?

General ODIERNO. We are today out of balance and this will continue into fiscal years 2014, 2015, and 2016. This imbalance puts at risk our ability to provide properly trained and ready forces for unknown contingencies over the next few years.

88. Senator INHOFE. General Odierno, will the Army submit a supplemental funding request for fiscal year 2013 if the Army cannot solve its O&M shortfalls?

General ODIERNO. The Army may need a fiscal year 2013 supplemental funding request to ensure adequate resources are available to support ongoing contingency operations. DOD recently submitted two reprogramming actions for fiscal year 2013 that use all the OCO special transfer authority and all but \$200 million of general transfer authority for fiscal year 2013. Congressional approval of the reprogramming actions as submitted will help reduce the Army's current OCO shortfall from \$8.3 billion to \$3.3 billion. The Army is continuing to work with U.S. Forces-Afghanistan and all other OCO stakeholders to reduce the remaining \$3.3 billion shortfall (which has been reduced to \$3.1 billion as of June 6, 2013). If unsuccessful, the Army may have to submit a request for supplemental funding later in fiscal year 2013.

89. Senator INHOFE. General Odierno, in your written testimony, you note that the Army may not be able to execute the current DSG, as planned. In your opinion, are U.S. combat forces ready today to defend South Korea and Japan from an unprovoked attack by North Korea?

General ODIERNO. The Army forces stationed on the Korean peninsula and in Japan can defend against North Korean attacks, but training readiness degradation in fiscal year 2013 and fiscal year 2014 put our ability to provide forces to meet combatant commanders' requirements at significant risk.

90. Senator INHOFE. General Odierno, in what Army capabilities are you concerned about risk?

General ODIERNO. Today, our readiness level will make it difficult to respond with ready forces to one major event.

91. Senator INHOFE. General Odierno, if the Army is fully funded to its request in fiscal year 2014, how long will it take you to restore readiness of the nondeployed forces?

General ODIERNO. The Army's fiscal year 2014 President's budget does not include all the resources needed to recover from lost readiness in fiscal year 2013. The impact of sequestration reductions is an atrophy of readiness due to cancelled training, deferred equipment maintenance, and delayed procurements. Any new unfunded directed missions will also negatively impact our OPTEMPO accounts and our ability to build readiness for all except the top priority units of those next to deploy, rotating to Korea, or a part of the Global Response Force.

The Army has significant unfunded OMA requirements to recover lost training and rebuild lost readiness. Adding funds to those OMA and procurement accounts would be a positive step toward rebuilding readiness in fiscal year 2014. This would

not, however, address the need to restore the Army's base funding for OCO-funded training, sustainment, and procurement that supported the Army at war for nearly 12 years. As more soldiers return to home station, restoring base funding is among the biggest challenges in an environment of continued fiscal uncertainty.

As soon as we can provide forces with the resources they need to execute their full training strategies, they will be able to progressively build readiness for a broader range of missions. It takes an Army BCT approximately a full year to reset from a deployment and train-up for another mission. Even with full funding, a unit's training progression is generally linear, which limits acceleration. Units must go through the steps of building proficiency from smaller units to larger formations, from easy conditions to ambiguous or varied conditions, from basic tasks to synchronization of more complex operations. A BCT is not considered fully ready for decisive action until it has completed a training rotation at a maneuver combat training center (CTC). The Army will manage limited training assets (like CTC rotations) as best we can to support the training progression of priority units. Even with additional funding for CTC rotations, units at squad-level proficiency at the end of fiscal year 2013 would not have time to adequately prepare and benefit from a CTC rotation early in fiscal year 2014.

92. Senator INHOFE. General Odierno, due to funding shortfalls, the Army has cancelled third and fourth quarters depot maintenance. If the Army completes the rest of the fiscal year without conducting depot maintenance, what impacts on the materiel readiness of the Army will be felt in fiscal year 2014 and beyond?

General ODIERNO. Initially the Army believed it would have to cancel \$2.43 billion in depot orders, essentially cancelling all depot maintenance for the third and fourth quarters. However, funding provided by H.R. 933 combined with internal reprioritization has allowed the Army to restore \$1.07 billion in funding for depot maintenance. Although this additional funding mitigates about 50 percent of the original sequestration impact, it will still create a maintenance backlog that will extend post-combat equipment repair in Active and Reserve units by 2 to 3 years following redeployment. If sequestration cuts are continued, there will be a backlog even further into the future.

The Army will begin addressing the deferred workload in fiscal year 2014 if it has sufficient funding to meet both the fiscal year 2014 maintenance requirements and the deferred fiscal year 2013 workload. As we meet these challenges, the Army will always focus available resources on priority units and equipment—those deployed, next to deploy, or equipment needed to fill validated shortages.

93. Senator INHOFE. General Odierno, how long, once fully funded, will it take the Army to return to a proper level of maintenance?

General ODIERNO. The Army continues to defer maintenance daily at the field and depot level due to funding constraints. The Army will begin addressing the deferred workload in fiscal year 2014 given sufficient resources are provided to meet both the fiscal year 2014 maintenance requirements and to meet the deferred fiscal year 2013 workload. Future OPTEMPO and available capacity will dictate the length of time it will take the Army to bring all equipment back to Technical Manual (TM) 10/20 Maintenance Standard. Current estimates range from 2 to 3 years to restore all ground equipment to the Army's standard TM 10/20.

#### JOINT IMPROVISED EXPLOSIVE DEVICE DEFEAT ORGANIZATION

94. Senator INHOFE. Secretary McHugh and General Odierno, the Joint Improvised Explosive Device Defeat Organization (JIEDDO) was established 7 years ago and is a pass-through account for the Army. Consistent with DOD's inability to audit its finances, GAO has identified a lack of comprehensive visibility over all of DOD's counter-IED efforts external to JIEDDO. We have authorized billions of dollars to JIEDDO to address the counter-IED problem but it is time to assess the organization. How do you see JIEDDO's mission and organization in the future?

Mr. MCHUGH and General ODIERNO. What we know is that the nature of warfare is such that Improvised Explosive Devices (IEDs) will continue to be a threat around the world. The IED will remain the weapon of choice for terrorists, not only in Afghanistan, but also wherever the United States and our allies have national security interests. As such, JIEDDO's mission will not end with the drawdown of forces in Afghanistan; the IED threat will continue to drive combatant commander and Service requirements for counter-IED capabilities and training. We agree that current fiscal constraints drive a need for shared responsibilities and resources with other Federal agencies. JIEDDO remains the DOD lead for a whole-of-government

approach to IED threats, which highlights that there are many stakeholders with an interest in counter-IED capabilities. We understand that JIEDDO's rapid acquisition authority has provided a vital ability to meet validated battlefield requirements much faster than the Services' regular acquisition process. In the end, the enemy always gets a vote, so JIEDDO's continuous and focused action, reaction, and counter-action as the enemy adapts is crucial to saving lives.

95. Senator INHOFE. Secretary McHugh and General Odierno, is it time to integrate JIEDDO into other existing organizations and processes?

Mr. MCHUGH and General ODIERNO. The reasons for transforming the Army IED task force into a joint IED organization are as valid today as they were when the IED task force was first established in 2003. As a joint entity and jointly manned activity of DOD, under the authority, direction, and control of the Deputy Secretary of Defense, JIEDDO is able to leverage the experience of warfighters across the Services to defeat IEDs. Because IEDs will remain the weapon of choice of terrorists and continue to grow in sophistication and frequency wherever we deploy forces in support of our national security interests, the counter-IED mission to attack the network, defeat the device, and train the force remains an important one.

The Army currently serves as Executive Agent by providing administrative support to JIEDDO in accordance with DOD Directive 2000.19E, enclosure 3.

The Army will fully support any review of JIEDDO organization, mission, and resourcing.

96. Senator INHOFE. Secretary McHugh and General Odierno, how do we gain more visibility into what DOD is doing in all aspects of counter-IED?

Mr. MCHUGH and General ODIERNO. We are available to brief you about Army activities in the area of counter-IED, both as Executive Agent for JIEDDO under DOD Directive 2000.19E and any complementary work that is being done at our centers and schools.

#### INDUSTRIAL BASE

97. Senator INHOFE. Secretary McHugh and General Odierno, in your written testimony you state, "It is critical that we find the right balance between our organic and the commercial industrial bases. The ability to reduce the industrial base in times of peace but surge as required remains essential to equipping the Army, the Joint Force, and, in many cases, our allies and coalition partners." I am concerned that the Army is cancelling contracts simply to bring more work into the depots or engineering centers at a time where the breakdown between depot and commercial work within the Army is 61 percent to 39 percent in favor of the Army. Is this the right balance between organic and commercial industrial base?

Mr. MCHUGH and General ODIERNO. The Army is not canceling contracts to bring more work to its depots or engineering centers. The Army seeks to maintain complementary capability between the organic and commercial industrial base sectors to ensure the viable health of both, and the Army promotes public-private partnerships to maintain this delicate balance. The Army's organic percentage of work increased during Operation Iraqi Freedom and Operation Enduring Freedom (OIF/OEF) to support wartime surge requirements, but as overall requirements decline to pre-OIF/OEF levels, the Army envisions that its organic percentage will also decrease, which will generate a closer balance between organic and contract depot maintenance workloads.

98. Senator INHOFE. Secretary McHugh and General Odierno, what actions are you taking to support a strong and viable organic and commercial industrial base?

Mr. MCHUGH and General ODIERNO. The Army is taking several actions to support a strong and viable commercial and organic industrial base.

In the commercial industrial base, the Army is working with the OSD and the Army Materiel Command to assess critical manufacturing capabilities and seek innovation within the supply chain sectors through responsible investment. The Army is also analyzing the challenges of critical and fragile elements of the commercial industrial base to identify systemic and fundamental issues that can be resolved through engagement across the public and private sectors. For example, the Army continues its engagement in the sector-by-sector, tier-by-tier industrial base analysis that: (1) establishes early warning indicators of risk, particularly at lower-tiers; (2) strengthens the supply chain to mitigate potential points of failure; and (3) improves coordination among Services to ensure a viable industrial base is maintained.

The Army is conducting a comprehensive Combat Vehicle Portfolio Industrial Base Study through A.T. Kearney, a global management consulting firm. The 21-week study is assessing the Commercial and Organic Combat Vehicle Industrial Base, viable strategic alternatives, and sustainment of the Combat Vehicle Industrial Base in a constrained fiscal environment. A final report will be delivered to Congress later this year.

The Army is also engaged in Industrial Base Baseline Assessments that aim to sustain those areas critical in supporting Army and Joint Services programs by: (1) conducting sector assessments of programs identified as critical by Program Executive Offices and Life Cycle Management Commands; (2) determining the impact of reductions in funding to program requirements; and (3) developing recommendations that enable the industrial base to sustain current and future warfighter requirements.

The Army's strategy for ensuring that its Organic Industrial Base remains viable and relevant includes: (1) establishing modern facilities, equipment, and skill sets at the same rate that the Army modernizes its weapon systems; (2) ensuring capabilities and capacities are sustained to support current and future contingency operations; (3) investing to ensure that facilities are capable of maintaining core competencies and critical manufacturing capabilities; and (4) prioritizing funding to achieve the desired end state of viable and relevant organic industrial base facilities.

#### CONTINGENCY RESPONSE PREPAREDNESS

99. Senator INHOFE. General Odierno, what impact have sequestration-driven cuts had on the Army's ability to respond to contingencies worldwide?

General ODIERNO. Sequestration-driven budget cuts have led to reduced readiness of Army units intended to support contingency requirements. The Army's short-term mitigation strategy for sequestration and shortfalls in OCO funds is to protect the readiness of deployed forces, those stationed in Korea, and the Global Response Force. The Army will only resource remaining forces (those that would support contingency requirements) to achieve squad level proficiency.

100. Senator INHOFE. General Odierno, are we appropriately ready for the most probable and dangerous contingencies, and what would happen if we had to deploy to the contingencies on very short notice?

General ODIERNO. The Army may no longer be able to provide a sufficient number of units in accordance with the timelines required by combatant commanders for our most likely or demanding contingencies. As a result of the current fiscal situation and budget cuts, the Army units available to deploy to contingencies will train less often and to a lower level of proficiency. The Army will prioritize resources to maintain readiness for units deploying to OEF, homeland defense units, units forward deployed in Korea, and global and regional response forces.

#### DEFENSE STRATEGY AND FORCE SIZING

101. Senator INHOFE. General Odierno, what do you perceive the risk to be of not sizing the Army to conduct large-scale sustained ground combat operations?

General ODIERNO. It would be dangerous to assume we will not have to engage in a large-scale ground war. I see nothing on the horizon that tells me we no longer need ground forces for such a mission. Not sizing the Army to conduct large-scale sustained ground combat operations denies the Nation a credible force-in-being to serve as a deterrent to a would-be adversary that might seek to take advantage of such a miscalculation.

102. Senator INHOFE. General Odierno, does this limit our Nation's ability to deter aggressors and bring our conflicts to a satisfactory conclusion?

General ODIERNO. Maintaining an Army sufficiently large to generate a credible capability of defeating any threat—state or non-state—through sustained combat operations is critical for our Nation to effectively deter aggressors. I believe that the 490,000 Active component force will serve as an effective deterrent, but any further reductions could challenge the Army's deterrent capability. Another element of deterrence is willingness to support partners, and an appropriately sized Army can improve our allies' and partners' abilities to secure themselves and manage regional security challenges.



## RADIOS

103. Senator INHOFE. Secretary McHugh, how many proprietary, sole-source radios has the Army procured over the last 4 years? Please provide a breakdown by year, the number of radios, and the funding associated with these radios.

Mr. MCHUGH. Within the last 4 years, the Army procured 739 Rockwell Enhanced Position Location Reporting System, 5,124 Commercial Off-The-Shelf (COTS) Harris Corporation AN/PRC-117G radios, and 1,144 COTS Harris Corporation AN/PRC-152A radios.

## Raytheon Enhanced Position Location Reporting System (EPLRS):

Radio	Year	Model	Quantity	Unit Cost	Total Cost	Funding	Comments
EPLRS	2009	RT-1720G	254	\$ 28,240	\$ 7.173M	OPA	Note: • RT-1720G – EPLRS - proprietary waveform - sole source procurement • RT-1915 – EPLRS XF - proprietary waveform - procured as part of a POR established prior to JTRS • RT-1922 – EPLRS - proprietary waveform - sole source procurement to enable EPLRS data exchanges between RT-1720 equipped vehicles and dismounted Soldiers
		RT-1915	15	\$ 31,250	\$ 0.469M	OPA	
		RT-1922	465	\$ 10,600	\$ 4.929M	OPA	
	2010	RT-1720G	2	\$ 30,055	\$ 0.060M	OPA	
		RT-1915	1	\$ 32,205	\$ 0.032M	OPA	
	2011	RT-1720G	2	\$ 32,025	\$ 0.064M	OPA	
<b>Total</b>			<b>739</b>		<b>\$ 12.727M</b>		

## Harris Corporation AN/PRC-117G:

Radio	Year	Model	Quantity	Unit Cost	Total Cost	Funding	Comments
COTS: TACSAT	2009	AN/PRC-117G	3257	\$ 30,971	\$ 100.873M	OPA	- 3257 procured for Single Channel SATCOM
	2010	AN/PRC-117G	71	\$ 34,007	\$ 2.414M	OPA	- 71 procured for Single Channel SATCOM
	2011	AN/PRC-117G	1514*	\$ 30,623	\$ 46.363M	OPA	- 104 procured for Single Channel SATCOM - 1410 procured for proprietary ANW2 waveform
	2012	AN/PRC-117G	40	\$ 30,376	\$ 1.215M	OPA	- 40 procured for Single Channel SATCOM
	2013	AN/PRC-117G	242	\$ 34,571	\$ 8.366M	OPA	- 242 procured for Single Channel SATCOM
<b>Total</b>			<b>5,124</b>		<b>\$ 156.231M</b>		

The Harris Corporation AN/PRC-117G radios were procured using a blanket purchase agreement through the General Services Administration schedule. Harris Corporation was the only company that responded to a market survey for potential vendors.

## Harris Corporation AN/PRC-152A radio:

Radio	Year	Model	Quantity	Unit Cost	Total Cost	Funding	Comments
COTS: Handheld	2012	AN/PRC-152A	320	\$ 7,140	\$ 2.285M	OPA	Only NSA Type 1 handheld networking capable radio available to meet a USCENTCOM UONS
	2013	AN/PRC-152A	824	\$ 7,857	\$ 6.474M	OPA	Only NSA Type 1 handheld networking capable radio available to meet a USCENTCOM UONS
<b>Total</b>			<b>1,144</b>		<b>\$ 8.759M</b>		

The Harris Corporation AN/PRC-152 radios were procured off the competitively awarded Consolidated Interim Single Channel Handheld Radio contract. An engineer change proposal to modify the Harris AN/PRC-152 to the NSA certified Type 1 AN/PRC-152A models was approved due to a lack of responses from a market research conducted requesting the availability of NSA Type 1 certified handheld radios.

## QUESTIONS SUBMITTED BY SENATOR KELLY AYOTTE

## SUPPORT FOR MILITARY SPOUSES

104. Senator AYOTTE. General Odierno, I understand that DOD provides transitional compensation for spouses of servicemembers and their family members who are victims of domestic violence at the hands of a servicemember. Yet, this benefit does not exist for other cases in which a servicemember has violated the UCMJ. Do you believe this program has potential value in protecting other military families which, due to no fault of their own, stand to lose all benefits because of UCMJ violations by the servicemember?

General ODIERNO. The transitional compensation program does have potential to protect families in non-domestic abuse cases, but such an expansion would require congressional action.

As DOD is the proponent to implement the policy, assign responsibilities, and prescribe procedures under 10 U.S.C. section 1059, they would have the lead in providing views on any changes to existing law. The Army stands ready to partner with DOD and Congress to consider shortfalls in the existing program and ensure any change to the law is affordable, supportable, and inclusive of all Services.

105. Senator AYOTTE. General Odierno, do you believe the Victims' Transitional Compensation Benefit Program could be broadened to protect families, especially cases where retirement benefits are involved?

General ODIERNO. The transitional compensation program does have the potential to be broadened to protect families where retirement benefits are involved, but such an expansion would require congressional action.

As DOD is the proponent to implement the policy, assign responsibilities, and prescribe procedures under 10 U.S.C. section 1059, they would have the lead in providing views on any changes to existing law. The Army stands ready to partner with DOD and Congress to consider shortfalls in the existing program and ensure any change to the law is affordable, supportable, and inclusive of all Services.

## INVOLUNTARY SEPARATIONS

106. Senator AYOTTE. General Odierno, to what extent has the Army already utilized involuntary separations to achieve end strength reduction goals?

General ODIERNO. To date, the Army has not used any programs specifically to generate involuntary separations to achieve end strength goals. However, in order to attain a 490,000 force by fiscal year 2017, Army planning foresees the requirement to use programs that will identify officers, NCOs, and enlisted soldiers for involuntary separation. We have begun identifying NCOs (SSG and above) for denial of continued service through the use of the Qualitative Service Program. At this time, based on current planning, it is anticipated that a majority of these soldiers would qualify for some form of retirement.

107. Senator AYOTTE. General Odierno, do you anticipate that the Army will have to use involuntary separations to achieve the existing end strength reductions?

General ODIERNO. Yes. Analysis shows we cannot achieve a 490,000 force by the end of fiscal year 2017 through natural attrition alone.

108. Senator AYOTTE. General Odierno, if the administration and Congress fail to identify alternative spending reductions and defense sequestration goes forward and the Army must cut another 100,000 soldiers, would this force the Army to implement large-scale involuntary separations?

General ODIERNO. If sequestration remains in place, the Army would have to implement additional involuntary separation measures based on the required end strength reductions. Since the Army has not completed its analysis of the necessary force reductions, we cannot provide exact figures. However, we learned from the 1990's drawdown that in order to generate accelerated voluntary losses, substantial incentives are required. These incentives are not in the current budget.

109. Senator AYOTTE. General Odierno, can you provide an estimate as to how many involuntary separations might be required?

General ODIERNO. The Army anticipates we will require involuntary separations of approximately 6,500 officers and close to 6,000 enlisted through fiscal year 2017 to achieve an end strength of 490,000. If sequestration remains in place, those numbers would have to be increased based on any additional end strength reductions required and the timeline that those reductions must be completed within.

110. Senator AYOTTE. General Odierno, what impact could involuntary separations have on unit morale and readiness?

General ODIERNO. The Army has carefully considered the possible impacts on morale from involuntary separations and has designed programs to minimize unwanted outcomes. The Secretary and I have provided direction to the Army staff on how to make these difficult decisions in a way that ensures a quality Army remains at the end of the drawdown. The plan is to use programs that are seen as fair and equitable (e.g., promotion, continuation, and selective early retirement boards). This should minimize the perception of favoritism and capriciousness by incorporating field commander input with the impartiality of centrally-managed selection processes.

111. Senator AYOTTE. General Odierno, do I have your continued commitment that you will avoid involuntary separations as much as possible and that you will keep Congress fully informed when you are forced to utilize involuntary separations, as required by Section 525 of the NDAA for Fiscal Year 2013?

General ODIERNO. It is the Army's intent to avoid involuntary separations whenever possible, and the Army will certainly keep Congress fully informed as we make these difficult decisions.

#### REBALANCE TO ASIA-PACIFIC

112. Senator AYOTTE. General Odierno, as DOD rebalances toward the Asia-Pacific, why do you believe our Nation continues to require an Army of sufficient size and top quality?

General ODIERNO. Only with a credible and capable U.S. land power will the nations of this critical region choose us as their partner of first choice for security and stability. The Army must maintain its strong regional and global role in maintaining and developing the relationships that preserve U.S. access and influence through our consistent engagement and interface focused on building our partners' capabilities. We have an expansive program in the Pacific to include 24 large-scale exercises in fiscal year 2014 involving 14 nations in the region.

Additionally, there are contingency plans and operational plans that require large amounts of ground forces. We use our plans to size, train, and modernize the Army.

#### HOLLOW ARMY

113. Senator AYOTTE. General Odierno, what does a hollow Army look like?

General ODIERNO. It would look like a force that lacks the right balance between end strength, modernization, readiness training, and educational readiness. The Army is showing these characteristics. Our ability to train and sustain our equipment is becoming limited. This denies the Army the ability to ensure that it is able to deploy and meet future requirements and puts our soldiers at higher risk to execute their mission with the training and capability we would expect, ultimately increasing casualties and the time to accomplish the mission.

114. Senator AYOTTE. General Odierno, what was the hollow Army like after the Vietnam War?

General ODIERNO. When I entered the Army in 1976, our country had recently completed a long and divisive war in Vietnam, the aftermath resulted in the collapse of retention rates among first-term soldiers, career NCOs, and junior officers. Our Nation was struggling with inflation and unemployment, and military priorities were less important in a time of economic difficulties, when many people predicted that never again would our country enter into a sustained conflict like Vietnam that would cost so much in terms of lives and resources. Without adequate funding for its assigned missions and with the end of Selective Service, the Army was unable to recruit and retain enough high-quality personnel, requiring years to rebuild a capable NCO Corps. The degradation of readiness caused by this personnel shortfall was compounded by insufficient funds both for the training of soldiers and for the maintenance of equipment. Modernization, for the most part deferred during the Vietnam war, was impeded. Under these conditions, low morale and indiscipline became serious problems for the Army during the 1970s.

In the end, the after effects of the war, difficulties in transitioning from a draftee to an All-Volunteer Force, force structure decisions, the lengthy process of improving professionalism in the officer and NCO ranks, and inadequate budgets created a hollow Army throughout the 1970s.

I worry that if we continue having to deal with our current budget issues, we are heading down the same road and we simply cannot do that again. It would not be acceptable to the American people or to me. The American people expect us to be ready to respond when needed, but our ability to do so will be put at risk over the next several years as sequestration takes its toll.

115. Senator AYOTTE. General Odierno, what are the warning signs that the Army is becoming hollow?

General ODIERNO. A hollow Army may simply be defined as existing force structure that lacks the necessary combination of ready equipment and trained personnel to accomplish the mission for which it was designed. The warning signs are likewise a combined effect of insufficient investment in the building blocks that comprise a properly trained and well-equipped Army unit. A warning sign that the Army is becoming hollow is the prolonged disparity between training for counterinsurgency (COIN) and the reinvestment in training for the full range of military operations. The highest order of which is decisive action. Deferred maintenance compounded by the reduced standard of maintenance of equipment is a leading indicator of a future down-turn in readiness. These indicators of hollowness are closely monitored at every level of command to safeguard against the inevitable risk they present to the successful employment of soldiers in future conflicts.

116. Senator AYOTTE. General Odierno, is the Army becoming hollow?

General ODIERNO. Presently, the Army no longer has the right balance among end strength, modernization, readiness training, and educational readiness to prevent the force from becoming hollow. If the Army cannot manage end strength/force reduction, force structure reductions and readiness, the Army increases the risk of allowing the nondeployed force to become hollow. This results in units that are overmanned, unready, and unmodernized. Further erosion of the Army's readiness compounds this risk. Sequestration occurring in fiscal year 2014 and beyond will result in the reduction of readiness across the Army and puts our soldiers at higher risk to execute their mission with the training and capability we would expect, ultimately increasing casualties and the time to accomplish the mission.

117. Senator AYOTTE. General Odierno, if sequestration goes forward this year and next year, will the Army become hollow?

General ODIERNO. The resourcing decisions and adjustments that the Army made because of sequestration have the potential to create a hollow Army over time. These decisions will accelerate and compound the inequalities and risks to the force caused by sequestration. Since March 2013, the Army has already experienced a 20 percent decline in the readiness of non-allocated BCTs. Seven Combat Training Center (CTC) rotations that were planned to train Army BCTs to their full designed capability were cancelled because of the fiscal austerity resulting from the Continuing Resolution and sequestration. The Army is losing opportunities to develop its current and future leaders through Professional Military Education (PME) because of sequestration. The loss of training opportunities affects unit readiness and leadership development at unit levels. The lost opportunities caused by sequestration will become more difficult to recover. Restoring readiness lost to sequestration will require extended timelines and significant investment of resources. Under sequestration, the Army needs to absorb immediate cuts in fiscal year 2014. This will force cuts to personnel accounts—reductions that could potentially equate to tens of thousands of soldiers, and by the time we paid separation benefits, the cost to separate them would exceed the savings garnered. We cannot move enough people out of the Army quickly enough to produce the level of savings needed to comply with sequester, and therefore we will need to take disproportionate cuts in modernization and readiness. The reductions in readiness across the force jeopardize the ability of the Army to meet the demands of the National Military Strategy. This will continue to be compounded in fiscal years 2014 and 2015 until we can reduce enough end strength.

118. Senator AYOTTE. General Odierno, what impact does a hollow Army have on our soldiers, families, and military readiness?

General ODIERNO. The Army I entered in 1976 was hollow in that it was not well-trained and did not have the resources necessary to sustain readiness while supporting soldiers and their families. I am absolutely focused on making sure I do not leave this Army hollow in that way. Ultimately, maintaining the Army with fewer resources requires balancing the overall size of the force, its equipment, and its training and readiness. Each of these must be sufficiently robust to field an army with the capability and capacity to perform its assigned missions.

The steepness of sequestration forces us into a hollow force from fiscal year 2013 to fiscal year 2017 because we are forced to reduce resources for modernization and readiness faster than we have reduced end strength. When you have structure that cannot be properly trained or equipped, it is the start of a hollow force. A hollow Army loses military readiness over time. A hollow Army is challenged to maintain high levels of professionalism.

A hollow Army affects soldiers. Lost training opportunities for soldiers will impact on our units' basic warfighting skills. We will have a cohort of leaders who will have lost out on the opportunity to conduct a wide array of leader development and training, for example valuable CTC rotations.

We have mitigated impacts on families in fiscal year 2013, but in fiscal year 2014 we are very concerned and we are evaluating the full impacts on families and support programs. At a minimum we will have to consolidate some family programs.

We are sacrificing readiness to achieve reductions inside the short period of the fiscal year. There is a time component to readiness. Trained forces require time to practice the employment of teams, manned with the right skills, equipped with modern systems, and exposed to the complex conditions they likely will face on contemporary battlefields. We are now going to go through a period during which we need to buy back as much readiness as possible, or we're going to have a severe problem over the next 2 or 3 years. Time required by nondeploying forces to restore readiness in fiscal year 2014 will depend largely on how far their readiness slips in fiscal year 2013.

The cost of a hollow force and the risk posed will equate to a loss of soldiers' lives. We can't continue to do more with less or else we're going to put soldiers' lives at risk.

119. Senator AYOTTE. General Odierno, what must Congress do to avoid a hollow Army?

General ODIERNO. A hollow Army is one in which there is prolonged and disproportionate investment across manpower, O&M, modernization, and procurement without corresponding adjustments to strategy. The fiscal uncertainty caused by repeated Continuing Resolutions, delayed appropriations, and the implementation of sequestration is not in the best interest of our country, our soldiers, or our national security. Just this year, the late appropriation and sequestration led to the cancellation of training and the release of 3,100 valuable temporary and term civilian employees.

In fiscal year 2013, the Army faces the combined effects of a sequestered budget and an increase in theater demand. These two events have put a \$13 billion pressure on the Army's O&M accounts. This includes the \$4.6 billion OMA reduction due to sequestration and an \$8.3 billion theater activities level higher than the fiscal year 2013 President's OCO budget request. The emergency reprogramming action being considered by Congress would restore \$5 billion of the \$8.3 billion OCO OMA shortfall. I do want to highlight that our sister Services are helping us fund some of the \$5 billion, however, the Committees have denied or deferred portions of our sources, causing us to seek replacement sources. I ask that you act quickly on our proposed replacement sources. Additionally, that reprogramming action will still leave us with a shortfall, which the Army is working with OSD toward resolving with a joint solution that will likely require another reprogramming. With your continued support, I am confident that our enterprise solution will meet the immediate needs of the warfighter in theater.

Congress can further help the Army by carefully considering the fiscal year 2014 O&M budget submission. Reductions to the fiscal year 2014 O&M accounts further continue the decline in readiness and our ability to provide trained and ready forces to combatant commanders. The Army continues to outline the buyback of readiness in the Notice to Congress on Unfunded Priorities (section 1003 of the NDAA for Fiscal Year 2013).

I must stress, however, that fiscal flexibility, while essential, is not sufficient to avert the problems we face. Even if we get relief from current restrictions, the budget reductions in fiscal year 2014 and beyond as a result of sequestration will pose a significant risk to readiness and will force us to reconsider the Army's ability to execute its obligations under the DSG.

#### SEQUESTRATION END STRENGTH REDUCTIONS AND IMPACT ON THE NATIONAL GUARD

120. Senator AYOTTE. General Odierno, if sequestration and its associated out-year budget reductions go forward and the Army must cut approximately 100,000

additional personnel, roughly speaking, how much of a reduction would this be from the National Guard?

General ODIERNO. The Army is on schedule to remove 89,000 soldiers from the Army by fiscal year 2017, due to the budget reductions contained in the 2011 BCA. Our analysis suggests that full sequestration may require the Army to potentially reduce another 100,000 soldiers from the total Army, on top of the 89,000 already being reduced.

There is a balance that the Army must maintain between the Active component and Reserve component end strengths. This additional 100,000 reduction in end strength would have to be appropriately spread across all components of the Army. The Army is currently looking into various options to keep the Army in balance and at this time specific reductions to the Army National Guard have not been determined.

#### COUNTERINSURGENCY SKILLS

121. Senator AYOTTE. General Odierno, as the Army attempts to regain full spectrum readiness—including readiness for high intensity combat—how will the Army codify and institutionalize the counterinsurgency skills and lessons learned over the last decade so that these hard-won skills and lessons are not lost?

General ODIERNO. Beginning in 2011, the Army began revising all doctrinal publications describing the Army concept of decisive action through the simultaneous execution of offensive, defensive, and stability operations and defense support of civil authorities, all in support of unified land operations. COIN skills are inherent to decisive action. The Army published the COIN Operations Doctrine (Field Manual 3-07.22) in 2004 and Tactics for COIN Operations (Field Manual 3-24) in 2009, and has maximized opportunities to codify lessons learned in handbook publications and on-line reference sites from the Center for Army Lessons Learned, as well as institutionalizing the cross-service exchange of information and lessons learned as a result of the Joint/Army Lessons Learned Forums. We have defined the future environment as one which entails a hybrid threat. Therefore, combat training centers encompass decisive action, unless otherwise directed. This training will develop the skills for not only offense and defense, but also stability operations (including COIN).

122. Senator AYOTTE. General Odierno, how will the Army ensure the current force retains and passes on to future Army leaders their COIN know-how?

General ODIERNO. The Army published COIN Operations Doctrine (Field Manual 3-07.22) in 2004 and Tactics for COIN Operations (Field Manual 3-24) in 2009, and has maximized opportunities to codify lessons learned in handbook publications and on-line reference sites from the Center for Army Lessons Learned, as well as institutionalizing the cross-service exchange of information and lessons learned as a result of the Joint/Army Lessons Learned Forums. The Army will continue to benefit from the experiences of our soldiers and leaders as they embrace increasing responsibilities over the next few years as small-unit leaders, doctrine writers, and institutional trainers. We have defined the future environment as one which entails a hybrid threat. Therefore, combat training centers encompass decisive action, unless otherwise directed. This training will develop the skills for not only offense and defense, but also stability operations (including COIN).

123. Senator AYOTTE. General Odierno, based on your experience in Iraq, what are the most important lessons you learned about COIN operations?

General ODIERNO. My experiences in Iraq have taught me that war is a human endeavor, and that the human dimension of conflict is as important, if not more important, than other considerations. Our soldiers must understand culture, religion, history, political and social dynamics, and economics in order to prevail.

Second, we must deal with the challenge of hybrid warfare. In the future, the Army will operate in environments with regular military, irregular paramilitary or civilian adversaries, with the potential for terrorism, criminality, and other complications. Our leaders and soldiers must understand and adapt to a complex future in which the ability to distinguish between friend and foe will be increasingly difficult and experience and judgment will be more important than simply technical solutions. The Army will retain and integrate into its training what we have learned over the last decade about the changing nature of conflict.

Third, we will not fight alone. As a rule, we will fight in coalitions, and these coalitions will include civil agencies and nongovernmental organizations as key compo-

nents or partners. We must continue to build on the interagency and multinational experiences we have gained in the last decade.

Fourth, an important lesson is that the American soldier remains the most discriminately lethal force on the battlefield. Any activity a soldier undertakes can rapidly evolve into a combination of combat, governance, and civil support missions. Any individual, military or civilian, can alter the trajectory of an operation with the push of a button on a cell phone. Not only do our own actions receive immediate international coverage, but technology allows our adversaries to shape the narrative to their advantage, often with little regard for the truth. Our soldiers must remain able to operate comfortably within this exceptionally complex arena.

As our experiences in Afghanistan and Iraq clearly demonstrate, it is difficult to imagine any future situation in which a relationship exists solely between two states, whether an alliance or a conflict. Other regional actors can and will seek to advance their own interests in every situation and have more tools at their disposal to do so. Sometimes they will work in concert with our objectives, but at other times we may be in opposition. Regardless of the path they choose, our actions must be informed by an awareness of these dynamics. The evolving complexities of the environment require us to adapt.

#### SEQUESTRATION'S IMPACT ON TRAINING AND WAR PLANS

124. Senator AYOTTE. General Odierno, what training events have already been canceled?

General ODIERNO. For all but our deploying and higher-priority contingency forces, training events and activities above squad-level were curtailed in the latter half of fiscal year 2013. Cancelled training included seven maneuver CTC rotations, which train BCTs to maneuver and synchronize live fire; eight Mission Command Training Program Warfighter Exercises, which train staffs of BCTs to command and control the brigade; and support for a Warfighter Exercise for one Army Service Component Command Headquarters. We still have a \$3.1 billion shortfall which will cause us to cancel institutional training if additional resources are not found.

125. Senator AYOTTE. General Odierno, if sequestration continues into next year, will more training events have to be canceled?

General ODIERNO. Yes. Continued cancellation of training events can be expected until appropriations better align with programming and budget requirements. It will take some time for the Army to rebalance readiness components: manning, equipping, training, facilities, services, force structure, and current and future readiness. In fiscal year 2014, the Army will continue to do its best to ensure deploying and high-priority contingency forces are prepared, but training events for other forces will be significantly curtailed since the lack of training in fiscal year 2013 will be compounded by another degradation in readiness in fiscal year 2014. We are working within appropriation guidelines and Army readiness priorities to find support for these training events.

126. Senator AYOTTE. General Odierno, would you agree that not providing our soldiers the very best training represents a breach of faith with our soldiers, their families, and the American people?

General ODIERNO. It is our solemn responsibility to ensure that American soldiers are prepared, trained, ready, and well-led whenever our Nation might call on them. We remain committed to the current fight and dedicated to ensuring our forces receive the best training, equipment, and support possible. In 1976, I entered a hollowed Army that was not well-trained and did not have the resources necessary to buy equipment. I am absolutely focused on making sure I do not leave this Army in the same way that I came into it. We must ensure that we resource our soldiers much with the proper resources to conduct the missions we have asked them to do.

We're making sure that those who are deploying are fully trained. Those who will next deploy will be trained, but that's at the expense of not training of the rest of the Army. We're no longer able to build readiness up under current budget constraints. The unfortunate reality is that we now lack the resources to train simultaneously for future contingencies. We are accepting risk when we only have enough resources to train for the current demands for forces. This leaves us unprepared for unforeseen contingencies. We are sacrificing readiness to achieve reductions inside the short period of the fiscal year; unfortunately, readiness can't ever be brought back, because there is a time component to readiness. So we are now going to go through a period where we have to make sure that we're able to buy back as much

readiness as possible, or we're going to have a severe problem over the next 2 or 3 years, especially if the sequestration cuts are not addressed.

#### ARMY FORCES IN EUROPE

127. Senator AYOTTE. General Odierno, do you believe it is in America's interests to maintain a significant U.S. Army presence in Europe? If so, why?

General ODIERNO. Yes. First, with a GDP of \$19 trillion—a quarter of the world economy—and approximately \$4 trillion in annual trade with the United States, Europe's importance to the U.S. and global economies cannot be overstated. Second, the European theater remains critical geostrategic terrain, providing the United States with the global access it needs to conduct worldwide operations and crisis response. Third, Europe is home to most of the world's liberal democracies; nations with whom we share the fundamental values that are critical elements in building effective coalitions. Fourth, Europe is the backdrop for NATO, history's most successful and effective alliance, and a vital partner for dealing with the challenges of the 21st century. Fifth, Europe is a security exporter, possessing among the most highly trained and technologically advanced militaries in the world.

128. Senator AYOTTE. General Odierno, how does a U.S. Army presence in Europe benefit U.S. national security?

General ODIERNO. Europe provides the critical access and infrastructure to meet the DSG's priorities and expand U.S. global reach across half the world, to Europe and on to Eurasia, Africa, and the Middle East.

#### BREAKING FAITH

129. Senator AYOTTE. General Odierno, in your prepared statement, you state that sequester may "compel actions that break faith with our soldiers, civilians, and families." What specific kinds of actions would the Army be forced to take that would "break faith"?

General ODIERNO. In the near-term, the upcoming furloughs for our civilian employees, while temporary, will disrupt lives, impact Army operations, and may cause financial burdens on our civilians and their families. In addition, the ripple effect of further force reductions beyond the current program of 490,000 by fiscal year 2017 will create a situation forcing the Army to separate fully qualified soldiers. Reductions in overstrength skills and grades will also force out some of our best qualified personnel. While the Army will provide a robust package of benefits including transition assistance, involuntary separation pay, and early retirement for eligible soldiers who are selected for involuntary separation, the inevitable result will be that good soldiers will be denied continued service. Such difficult decisions will undoubtedly disrupt the lives of certain soldiers, some with deployment experience, who had every intention of continuing their military careers. Since compensation is such a large portion of the budget, it will be very hard to exempt it from reductions needed to meet sequestration. As a result, soldiers who remain in the Army could well face lower compensation and health benefits packages.

#### SIZE OF THE ARMY

130. Senator AYOTTE. General Odierno, based on your professional military judgment, the threats to our country, current war plans, and the DSG, what do you believe should be the floor for U.S. Army end strength?

General ODIERNO. The BCA of 2011 imposed caps on discretionary spending that required a \$487 billion reduction in planned defense spending over 10 years. As a result of these spending cuts and in line with the DSG announced in January 2012, we are reducing Active Army end strength from a wartime high of about 570,000 to 490,000, the Army National Guard from 358,200 to 350,000, the Army Reserve from 206,000 to 205,000 and the civilian workforce from 272,000 to 255,000. Army analysis indicates that at 490,000, we will maintain sufficient capability for the Active component to meet the anticipated range of potential future missions envisioned in the new defense strategy. Anything below 490,000 would threaten our ability to meet the National Strategic Guidance.

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