HEARING TO RECEIVE TESTIMONY ON THE CURRENT STATE OF
READINESS OF U.S. FORCES IN REVIEW OF THE DEFENSE
AUTHORIZATION REQUEST FOR FISCAL YEAR 2017 AND THE FUTURE
YEARS DEFENSE PROGRAM

Tuesday, March 15, 2016

U.S. Senate
Subcommittee on Readiness and
Management Support
Committee on Armed Services
Washington, D.C.

The subcommittee met, pursuant to notice, at 10:03 a.m.
in Room SR-222, Russell Senate Office Building, Hon. Kelly
Ayotte, chairman of the subcommittee, presiding.

Members Present: Senators Ayotte [presiding], Inhofe,
Fischer, Ernst, Kaine, Shaheen, Hirono, and Heinrich.
OPENING STATEMENT OF HON. KELLY AYOTTE, U.S. SENATOR FROM NEW HAMPSHIRE

Senator Ayotte: Good morning. I want to welcome our witnesses here today, the Vice Chiefs of Staff of our Armed Forces, and thank them for their leadership. And this is a very important hearing of the Readiness and Management Support Committee.

As we begin this subcommittee's second hearing of the year to receive testimony on the current readiness of our military forces, I want to thank the Ranking Member, Senator Kaine, for his continued leadership on defense issues and work with me in a bipartisan manner on these incredibly important issues to the readiness of our forces.

We're joined this morning by General Daniel Allyn, the Vice Chief of Staff for the Army; Admiral Michelle Howard, the Vice Chief of Staff of Naval Operations; General John Paxton, Assistant Commandant of the Marine Corps; and General David Goldfein, the Vice Chief of Staff of the Air Force. I want to thank each of you for your leadership and service to our country, and all of those who serve underneath you. We're grateful for what they do for our country.

General Paxton, I understand that today may be one of your last, certainly, Readiness force-posture hearings, but you're also the longest serving Assistant Commandant in the
Marine Corps in the last 100 years.

[Laughter.]

Senator Ayotte: You have been in that position since December of 2012. And I just want to thank you for your amazing service to our country, your leadership. You are the finest. And we -- I've appreciated getting to know you in this position, and I speak for all my colleagues in saying that we just very much appreciate your distinguished service to our country and all that you and your family have done for us.

[Applause.]

Senator Ayotte: General Paxton: Thank you, Chairman. Honored to serve and to be with great battle buddies like this and to be with great marines. So, thank you, Senator.

Senator Ayotte: Thank you. Semper Fi.

On February 9th, the Director of National Intelligence, James Clapper, said, "In my 50-plus years in the intelligence business, I cannot recall a more diverse array of challenges and crises that we confront as we do today."

When we consider just a few developments, it is easy to understand why Director Clapper would say that from where we even met from last year for this important hearing.

You recently testified that there are more Sunni terrorist group members and safe havens than at any other point in history. Russia, a country that the Commander of
European Command reminds us represents an existential threat to the United States and the NATO alliance as a whole, has invaded and annexed part of Ukraine while conducting a major military modernization and resuming provocative military actions that we have not seen since the Cold War.

China has invested massively in its military capabilities, steadily closing many of the technological advantages that the U.S. has enjoyed for decades.

Simultaneously, Beijing is building and militarizing artificial islands in the South China Sea, an effort that seeks to bully its neighbors and challenge one of the pillars of U.S. and global trade: the freedom of navigation.

Assumptions that held true a decade or two ago regarding the absence of a peer or near-peer military competitor can no longer be taken for granted. In North Korea, an unpredictable, despotic, and nuclear-armed ruler has developed a road-mobile intercontinental ballistic missile that the Commander of the Strategic Forces Command assesses is likely capable of reaching much of the continental United States.

Iran, the world's leading state sponsor of terrorism, is pocketing billions of dollars in benefits from the Iran deal while supporting Hezbollah and the murderous Assad regime and advancing Tehran's ballistic missile program to
threaten our forward-deployed troops, our allies, like Israel, and ultimately our homeland.

Meanwhile, as our communities confront horrible drug epidemics, South Command struggles with a severe lack of resources to detect and interdict drug shipments traveling to the United States. At the same time, Northern Command and its Federal partners confront a tremendous challenge in securing a porous southern border that is as vulnerable to terrorists attempting to enter our country as it is to drug smugglers.

These are just a few examples of the threats and challenges that we face and our allies confront. Yet, as these threats have grown, our military readiness has not kept pace. Instead, we have seen a disturbing deterioration in the readiness of each of our services. Many servicemembers don't have enough time home between deployments for rest and training, undercutting full spectrum of readiness. The readiness of nondeployed forces is not what it should be, depriving our Nation of the strategic depth that we need, given the threats that we face. And key combatant commander requirements go unmet. Critical war plans lack the necessary resources, and key modernization programs are delayed. In short, the gap between the military we need and the military we have has grown, and that gap is making — in my opinion, is a
dangerous gap.

Our defense budgets must be based on our national security interests and the threats that we face to those interests, not artificial budget caps. A small percentage of our fellow citizens raise their right hands, join the military, and agree to leave their families to keep the rest of us safe. We owe them tough, realistic training as well as modern, well-maintained equipment. To provide them anything less is to neglect our moral and constitutional responsibilities. And by maintaining unchallenged military superiority and preparedness, we take care of our troops, fulfill our responsibilities and make costly conflicts less likely. I look forward to hearing from each of you today regarding the readiness of each of our services and what you specifically need from Congress to ensure that we meet our needs and that we can defend our Nation, and that our most precious resource, our men and women in uniform who serve below you, and you, yourself, that you can let us know what they need to effectively do their jobs.

I also look forward to getting some specific updates that are important to my home State of New Hampshire on the arrival of the KC-46A at Pease Air National Guard Base. I want to also discuss some issues that are important to the New Hampshire Army National Guard, as well as workers at the Portsmouth Naval Shipyard as they maintain our Nation's
attack submarine fleet, which is so important to our combatant commanders.

I would now like to call on our Ranking Member, Senator Kaine, for his opening remarks, and thank him for his leadership.
STATEMENT OF HON. TIM KAINE, U.S. SENATOR FROM VIRGINIA

Senator Kaine: Thank you, Madam Chair.

And thanks, to all the witnesses. I've enjoyed the -- working together in conversations I've had with many of you in preparation for this hearing.

And I want to extend my thanks to General Paxton. I gather you're the longest-serving Assistant Commandant since the very first one, Lieutenant Colonel Eli Cole, in 1915. So, your penalty for that is, you've had to do this posture hearing four times. Your reward is, you won't have to do it a fifth time. So --

[Laughter.]

Senator Kaine: But, we're -- again, we're very, very happy to celebrate with you this significant accomplishment. You know, for many years, the recurring theme from this annual posture hearing is -- remain unchanged. And that is, military is stuck at an unacceptable level on the spectrum readiness -- on readiness spectrum. Last week, I received a classified briefing, available to all committee members, on this readiness question. I was really shocked, and I would encourage any member of the committee, and especially this subcommittee, to go get that same briefing. It will really put in context this readiness question in a way that will stun you.
And everything I'm going to say now is not from that classified briefing. This is open, what I'm now going to say. There are other things that I could say, but I won't.

Today, less than half of our Nation's military is ready to perform their core wartime mission. And some critical units are in far worse shape than this 50 percent. Fourteen years of sustained combat, together with the Budget Control Act of 2011, have presented the Nation with a unique readiness challenge. It's kind of the perfect storm of two significant events. And that problem has no likely end in sight if we continue down the path of sequestration budget caps with the increasing operational demand that the Chairwoman described, given the state of the world.

Today, there are no -- zero -- fully ready Army Brigade Combat Teams, and there are only nine ready BCTs available for unforeseen contingencies.

Less than half of the Marine Corps units are ready to perform their core wartime mission, despite having a congressionally mandated role as the Nation's crisis-response force.

Today, 80 percent of aviation squadrons do not have the required number of aircrafts to train.

Less than half of our Navy's ships are ready to ship to meet wartime plans, while deferred and unplanned maintenance continues to delay training timelines and prolong
deployments. For example, ship deployments that used to be 6 months are now 8 to 10 months, which exacerbates the conditions of the ships and also creating challenges for those in the extended deployments. I look forward to digging deeper into the topic of our shipyards. We're going to have a subcommittee hearing on this on April 5th.

And on the Air Force side, half of the Air Force aircraft are ready, some fighter and unmanned units are in far worse condition. This is well below the 80-percent requirement that is necessary to execute the national military strategy.

High operational tempo and the combatant command requests have left too many units with unsustainable deploy-to-dwell ratios. The ratio -- the rate of operational tempo is like forcing the same five people to play an entire game of basketball without relief from the bench.

However, we, in Congress, have to admit that we've helped create these terrible conditions for our military. We can't buy you time -- we can't buy time to restore readiness. It will take a while to rebuild our strategic depth. Nor can we simply buy our way out of our readiness problem. But, we can do much better in the way in which we provide you with resources. Sequestration continues to be a significant challenge and kind of a mindless menace, because it's nonstrategic. Too often, we've given DOD unpredictable
funding levels, and even those appropriations have arrived late in the year or in the form of last-minute continuing resolutions. And the only reason we suffer from this self-inflicted predicament is because we were not able to come together to find a meaningful solution to a sequestration that was artificially passed by Congress in August of 2011. A lot of things have happened in the world since August of 2011. That was pre-Ebola, pre-Zika, pre-North Korean cyberattacks, pre-ISIL, pre-Russia into the Ukraine. The world has changed dramatically, and yet we're still living under a significant straightjacket.

I continue to believe, as I expressed in one of my first votes in the Senate, we need to repeal sequestration, not only for the sake of readiness, but for the sake of our full spectrum of national security needs. Our intelligence agencies, law enforcement agencies, homeland security, international development, State Department, and domestic agencies all require relief, and we need to work together to make this happen.

General Allyn, I know it's a few months before your son graduates from West Point, but I want to, as I conclude, congratulate both you and him today. We both have sons in the military, and we owe them, and all future generations, our thanks. And I want to congratulate you on that.

And then, Madam Chair, thanks for pulling this hearing
together. And I know that we're going to have an awful lot
to talk about.

Senator Ayotte: Thank you, Senator Kaine. Appreciate your leadership.

And I would like to call on, first, for testimony, General Daniel Allyn, the Vice Chief of Staff of the United States Army.
STATEMENT OF GENERAL DANIEL B. ALLYN, USA, VICE CHIEF
OF STAFF, UNITED STATES ARMY

General Allyn: Thank you, Madam Chair Ayotte, Ranking
Member Kaine, distinguished members of the subcommittee.
Thanks for inviting me to testify on the readiness of your
United States Army.

We live in a dangerous world, as you've both talked
about. And, after more than 14 years of continuous combat,
it is tempting to hope that a respite lies just over the
horizon. Instead, the velocity of instability is
increasing, and demand for Army forces across a range of
military operations is increasing.

At current end strength, the Army risks consuming
readiness as fast as we build it. Today, the Army is
globally engaged, with more than 186,000 Total Force
soldiers deployed in support of combatant commanders in over
140 countries. These soldiers conduct combat operations,
deter aggression, and assure our allies and partners.

In Afghanistan, the Army continues to train, advise,
and assist Afghan National Security Forces to defeat the
enemies of our country. In Iraq, we build partner capacity
to fight the Islamic State of Iraq and the Levant. In
Africa and throughout the Americas, we partner to prevent
conflict and to shape the security environment. In the
Pacific, more than 75,000 soldiers remain committed,
including 20,000 who stand ready in the Republic of Korea.
In Europe and Asia, Army forces reassure allies and deter
Russian aggression. At home and in every region of the
world, the Army stands ready.

This is why readiness is, and must remain, the Army's
number-one priority. Training is the bedrock of that
readiness. To provide trained and ready forces to combatant
commanders, the Army must conduct realistic and rigorous
training across multiple echelons. Realistic training
demands predictable and sustained resources in both time and
money. To ensure a trained and ready Army today, the Army
is accepting considerable risk by reducing end strength
while deferring modernization programs and infrastructure
investments. These tradeoffs are reflections of constrained
resources, not strategic insight.

The Army requests congressional support to rebuild
readiness, maintain end strength, equip our soldiers with
the best systems now and in the future, and provide soldiers
and their families with quality of life commensurate with
their unconditional service and their sacrifice. With your
assistance, the Army will continue to produce the best-
trained, best-equipped, and best-led Army forces to fight as
our Nation calls them.

We thank Congress for your steadfast support of our
outstanding men and women in uniform, our Army civilians,
our families, and our veterans. They deserve our best
effort.

Thank you again for allowing me to join you today, and
I look forward to your questions.

[The prepared statement of General Allyn follows:]
Senator Ayotte: Thank you, General Allyn.

I'd like -- I'd now like to call on Admiral Howard, the Vice Chief of Staff of Naval Operations.
STATEMENT OF ADMIRAL MICHELLE J. HOWARD, USN, VICE CHIEF OF NAVAL OPERATIONS, UNITED STATES NAVY

Admiral Howard: Chairman Ayotte, Senator Kaine, and distinguished members of the subcommittee, it is my honor to represent the thousands of Navy sailors and civilians who sustain operations around the globe.

I appreciate the opportunity to testify on the current state of Navy readiness and the projected changes to that readiness with the Fiscal Year 2017 Budget Request. This budget submission provides the resources for our deployed forces and supports our continued readiness recovery efforts. This submission also contains the hard choices and tradeoffs we made to achieve future warfighting capability.

In a design for maintaining maritime superiority, the Chief of Naval Operations, Admiral Richardson, has challenged the Navy team to meet the demands of our mission along four lines of efforts. First, the readiness funding directly contributes to strengthening naval power at and from sea. Navy readiness organizations are actively engaged in efforts to meet the second line of effort, to achieve high-velocity learning at every level by investing in our sailors through new and reinvigorated training programs. And we support the third line of effort to strengthen our Navy team for the future by employing innovative training methodologies to accelerate productivity of new shipyard employees. And
lastly, we strive to expand and strengthen our network of partners in order to meet our most critical challenges. We have reached out to industry to address our shipyard and aviation depot workload. Our budget request supports the design, and, if executed, will result in continued operational excellence throughout our Navy.

The demand for naval assets by global combatant commanders remains high, and Navy continues to provide maximum sustainable global presence. Supporting this posture requires a commitment to protect the time and funds needed to properly maintain and modernize our force. Full recovery of the material readiness of the fleet is likely to extend beyond 2020. Stable funding, improvement in on-time execution of ship and aviation depot maintenance, and steady-state operations are required to meet our fleet readiness goals.

As we proceed on the road to recovery for float operational units, we continue to do so by taking conscious risk in the maintenance of our shore infrastructure. To mitigate impacts ashore, Navy has made difficult decisions and focused on items directly tied to our primary missions. As a tradeoff, Navy continues to postpone much needed repairs and upgrades for the majority of our infrastructure. Continued shortfalls in our facility sustainment will eventually have effects on our sea readiness model. Failing
to plan for these necessary investments will continue to slow our future recovery. We are still paying down the readiness debt we accrued over the last decade, but more slowly than we would prefer and at continued risk to our shore infrastructure.

Powered by our exceptional sailors and civilians, your Navy is the world's finest, and we are committing to retaining our superiority. And this budget represents a margin of advantage over our adversaries. And that margin could be lost if we do not achieve stable budgets. We can only maintain our status as the world's greatest Navy with constant vigilance, dedication to restoring our readiness, and a commitment to sustain forces around the globe.

And, with that, I'd like to depart from my prepared remarks with one caveat. Senator Kaine, you talked about August of 9/11 as a milestone. For my Navy, there's another issue that's capacity all of its own as it affects readiness. And on another 9/11, I was in the Pentagon. And at the end of that timeframe, when we -- when 9/11 happened, we had 14 carriers, we had over 300 ships, and we had 60,000 more people in the United States Navy. So, during this time of conflict, we have become more efficient, we are a smaller Navy, but we are at 272 ships, as of today. That's ships and submarines. We are growing back to over 308 ships, and I appreciate the support of this committee in understanding
the purpose of the Navy and helping us get back to where I believe we need to be, in terms of capacity. And we've got to have a certain core capacity in order to achieve readiness for the warfight.

So, I extend my thanks to all of you for your efforts in continue to support.

Thank you.

[The prepared statement of Admiral Howard follows:]
Senator Ayotte: Thank you, Admiral Howard.

I would now like to call on General Paxton, the Assistant Commandant of the United States Marine Corps.
STATEMENT OF GENERAL JOHN M. PAXTON, JR., USMC,
ASSISTANT COMMANDANT, UNITED STATES MARINE CORPS

General Paxton: Thank you, Chairman Ayotte, Ranking
Member Kaine, distinguished members of the Readiness
Subcommittee. I appreciate the opportunity to appear before
you again today and to report on the readiness of your
United States Marine Corps.

The Marine Corps is committed to remaining our Nation's
ready force, a force that's truly capable of responding to
any crisis anywhere around the world at a moment's notice.
It has been so for 240 years, since Captain Nichols led his
marines ashore in Nassau in March of 1776. Last year, the
Congress reiterated the expectations of the 82nd Congress
that the Marine Corps continue to serve as our country's
expeditionary force in readiness, and to be most ready when
the Nation is least ready, as you mentioned just a moment
ago, Senator Kaine. I thank you for that reaffirmation, and
assure you that today the Marine Corps is meeting, and will
continue to meet tomorrow, your rightly high expectations.

Marines continue to be in high demand from all our
combatant commanders around the world. They are forward-
deployed and engaged on land and on sea for crisis response
in Africa, Europe, the Middle East, and the Pacific. Last
year, marines conducted airstrikes in Iraq and Syria, they
enabled Georgian forces operating in Afghanistan, and they
conducted lifesaving and disaster-relief operations in Nepal, among many other issue -- many other missions, all
while remaining ready to respond at a moment's notice.

Maintaining that "fight tonight" warfighting relevance across all five pillars of readiness requires careful
balancing. We must constantly balance between operational readiness and institutional readiness, between capability and capacity, as the VCNO just said, between current and future operations, between steady-state and between surge and between low-end and high-end operations as well as the training that goes with them, all of this as we face the increasing and varied demands from the combatant commanders.

In our challenging fiscal environment, we're struggling to maintain all of those balances. As the Commandant said in his posture statement, the Marine Corps is no longer in a healthy position to generate current readiness and simultaneously reset all of our equipment while sustaining our facilities and modernizing to ensure future readiness.

We have continued to provide the geographic combatant commanders with operationally ready forces to execute all of their assigned missions. In some cases, these units are fully trained only to those assigned missions, not the full spectrum of possible operations.

In addition to this operational -- in addition to this, operational readiness is generated at the cost of our wider
institutional readiness. This year, I must again report that approximately half of our nondeployed units are suffering from some degree of personnel, equipment, or training shortfalls. We continue to prioritize modernization for the most important areas, particularly the replacement of aging aircraft and aging amphibious assault vehicles, but we are deferring other needs. Our installations continue to be the billpayers for today's readiness, putting the hard-earned gains from the past decade and the much needed and the congressionally supported military construction further at risk.

While our deployed forces continue to provide the capabilities demanded by the combatant commanders, our capacity to do so over time and in multiple locations remains strained. Our deployment-to-dwell-time ratio continues to exceed the rate that we consider to be sustainable in the long term. The strains on our personnel and equipment are showing in many areas, particularly in aviation, in communications and intelligence. And I'm prepared to talk about those, thank you.

We have already been forced to reduce the capacity available to the COCOMs by reducing the number of aircraft assigned to several of our aviation squadrons, and we expect to continue those reductions throughout 2017.

While we are able to maintain steady-state operations
today, to include the ever-expanding Phase Zero operations and to better shape theater capacity for the combatant commanders and be focused on theater security cooperation, building partnership capacity, and sustaining mil-to-mil engagements, our ability to surge for a crisis or for a warfight is increasingly challenged.

Though your Marine Corps remains able to meet the requirements of the defense strategy and to conduct high-end operations in a major contingency response, we may not be able to do so with a level of training and for all of our units and along the timelines that would minimize the costs in damaged equipment and in casualties.

These challenges in balancing provide context for the message today. Your Marine Corps remains ready to answer the Nation's call, but with no margin for error on multiple missions in which failure is not an option. To win in today's world, we must move quickly, move decisively, and move with overwhelming force.

I thank each of you for your faithfulness to our Nation and for your continued bipartisan support of the Department and all of the services.

I request that my written testimony be accepted for the record.

I thank you for the opportunity to appear before you today, and I look forward to your questions.
[The prepared statement of General Paxton follows:]
Senator Ayotte: Thank you, General Paxton.

I would now like to call on General Goldfein, the United States Air Force Vice Chief of Staff.

Thank you.
STATEMENT OF GENERAL DAVID L. GOLDFEIN, USAF, VICE CHIEF OF STAFF, UNITED STATES AIR FORCE

General Goldfein: Thank you, Chairman Ayotte, Ranking Member Kaine, and distinguished members of the subcommittee, on behalf of our Air Force Secretary and Chief of Staff. And it's an honor to be with you today, and a privilege to be here with my fellow Vice Chiefs.

I request my written statement be placed in the record.

Just as you have heard from my colleagues, your airmen work side by side with their fellow soldiers, sailors, marines, and coastguardsmen to defend U.S. interests here in the homeland and across the globe. As an example, it's still winter in Minot, North Dakota, Malmstrom, Montana, and F.E. Warren Base in Wyoming, and early this morning, a number of airmen drove the equivalent of Philadelphia to D.C., and now stand watch over the most destructive force on the planet as they provide strategic nuclear deterrence for our Nation and our allies. At the same time, airmen are providing top cover and precision fires for our joint and coalition teammates in Iraq, Syria, Afghanistan, Korea, Africa, and Europe, all while our Air National Guardsmen provide 24/7 defense of the homeland in support of U.S. Northern Command. From moving critical supplies and people to every corner of the map to managing 12 constellations in space to defending our critical cyber networks to executing
lifesaving personnel recovery and Special Operations missions, I could not be prouder to represent the more than 660,000 Active Duty, Guard, Reserve, and civilian airmen who put the power in airpower.

However, 25 years of continuous combat coupled with budget instability and lower-than-planned top-lines have made the Air Force one of the smallest, oldest, and least ready in our history. To put our relative size, age, and readiness in perspective, in 1991 we deployed 33 of our 134 combat-coded Active, Guard, and Reserve fighter squadrons in support of Operation Desert Storm. We were 946,000 airmen strong. On average, our aircraft were 17 years old, and 80 percent of the fighter force was ready for full-spectrum conflict. Today, we have just 55 Total Force fighter squadrons, and our Total Force is 30 percent smaller, at 660,000. The average age of our aircraft is 27 years, and less than 50 percent of our combat Air Force is ready for full-spectrum operations.

Couple this significant readiness decline with a rising and more aggressive China, recent Russian actions in eastern Europe and Syria, continued Iranian malign influence, North Korean nuclear and space ambitions, and our ongoing fight to deliver a lasting defeat to ISIL, and you understand my concern with this dangerous trajectory.

The fiscal year '17 budget reflects our best effort to
balance capability, capacity, and readiness under the top-line we received. We made difficult trades between readiness today and the critical investment required to modernize for the future against potential adversaries who continue to close the technological gap. Air Forces who don't modernize eventually fail. And when the Air Force fails, the joint team fails. I look forward to discussing these trades and their impacts in today's hearing.

Madam Chairman, decisive air, space, and cyberspace power is fundamental to American security, and it underpins joint force operations at every level. The 2017 President's Budget and the flexibility to execute the resources as we have recommended is an investment in the Air Force our Nation needs. America expects it, the combatant commanders require it, and, with your support, airmen will deliver it.

On behalf of our Secretary and our Chief of Staff and our airmen who give our service life, thank you for your tireless and continued support. And I look forward to your questions.

[The prepared statement of General Goldfein follows:]
Senator Ayotte: Thank you, General.

I would like to start by asking each of you, What is your leading readiness concern as we think about where we stand? Appreciate the testimony that you've given, but if you can tell me, What are the things -- what is the thing that keeps you up at night, readiness-wise?

General Allyn: Thanks, Madam Chair.

For the United States Army, our number-one readiness risk is sequestration. We must have sustainable and predictable and sustained funding to deliver the readiness that our combatant commander requires -- require to meet the missions that continue to emerge. So, elimination of sequestration is our greatest risk to future readiness.

Admiral Howard: Madam Chair, I would echo those comments. I was at the fleet when we actually sequestered. We ended up canceling deployments, shifting maintenance periods to meet the savings required to meet the new budget top-line. And it -- the ripple effect of that goes through the years. You not only lose the maintenance time, but you lose qualification time for people in that experience that can never be bought back, because you can't get the time back. So, particularly for us, as a capital-intensive force, having a stable budget, being able to procure and maintain our ships with certainty allows us to maintain a ready fleet.
Thank you.

Senator Ayotte: Thank you.

General Paxton: Thank you, Chairman.

I concur with both the VCA -- Vice Chief of the Army and the VCNO. The continued impacts of sequestration are felt over multiple years. We have not had a stable fiscal planning environment for 3 years now. So, we are -- we continue to make hard tradeoffs, and we mortgage our future readiness, because we're trying to fight today's fight. So, I have concerns about capacity and future readiness. And everything we do is trade space, and we need some top-line relief, ma'am.

Thank you.

General Goldfein: Ma'am, and I'll just continue the same dialogue. When we stopped flying in -- when we were sequestered, we shut down and grounded 31 fighter squadrons. And when an Air Force stops flying, it's actually felt across the enterprise, because not only is it the aircrew that stop training, it's the air traffic controllers that stop training, it's the folks that actually all participate in producing airpower, and it extends into the depots that all work towards becoming our readiness engine. And so, for us, we're still climbing out of the impacts of sequestration.

And I would just add, one point is that we also broke
faith with our airmen, especially our civilian airmen. When
they were furloughed, we lost a number of them who decided
that if the company was not invested in them, they were not
going to stick with the company. So, for us, repeal of
sequestration is job one.

Thank you.

Senator Ayotte: Thank you all.

General Goldfein, I wanted to have you provide us an
update on the KC-46A and where they stand with the delivery
to Pease. And also, I saw, in the Air Force request, that
you've requested funding in 2017 for a KC-46A fuselage
trainer at Pease. Is that important training resource as we
base the KC-46A at Pease?

General Goldfein: Yes, ma'am. So, right now, the KC-
46 is on track to meet both their required aircraft
availability delivery date, which is 18 aircraft in August
of '17. We have had some testing delays. And the impact of
that is that, in a normal schedule, we would have aircraft,
you know, be produced, we would induct them into the Air
Force, we would do the maintenance and the testing on those.
What's happening is, even though we believe they're going to
be able to meet their required aircraft delivery date, we're
going to get a number of aircraft all at once. So, as we
work our way through that, we believe that we're going to be
able to absorb that in the first two bed-downs, which is
Altus and McConnell. And so, by the time they actually get to Pease Air Force Base, we believe that we'll actually be back on track. So, we're watching that very closely.

We have had some issues lately with some boom axial loads, but we think we actually have the software fix in place, so we're on track, we believe, to meet the IOC dates.

Senator Ayotte: Excellent. Appreciate it. And I know that our airmen and all at Pease are anxiously waiting and ready, so we appreciate it -- the update. And keep us updated on where things stand there.

I wanted to ask, Admiral Howard -- you and I talked about the Virginia-class submarine. And, of course, you've been to the shipyard, and I appreciate your visit there.

Right now, are we able to meet all the combatant commanders' requests for support from our attack submarine fleet?

Admiral Howard: Ma'am, thank you for that question. Across our entire fleet, we're not able to meet the combatant commander requests. And, generally, their accumulated requests are -- is about three times higher than the force that we have. And so, our SSNs and their multimissions are very important to the combatant commanders.

Senator Ayotte: And so, as you talked about in your opening testimony, the size of the fleet, it -- obviously, our attack submarine fleet's phenomenal, but presence is
very important, especially as we think about the Asia-
Pacific region and also the Middle East and various areas
around the world that we have to cover.

As I look at -- right now, under the Navy's current
plan -- you and I talked about this, but -- by 2021, we're
at one -- producing one Virginia-class submarine a year,
versus two. And I know that Secretary Stackley had
tested that he would be open to the idea of, if you were
able to have enough -- achieve enough savings in the Ohio-
class replacement program, that he would like to see you
purchase two in 2021.

Now, I understand you can't answer that question now
until you know what the planning is, and investment in the
Ohio-class program, going forward. But, do you agree with
Secretary Stackley that, if -- obviously, if this were
something that you were able to achieve the savings and we
were to give you the certainty that you needed, that there
is an urgency and importance to making sure that we continue
to build up and strive for the two production of Virginia-
class submarines from 2021, going forward?

Admiral Howard: Yes, ma'am, I do. Yes, Senator, I do.

In our last force-structure assessment, we believe we
need about 48 SSNs. And as we've been buying two a year,
then, as the older ones start to reach the end of their
lifecycle, we will be down to 48 in '24, and then we
continue to drop in numbers until we get into this bathtub in the 20s. And so, we -- in order to make sure we don't get to that bathtub, we're going to have to continue to build two, and we're going to have to figure out how to get there.

In terms of the Ohio replacement, one of our issues will be whether or not we will have to manage that funding for that asset. It's a strategic asset. And I certainly appreciate this group's work on the strategic deterrence fund, but if we have to fund Ohio replacement within our budget top-line, that will affect all of shipbuilding and actually affect the rest of the conventional force, as well.

Senator Ayotte: Excellent. Thank you, Admiral Howard.

I would now like to call on Senator Kaine.

Senator Kaine: Thank you, Madam Chair.

And thanks, to the witnesses.

General Allyn said something. I just took it down quickly. I think I got the quote right, "Sequestration is the greatest risk to future readiness." And I believe that that's true. Sequestration was driven by a reality that we also have to acknowledge, which is, we do have an increasing debt that we have to manage. The deal that was struck, the BCA cap deal on August of 2011, basically punished a lot of our operations, discretionary spending, and defense spending, as a way of forcing the effort to find a deal.
And the deal was, basically, supposed to be a deal that dealt with the costs of Medicaid and Medicare, on one hand, and the escalating tax expenditure suck out of the revenues, on the other hand. We haven't done that deal. You know, just bluntly, Democrats generally are loathe to get involved in Medicaid and Medicare reform, and Republicans are loathe to get into tax reform. But, if we don't do that deal at some point, we can't just say the deficit doesn't matter. Because it does. And the sequester is going to stay on.

So, the need to release sequester is going to demand of us a willingness to show backbone and find some reforms in these areas that, in the past, has been difficult to do. But, I really pray that, as a U.S. Senator, I'm going to get to cast a vote on a big tax reform and spending reform package that will enable us to just put sequester in the dustbin, where it belongs.

The -- I'm going to ask this question for the record. Senator McCain has written a letter to the Service Chiefs in -- asking for FY17 unfunded requirements priorities list. Chatted with you about some of that. Some of the material is starting to come over to the committee. And the unfunded requirements and priorities are not, themselves, prioritized. So, for the record, I'm going to ask that the Service Chiefs' submissions, in fact, be prioritized, because it will help us, if we decide, can we do some
additional resources, to know how those would be applied by
the services. And I'll ask that question for the record.

[The information referred to follows:]

[SUBCOMMITTEE INSERT]
Senator Kaine: General Paxton, let me ask you about a couple of items with respect to the Marines on aviation. The goal of the Osprey readiness is 87 percent, but it's about 60 percent today. About one-third of the Sea Stallion helicopters you need to train are ready today. And last year's hearing, you talked about the extensive backlog of requests for legacy model F/A-18 Hornets. Tell us a little bit about how we can help you best on this aviation readiness shortfall that you've described.

General Paxton: Thank you for the question, Senator Kaine.

We continue to have challenges in our aviation communities, writ large. And if I were to say -- if you needed an exemplar of the impact of continued sequestration or the readiness dollars, I would tell you that the pacing indicator in the Marine Corps is our aviation community. Within that community, we are struggling to get F-- -- B-22 parts to keep them online, and we are struggling for maintenance for the F/A-18s. We have some challenges in our depot maintenance. Some of that was exacerbated by the loss of skilled craftsmen and the loss of money during the sequestration, 3 years ago. So, we have a continued rebound there.

The plan to regenerate F-18 capability is behind schedule on a monthly and on an annual basis. We continue
to chip away at that, sir.

It is a mix of three component pieces. It's the ability to get the aircraft off the line, to get it in to be ready to maintain, which means you're going to strip away a frame that pilots would be training on. It's also the need to have the wrench-turner, be it a uniformed military or a civilian. And then it's the money available to continue to do the maintenance and to bring that offline.

So, we have to sync all of those up together, sir. We have a demand signal for -- particularly for our F-18s right now, until we get the F-35s online. And we -- we're flying the wings literally off the F-18s right now. And that is probably the biggest pacing item for us, sir. The depth-to-dwell is below 1-to-2. We continue to source them to two of our Special-Purpose Marine Air-Ground Task Forces in support of CENTCOM and AFRICOM. So, there's a demand signal, and we're trying to meet the "fight tonight" capability, as I said. And we're doing it at the expense of both the sustainment and the modernization, Senator.

Senator Kaine: Can I follow up on the point you made about the Special Purpose MAGTFs? You've got two, and they're assuming a greater role in crisis response in the regions that you discuss. And I understand the Marine Corps is looking at even increasing forward presence to ensure that one-third of active operating forces are immediately
available for use for contingencies. How do you, kind of, position forward and at the same time deal with some of the home base readiness issues that the Marines are experiencing?

General Paxton: Thanks, Senator Kaine.

We are committed, as you know and the committee knows, I'm aware, and as I said in testimony, to answer the "fight tonight" requirements from the geographic combatant commanders, which is why we have the two Air-Ground Task Forces forward-deployed. We have, in the last year, as we did our global force allocation -- we have had to reduce the density of aircraft available to those Special Purpose MAGTFs, in at least one case. And that's because we reached the point where we had to change our depth-to-dwell model. We had to change our maintenance. And we had to actually induct aircraft back into the line, back here in the States, and we had to keep sufficient aircraft at home to train pilots. So, we're answering the geographic combatant commander's demand signal, but we have asked him to reduce that demand signal a little bit. So, we had to strike that balance, again, between "operate tonight" and "ready for tomorrow," Senator.

Senator Kaine: General Goldfein, I want to move over and ask about an Air Force issue that we talk about a lot in the committee, but I didn't fully grasp, til recently, that
it was not a platform issue; it was really kind of a readiness issue. And so, this is -- we debate, on the committee, about A-10 versus F-35. And we have been. And if dollars were no object, we might not be having the debate. But, dollars are an object, and so there's been kind of a tug-o-war of this.

I thought that was a -- essentially, a debate about the viability or the effectiveness of one platform versus another. But, what I find, for example, as I've dug into it more, the Air Force was intending, in the phase-down of the A-10, to take the A-10 maintainers and move them over and have them become F-35 maintainers. And so, if we don't phase down the A-10, suddenly there's about 4,000 maintainers that you need for the F-35 that you don't have. And so, this is really a readiness question on the maintenance side. How do you deal with that maintenance gap on the F-35 side? Because that's a sizable crew of people that you need to make sure the F-35 are effective.

General Goldfein: Yes, sir. Thanks for the question. Because we actually are all in the same boat on this one, in that we don't have excess capacity to bring on new while we maintain the old.

Senator Kaine: Yeah.

General Goldfein: So, actually, I could not give you a better example of the impacts of sequestration than the A-10
discussion we're having, because it came directly out of the
sequestration discussion. I mean, in '15, we were given an
$8 billion math problem to solve under the sequestered
budget. So, in '13, just as the Chairwoman said in the
opening comments, you know, a lot of the -- the world was
relatively stable as we looked to the forward. We were
coming -- we were out of Iraq, we were coming out of
Afghanistan, Russia was not active. So, we had a relatively
stable environment we were looking forward to. We had to
solve an $8 billion math problem.

So, we went to the combatant commanders and said, "Of
those missions that we do for the Nation and for your
combatant commands, we have got to find an -- a weapon
system that we can take offline to be able to harvest the
dollars to pay the bill and the manpower to bring on the new
weapon system. Here are the options. Take out the B-1,
take out the F-15E, take out 400 F-16s, or take out the A-
10."

So, as you know from working budgets, the easy answers
are gone pretty early in the discussion, and what you're
left with is a series of bad options, and you try to pick
the least bad one, which was the A-10. And so, we have 100-
percent concurrence with the combatant commanders that,
given those options, the A-10 is the weapon system that we
would take offline and retire, because we do have a
mitigation -- not a one-for-one replacement, not a platform that can step in for the A-10, but jointly across all of our aviation capabilities, we have a way to mitigate the shortfall of the A-10. So, when the combatant commanders looked at that, versus other options, they chose that.

And so, we are going through a number of steps to be able to mitigate that. When we came back to Congress and delayed the retirement, it was based on the reality that the world changed since our assumptions were made.

Senator Kaine: And this is not to really get back into -- members of the committee have strong feelings about A-10 versus F-35 --

General Goldfein: Sir.

Senator Kaine: And I'm actually not interested in arguing that right now. But, the thing that I hadn't fully grasped is, by keeping the A-10 alive, we had made a decision to move the maintainers over, and so now we have a maintenance gap on the F-35 side, which is pretty critical. And that's a readiness question. So --

General Goldfein: Sir.

Senator Kaine [presiding]: -- these issues do tie together tightly.

My time is up. And Senator Inhofe is next.

Senator Inhofe: Okay, thank you, Senator Kaine.

I think one thing we're getting out of this, so far, is
that General Hawk Carlyle was right when he was talking about, "We have more mission than money, manpower, and time." That refers not just to the Air Force, but across the board. And I know that's the situation we're in right now. And it's very disturbing.

Secretary James and General Walsh were before this committee last -- I think it was 2 weeks ago -- and they said, prior to 1992, the Air Force procured an average of 200 fighter aircraft per year. In the two and a half decades since, curtailed modernization has resulted in procurement of less than an average of 25 fighters yearly. Now, that's -- General Goldfein, that is pretty disturbing. How are we -- did we have too many before? Explain how we got to this situation.

General Goldfein: Yes, sir, thanks.

So, over the last 15 years, while the Nation has been very singularly focused, in many ways, on the violent extremism threat and fight in the Middle East, each service has made strategic trades, based on demand signals, on what we provide to the joint team. For the Air Force, the demand signal has been primarily in space, cyber, ISR, and the nuclear enterprise. And so, you'll see in our budget that we invest in those. And so, when you're trying to balance against those, there's only two places you go to balance, and that's people and conventional airpower.
Senator Inhofe: Yeah. So -- yeah. So, we're talking
about fighter squadrons there.

General Goldfein: Sir.

Senator Inhofe: And I can remember, not too many years
ago, I think they, through necessity, did away with 17 -- or
stood down 17 fighter squadrons. And I remember, at the
time, we were making statements, and I did, before the
general committee, that it costs more to reinstate those
than anything that is saved in that short period of time by
standing down those fighter squads. Do you agree with that?

General Goldfein: Yes, sir, I do.

Senator Inhofe: We had the actual figures of that, and
it's pretty astounding, that --

General Goldfein: Yes, sir.

Senator Inhofe: And then, talking -- and I would also
mention the Chairman of the committee, Senator Ayotte,
talked about what's happening over there, what our
competition is doing. And, as we find ourselves in a
situation where we are downgrading, China and Russia are not
standing still. And I see this gap closing. The J-20 -- I
guess they were the -- yeah, J-20 in China, and the T-50 in
Russia. They are -- they're closing in on us. And the --
China's J-20, it's my understanding, would be a real
competitor to our F-35 and F-22. So, we have those
problems.
And when you talk about failing -- and we all said that it's modernization that is paying the bill for a lot of this stuff. We're not preparing for the future. I can remember -- and I'd direct this at our Army and our Marine Vices. Are you aware that my last year on the House Armed Services Committee, before I came to the Senate, we had people testifying that, in 10 years, we would no longer need ground troops? Remember that? Yeah. Well, I guess what I'm saying is, when you're talking about modernization, you have two problems. One, modernizing equipment. And the other is on your mission -- modernize your mission. And if we were to sit here right now -- you guys are all smart -- and determine what are our needs going to be 10 years from today, you're going to be wrong. And the only way, if we are going to try to reinstate our position of superiority, is to go ahead and do what's necessary in all the possible scenarios that might be taking place in -- 10 years from now, or 20 years from now. And you have to stop. You can't wait 8 years and then determine what to do.

So, I would hope that you'd consider that to be a major problem that we need to address, in that we don't know what our needs are going to be. And the American people out there, they don't know that we don't already have -- aren't already superior in every possible scenario, put together. And I think that's something --
Now, I don't disagree with Senator Kaine, although let's keep in mind that, when we were testifying -- I think it was General Walsh or -- but one of them said that, in 1964, we spent, total -- 52 percent of our total expenditures on defense. And today it's 16. Now, when you read further, you do find the culprit in there is in the entitlements that we're going to have to address. And I would agree that we're going to have to get there. But, nonetheless, whether it's entitlements' fault or anybody else's, we're still down there to a small fraction of what we considered to be the priorities to defend America at that time.

Did we find -- Mr. -- General Goldfein, when we talked about the -- we brought this up when we had your boss in here and talked about the fact that we, today, have 33 -- he said 34 at that time; this was just last week -- fighter squadrons into our first conflict since Vietnam, or today. But, in 1991, we had 134 combat-coded fighter squadrons. Would you say that we -- again, asking you kind of the same question that we did before -- did we have too many at that time? And how can we justify this kind of degrading, in terms of the numbers of fighter squadrons?

General Goldfein: Yeah, thanks, sir.

I would say that we did not have too many. We had, actually, what we needed to go. And that was a result of
the vision of the Vietnam generation who built our force back after Vietnam and gave us the force we needed when we wanted to go in.

Our challenge today is that for an Air Force -- and we all build and sustain readiness a little bit differently, but I'll tell you, for an Air Force, when we say that we require the force to be -- 80 percent of the force to be ready, it's because if you take a look at the timelines of the operational plans that the combatant commanders rely -- approximately 80 percent of the Air Force is forward within 120 days. So, we have to have that capacity to be able to meet the defense strategic guidance.

Senator Inhofe: Yeah. Okay.

And lastly, in this morning's -- one of the publications, they kind of relived what happened to our Harrier that caught fire, here, just the other day. And I think it was the -- yeah, it was General Neller said that he raised the question as to whether readiness shortfalls had contributed to what has become a 5-year high in aviation mishap rate. That's really astonishing. A 5-year -- it affects all you guys -- a 5-year high. What -- now that you've had some time to think about it, what do you think about that, in terms of, What could have been the cause of the Harrier with the fire accident that -- just a few days ago?
General Paxton: Yeah, thank you, Senator Inhofe.
We are concerned about the safety of the aircraft.
We're not concerned -- let me rephrase that, sir. That's
incorrect.
We're not concerned about the safety of the aircraft.
The aircraft are well-designed, well-built, well-maintained,
and well-flown by great pilots.
Senator Inhofe: Been around, though, since 1985.
General Paxton: But, we are concerned about an
increasing number of aircraft mishaps and accidents. And we
are -- although that particular one is under investigation,
Senator, we're looking to see if there's a lineal
correlation. We know, historically, that if you don't have
the money and you don't have the parts and you don't have
the maintenance, then you fly less.
Senator Inhofe: Sure.
General Paxton: And we call it "sets and reps." You
need set-and-repetitions to keep proficiency up there. So,
we truly believe that if you fly less and maintain slower,
there's a higher likelihood of accidents. So, we're
worried.
Senator Inhofe: So, your schedule now is -- I think
that's -- they're ultimately going to be replaced by the B-
35Bs. Is that correct? And the date for ultimate -- for
ultimately replacing all of them would be 2025. Am I -- is
that information correct?

General Paxton: That is correct, Senator.

Senator Inhofe: Do we have enough Harriers to last that long?

General Paxton: We have sufficient inventory, sir. We have to keep up the maintenance on them.

Senator Inhofe: Okay.

General Paxton: Absolutely.

Senator Inhofe: Thank you.

Thank you, Mr. Chairman. Madam Chairman, not Mr. Chairman.

Senator Ayotte [presiding]: Thank you, Senator Inhofe. I'd like to call on Senator Heinrich.

Senator Heinrich: Thank you, Madam Chair.

General Goldfein, Senator Kaine brought up the issue of -- with keeping the A-10s flying, the maintainer challenges that we have. That's something that's been impacting my home State of New Mexico, as well. And some of that gap has been filled with contractors. Why haven't we looked at using the Air National Guard to help fill that maintainers gap?

General Goldfein: Sir, actually, we have. It's -- what's an interesting part of your Air Force today is that you can jump on a C-17, walk up into the cockpit and ask, "Okay, who's Guard, who's Active, who's Reserve," and all
three hands will go up. We're that integrated.

So, we actually have used, and are continuing to use, the Air National Guard as we look at resolving the maintenance challenges we have as we, right now, maintain the A-10 and bring on the F-35. So, it's a complete one-Air Force solution that we're going down.

You mentioned contractors. And what we've done is, we've actually looked at those locations where squadrons don't deploy, and we're using contractors. So, that's where you see the replacement training units and the aggressor squadrons. But, that's a short-term fill, because eventually we've got to get back into blue-suit maintenance for those units.

Senator Heinrich: Yeah. I would just encourage you along those lines. And I think that's a really good role for our Air Guard. And, as we work through those challenges, I think that's one of the solutions that I'm certainly most attracted to.

I wanted to bring up something that came up here when we did the NDAA last year. As you know, this committee provided a pay incentive specifically to encourage RPA pilots to enter into and stay in that field. In the end, the Air Force decided against providing that incentive pay. The justification or the rationalization for that was to main parity across Air Force platforms, but it ignores the
underlying issue, which is the Air Force RPA pilots are leaving the service in high numbers, as you know, and creating very serious training challenges. It's -- it seems to be a pretty insatiable demand right now for those capabilities overseas. Some have said that the RPA is literally -- community -- is literally at a breaking point. That's why I think you saw this committee authorize that.

If RPA pilots fly more hours -- and I've seen estimates around 900 per year -- shouldn't their bonus structure reflect that increased demand?

General Goldfein: Yes, sir, thanks.

So, the reality of the RPA -- remotely powered aircraft -- business in ISR is, it's been on an exponential growth really ever since 2001, when we had zero caps, then we grew up to -- all the way to 65 caps. And so, what happened along the way is, we continued to try to mature that weapon system. And a mature weapon system, as we define it, is enough individuals in the weapon system to do the primary mission, plus go to school, plus do staff, plus serve as interns here, and do all those things that we can communicate that portion of the Air Force across the enterprise.

What's happened in the business of RPA is that every time we try to stabilize, three more caps were added. And so, the question came to the Air Force, "Can you?" And our
answer was always, "Yes, if." "Yes, if -- yes, we can add three more caps if we delay maturing the weapon system."

And so, everyone we had in the weapon system was doing mission.

This year is the first time we've actually had a chance to stabilize. And so, we've got -- we've got 140 initiatives now that we're actually able to execute, that have been on the books for years, actually, that can now improve, not only the manning we need to be able to get the weapon system to be mature, but also improve the quality of life for these folks that you mentioned. One of those is the pay that you authorized.

When we looked at the critically -- the, you know, low-density, high-demand weapon systems across the Air Force, personnel recovery, you know, some of our other weapon systems, we want to make sure that we target all of them. So, while it's a -- it may come across as an issue of fairness and equity; it's really a matter of making sure that we target. So, we're doing that the first year, with 25,000. We're going to come back to you this next year and, as we've taken a look at the impact, and perhaps come back for the full 35.

Senator Heinrich: Can you talk a little about, aside from the bonus issue, what steps you're taking just to recruit and train more quickly?
General Goldfein: Yes, sir.

So, first, the most important thing we've done is, we've increased our instructor pilot force that you've seen at Holloman --

Senator Heinrich: Right.

General Goldfein: -- up to 80 percent, where we were sitting about --

Senator Heinrich: Yeah.

General Goldfein: -- 60 percent. And that's really --

Senator Heinrich: Huge change. It's --

General Goldfein: -- increased its throughput.

Senator Heinrich: -- very --

General Goldfein: That's going to get us that 10-to-1 crew ratio that we've got to build to mature the weapon system.

The other thing we're doing is, we're actually working to add a squadron to each wing that we have. Because the way we are operating now is, every squadron is in full combat operations. There's no relief. We want to add another squadron so that you have one squadron that's in training, the one squadron that's doing, you know, all of their additional work that they have to do, while the other two are engaged in combat operations. And so, you rotate through the wing the way we do in other mature weapon systems.
The other thing we're looking to do is add a base. And we'll do that transparently through the basing process so that we don't have the option of essentially going between Holloman and Creech as the only two locations for that enterprise.

Senator Heinrich: Great. I appreciate your attention to that.

General Allyn, the National Commission of the Army appeared to take a pretty pragmatic approach when considering the tradeoffs that you've talked about between readiness and modernization. The Commission recognized the need to preserve the Army's level of readiness, but also provided a pretty scathing critique of the lack of investment for next-generation Army platforms. The Commission concluded that the consequences for modernization were regrettable, and warned that the long-term risk to force and mission would be significant. What are your thoughts on what needs to be done differently, in terms of the acquisition or the requirements process, so that the Army can pursue the testing, evaluation, and procurement of those next-generation weapon system, as well as investing in the ranges to actually test them?

General Allyn: Thank you, Senator.

And, I mean, you put your finger on the issue that affects all of our services, and that is this struggle that
we have to maintain balance between delivering the force
that's required today while building the force for the
future and taking care of our people. And so, what you see
us having to do is make a very hard decision and a poor
choice, but the best choice we have within the resources
that we have. And, while acquisition reform is essential to
make sure that we get the best value for every dollar that
we put into procurement and acquisition efforts, the problem
in delivering capability is not because of acquisition
reform, it's under-funding. All right? We have eroded our
procurement --

Senator Heinrich: And you will get --

General Allyn: -- funding by 35 percent.

Senator Heinrich: -- I think, no argument from us on
that fact. I think, as you heard from Senator Kaine, in
particular, that, until we address sequestration, I don't
think any of us are under the misinterpretation that we're
going to be able to fix the gross overall problem.

General Allyn: But, we are absolutely committed,
Senator, to taking not only actions within the service to
address acquisition reform, because it's absolutely vital
that we deliver the right equipment at the right time for
the best value for the Nation, and we're committed to that,
but we also have got to put more funding into future
readiness, because we're mortgaging it right now.
Senator Heinrich: Thank you.

Senator Ayotte: Senator Ernst.

Senator Ernst: Thank you, Madam Chair.

Thank you, ma'am, gentlemen, for your great years of service.

General Paxton, especially to you, thank you so much for your many, many years of service. And I think General Allyn would also thank you for your service, as well.

General Allyn: For the record, he wasn't there 100 years ago when the first ACMAC went on duty, contrary to popular opinion.

[Laughter.]

Senator Ayotte: He came right after that?

[Laughter.]

Senator Ernst: You have a good friend in General Allyn, sir. So --

General Allyn, I'd like to start with you and thank you for your hospitality yesterday, as well. I appreciate your time and effort in these matters.

But, over the past year, we've had a number of combatant commanders that have told us they are either lacking capabilities or they're not -- just barely able to adequately meet demands. And I would like to hear from you how comfortable you are with the Army's ability to respond to the combatant commanders' requirements currently, and
then also, Do you think that you have adequate capacity to respond to the combatant commander current requirements as well as if we have an unforeseen crisis that comes up in the near future? If you could expand on that, please.

General Allyn: Thank you, Senator.

Let me probably hit a target that everyone at this table is wrestling with. And you've heard it from each of us, that we are absolutely committed to delivering trained and ready forces in support of our combatant commanders. That is job one for us. And for the United States Army, we delivered 91 percent of what our combatant commanders asked for, in terms of known requirements, for this past year. That sounds good. Ninety-one percent. That's an A in many schools across the country. But, that 9-percent gap is unacceptable to a combatant commander, and we recognize that.

In addition to that, the Army has delivered 64 percent of the emerging requirements that came out during this past year, of their total requirements. So, 64 percent of what they asked for that was unpredicted at the beginning of the year, we delivered. And, of course, the problem with that is, that came out of our surge capacity build. So, while we're trying to generate surge capacity for contingencies, we must continue to answer the emerging requirements that are validated by the Chairman of the Joint Chiefs and the
Secretary of Defense. And the end result of that is, I do not have a level of comfort that we are ready for a contingency of a major scale against our peer adversaries; and therefore, I am very uncomfortable with the trajectory of our drawdown right now, and I do believe it's time for a strategic review of, Is that what is best for our Nation?

Senator Ernst: And, General Paxton, do you have any thoughts on that, as well? Do you have capacity?

General Paxton: Thank you, Senator Ernst.

I know this will shock you, but my battle buddy and I are pretty aligned here, ma'am. We will continue to always meet geographic combatant commander demand signals. Even within those requirements, as General Allyn just talked about, there is a prioritization on the Joint Staff. So, we delude no one in knowing that Pacific Command and Central Command are resourced at a much higher capacity than AFRICOM or SOUTHCOM. And that is of some concern, certainly to those two geographic combatant commanders, but also to the services.

And, in the case of the Marine Corps, when we say "fight tonight," we have an equally high pride factor and ability factor to source "fight tonight" forces. As you just heard me explain to Senator Kaine, we've had to already chip into that by saying, "We're going to resource you and send it over, but you're not going to get quite as many
aircraft in the next round of doing that." And we do all of that at the expense of our bench strength. We have "tonight" forces, which are ready, "tomorrow night," which is ready, then everything else is at some degraded state of readiness, whether it's personnel, training, leadership, equipment. And that is not only mortgaging the future, but that's mortgaging the surge capability to fight an operations plan against a known adversary, where we're banking to have good indications and warning, adequate lift, and right time. So, I worry about the capability and the capacity to win in a major fight somewhere else right now.

Senator Ernst: Okay. Very good. Thank you, General Allyn and General Paxton.

General Paxton, if we could just continue the conversation about personnel readiness. You -- the Marines are a small force already. And yet, you continue to downsize. And as we look at the pool of ready applicants that are coming into the Marine Corps, we really do want those quality individuals. Can you talk a little bit about how the Marine Corps is facing these challenges in recruiting and retention? And also, how do you deal with the challenges of keeping qualified senior leadership in your ranks?

General Paxton: Yeah, thank you very much, Senator Ernst. Two great questions.
All the services, I think, are vitally interested in quality applicants. And the amount of high-quality young men and young women in the United States, that pool continues to dwindle when you look at physical characteristics, you look at academic performance, you look at morals, and things like that. So, we continue to have a challenge to identify interested and propensed individuals from a smaller and smaller pool.

In the particular case of the Marine Corps, we are not having a problem now at all. We have not had a problem for many, many years attracting high-quality individuals, officer and enlisted, regular and Reserve, to come into the Marine Corps. So, we're very, very proud of our recruiters, our recruiting force, our recruit trainers, and our entry-level pipeline. We do not have a problem with reenlisting officer and enlisted first-term, too.

The challenge we see, as you said, to continue to maintain a high-quality force over time. And there are certain leading indicators in our second-term reenlistments. Forces -- there is a high demand signal for them to train a lot. Forces where we need -- we have the authorities for bonuses, but we may not have the money for the bonuses. And there's a demand signal out in the civilian economy.

So, I think all the services right now are wrestling with the cyberworld. We know that we need better defensive
cyber capabilities. We know that, at some type, we need offensive cyber capabilities. And it takes a long time to train those individuals. Once you train them and you get them the security clearance, they are highly marketable, and the civilian establishment is making money off of us, because we qualify them, we train them, we give them security clearances, and then we need to keep them around. So, cyber operators, special operators, there's a handful of folks -- pilots -- I think all four services will wrestle with the long-term retention of those critical skills, Senator.

Senator Ernst: Thank you very much.

And I just want to echo that. I know it's true in the Army, as well; I'm sure in the other services. I struggled, as a battalion commander, once we found those soldiers that had those special skills, keeping them employed within our units without losing them to other civilian occupations.

So, thank you very much, ma'am, gentlemen. Thank you for your time here today. Appreciate it.

Thank you, Madam Chair.

Senator Ayotte: Thank you, Senator Ernst.

Senator Hirono.

Senator Hirono: Thank you, Madam Chair.

And thank all of you for being here.

General Goldfein, adversary air is an important part of
keeping readiness levels of our pilots at their desired levels. And because there are no convenient aggressor aircraft available in a nearby State, the Hawaii Air National Guard's F-22s are forced to conduct exercises against each other, which eats up very valuable and expensive airtime of these advanced fighter aircraft. I've introduced legislation in the past encouraging the Air Force to look at a wider range of solutions to this problem. So, for Hickam, are you considering having -- basing some aircraft that can be used as aggressors, looking at commercial aggressor services, for example? Can you tell me where the Air Force is in trying to solve this problem?

General Goldfein: Yes, ma'am.

In a -- couple of jobs ago, I served as the A3, the Director of Operations for a combat command, and we built a fleet of T-38As, much older aircraft that were no longer in use in Training Command. And we currently use those in three locations in the United States, in the CONUS, for training the F-22, for exactly what you're talking about, because the cost per flying hour is much less and we're able to replicate at least a portion of the threat when we fly these against them.

Within our current top-line, we continue to look at commercial alternatives while we can contract some of those. We do, in some our exercise, already do that. The services
do, as well. Right now, I know of no initiative that we're looking at specifically for Hawaii, but I'll go back and ask and get back to you.

[The information referred to follows:]

[SUBCOMMITTEE INSERT]
Senator Hirono: Can you take a look at that?

General Goldfein: Yes, ma'am.

Senator Hirono: Because if you can locate some of these T-38s in Hickam, for example, that would definitely release the F-22s from that particular part of training.

Admiral Howard, I was happy to see, in your written testimony, that you remain committed to improving the conditions of our Navy shipyards, of which, of course, Pearl Harbor Naval Shipyard is a large facility. Can you elaborate on the importance of maintaining our shipyards, including, of course, Pearl Harbor Naval Shipyard? And do you believe that the funding allocated in the fiscal year '17 is adequate to meet your needs in this area? And I know that you've testified that, you know, we're really putting aside -- postponing the needed repairs and upgrades of all of our facilities. That includes the shipyard facilities. But, can you just elaborate a bit more on whether the F-17 budget meets your commitment to maintaining our shipyards?

Admiral Howard: Ma'am, at this point, the budget does maintain our commitment to the shipyards. Overall, the amount of money we've put into facility sustainment across all of our installations is less, and our MILCON is less. But, we understand the importance of our shipyards. I mean, those are the incubators and the lifeblood for us to produce ships. And so, the -- we've exceeded a 6 percent investment
the last few years into the shipyards. We're probably going
to hit about 8.1 percent investment of upgrades in the
shipyards. And then, for '17, we're at 7.1 percent
investment, continuing to upgrade or modernize the
infrastructure. So, in a budget where we have fewer dollars
allocated to infrastructure support, we prioritize the
shipyards to make sure that they continue to provide us
excellent work.

Senator Hirono: And I think that, as you focus on
issues such as the productivity at our shipyards -- and, at
one time, that was an issue at Pearl Harbor, and I would
think probably at the other shipyards -- modernization and
just keeping the equipment up to par, all of that, totally
impacts productivity. And also the fact that our ships are
out longer when they come back to -- for repair and
maintenance, it takes our workers longer. And that
recognition should be reflected in what you consider
productivity numbers.

Another question for General Paxton. You mentioned, in
your written testimony, that the number of amphibious
warship vessels required to meet the demands of the
combatant commanders exceeds 50 vessels. And, furthermore,
while the minimum requirement is 38 vessels, you currently
only have 30 in your inventory. That's page 16 of your
testimony. Can you elaborate on what efforts and duties you
are unable to perform as a result of this inadequate number
of vessels? And does the Marine Corps have a current plan
to increase the number of vessels to fulfill necessary
requirements and missions?

General Paxton: Thanks for that question, Senator
Hirono.

And work very closely with my shipmate on my right
here, because this is a joint problem. The VCNO alluded,
earlier in her statements, about the overall size of the
Navy. And then, secondly, she also indicated the pressures
of funding the Ohio replacement program within the
Department of the Navy top-line, because this is what
actually pressurizes all of the accounts, not only the
shipbuilding account, which affects amphibs for us, but
service combatants, destroyers, carriers, everything for the
Navy, but it also pressurizes our joint aviation top-line,
too. It -- because it's just a big bill.

To your specific two questions, Senator. Number one
is, the 50 and the 38 are measured against two different
metrics. Of course, the 50, which both General Dunford and
Admiral Greenert testified to last year, reflects the
steady-state demand signal around the world if we were to
answer all of those combatant commander demands. The 38
reflects the war plans and if we had the requirement to take
two marine expeditionary brigades and move them
simultaneously to two major conflicts. So, those are the metrics that we measure against. The Navy-Marine team agreed, several years ago, that if the funding was available, if the maintenance of the ships was available, we could handle 34 amphibious ships, provided they were surge-ready to get to the fight. As we both know, we're at 30 today. We have not been above 30 for the last 11 years, since 2006. So, we are interested in building more amphibs, given the fiscal constraints that the Department operates under. Right now, we have, thanks to the good offices of the Congress, the ability to build a 12th LPD, and we have a plan to take the 12th LPD and move it into the LXR, a common hull form. So, we have a plan to get better, ma'am, but it's contingent on the money.

Senator Hirono: Everything is contingent on the money. And we start, first and foremost, by lifting the threat of sequester, going forward.

And, you know, considering that all of -- everyone who comes to testify says, "Get rid of sequester," and you notice we haven't done it yet. And I would say that that should be a top priority for our committees and our subcommittees.

General Allyn, you mentioned, in your written testimony -- oh, I'm running out of time.

Madam Chair, I -- perhaps I'll submit some of these
questions for the record.

Thank you.

Senator Ayotte: Thank you, Senator Hirono.

Senator Shaheen.

Senator Shaheen: Thank you.

And thank you, to each of you, for testifying today and for what you do every day to ensure the security of this country and for your service to America.

I would like to start talking about energy in the upcoming budget, because I am very interested in hearing about the efforts to continue to leverage alternative energy use and energy efficiency. And I think there is a perception in some quarters that this is being done in the military because people are being told to "go green."

Actually, I think it's more about our combat effectiveness and how we address our vulnerabilities because of our dependence on energy for so much of what we do and how we can be more effective using that energy. And, you know, I'm sure that everybody here is very aware of the impact in Afghanistan and other conflicts with needing to continually convoy energy use -- or oil and other resources for energy use.

So, can you all update me on what you're thinking as you're looking at this upcoming budget, and where you are with energy use?
General Allyn: I'll go ahead and start, give my teammates a chance to reflect.

I'll give you two examples, Senator Shaheen, where this is playing out exactly as you described. We did a significant amount of work to reduce energy expenditure on our forward operating bases in Afghanistan. And on those bases where we were able to put energy-efficient generators to operate all of our facilities, we were able to reduce monthly fuel convoys from five to two. And every convoy that stays off the battlefield is one less target in a very IED-rich environment. So, it's about, actually, force protection as much as it is about saving fuel expenditure and reducing weight for what has to be brought into the theater.

In terms of what we're doing for future warfighting development at our NIE exercises out in Fort Bliss, Texas, and White Sands Missile Range, New Mexico, we are assessing smart technologies to reduce the number of generators it takes to run our mission command centers, particularly for our brigade and our battalion task force -- tactical operations centers. This does many things for us. Number one, it reduces the signature for these mission command nodes on the battlefield. Number two, it makes these entities much more expeditionary. We can reduce from multiple airframes to bring them into a combat environment,
to a couple of airframes. And that's substantial over the
-- a major conflict, in terms of strategic lift requirement
reduction for the United States Air Force and the United
States Navy.

And so, we have already seen huge gains, in terms of
smart power generation and onboard power generation, where
many of our medium tactical vehicles, and now some of our --
even our small tactical vehicles, will have power generation
capacity that can be outported to run mission command
systems and reduce the need to even bring trailers and fuel
 haulers and generators. So, it's --

Senator Shaheen: And --

General Allyn: -- it's got great long-term effects.
Senator Shaheen: And can you speak to the importance
of that, in terms of readiness for --

General Allyn: Well, in terms of readiness for the
combatant commander, if I can deliver a brigade combat team
with three or four less C-17s, he's able to use those
aircraft to bring additional capability that he needs.
Because it's all about -- in a no-notice fight, every single
piece of equipment is prioritized. So, if you reduce
equipment, you enable more capacity for a smaller
consumption of strategic lift. And that is absolutely
critical to us.

Senator Shaheen: Admiral Howard?
Admiral Howard: Senator, thank you for the question.

So, for us, energy independence is directly tied to our warfighting effectiveness. The Navy has to be completely self-sufficient at sea. We carry all the fuel for our conventional ships, and then we carry the fuel for the aircraft. So, the more efficient we use fuel at sea means we can stay on station longer, it means we have to go alongside another ship less times. And every time you're alongside another ship to receive fuel, you're not doing your primary mission, whatever it is.

And then, for us, I once heard an admiral say, years ago, a captain of a ship is least important when the ship is in port. Mobility is intrinsic to who we are as a Navy. But, then, also for us, there are security issues that you're also most vulnerable when you're in port. Speed is life. So, if you're static, that's when you're most likely to be a target. So, an ability to be energy independent of host nations is important to our warfighting effectiveness.

And so, for us, we've been doing different things. We've been looking at our actual propulsion plans for new design, making sure we have hybrid electric drive. We're backfitting a couple of our destroyers with hybrid electric drive. And then, when you look at our shore infrastructure, when you look at critical infrastructure and utilities, it is to our benefit to be energy independent as much as we
can, even stateside.

And then, in the end, it helps us be good stewards of
the taxpayers' money. If we are not paying high utility
bills to power a ship that's pier-side stateside, that's
better use of that dollar to something else.

Thank you for the question, Senator.

Senator Shaheen: Thank you.

General, either of you like to comment, as well?

General Paxton: Very quickly. Thank you, Senator
Shaheen.

And, of course, being marines, we're partway between
the Army and the Navy, here. If I could give you just two
more examples, though, of the benefits of this.

General Allyn talked about reducing the number of
generators, or the size of the generators. When you talk
about your core marines being expeditionary, that reduces
one of the five fingerprints of lift. So, when you look at
that cubic foot, square foot available space on the ships,
then we take less. That means we can put more on the ship,
so we become more agile and mobile, out moving around the
seaspace and the battlespace.

The second one that General Allyn alluded to was in
terms of fuel consumption, too. As you know, with our O&M
dollars, we pay to train. We now have the capability to
meter vehicles, and you can figure out at what point the
idling is no good and it's time to shut it down, and the fuel consumption is actually better then, and you figure out when you start it back up, as opposed to having a marine or a soldier let it idle too long. And that saves money, which allows us to train longer and get more bang for the buck out of the training dollar.

Thank you, ma'am.

Senator Shaheen: Perhaps you should share that information with the vehicle fleets that the government maintains, because -- the rest of government -- because I think that's -- we have a -- awful lot of idling vehicles out front.

General? Just to finish up.

General Goldfein: Ma'am, very quickly. I'll just give you one example.

So, in the business of remotely piloted aircraft intelligence, you've got to simultaneously have access to assured energy for the aircraft that are flying overhead that bounce off the satellite to go back to command and control, that go into the process exploitation dissemination. So, part of what we're working with, with an energy task force, is to ensure that we have uninterrupted access to that energy and electricity so we don't have mission failure, which impacts readiness, based on vulnerability to cyberattack. So, that's where we're
putting a lot of our effort.

Senator Shaheen: Thank you.

Senator Ayotte: Thank you, Senator Shaheen.

Admiral Howard, I wanted to follow up an issue that you and I had talked about in my office, but one of the things that the workers at the Portsmouth Naval Shipyard do is, they're often deployed to share their expertise at other shipyards to help make sure that we've got good maintenance and we're all working together. And one of the issues that we put in the 2016 NDAA was a concern that the new long-term TDY policy may be discouraging excellent, excellent workers from going to other shipyards because of the cost of it and also, you know, putting a burden on them that doesn't allow them to stay similarly situated if they had stayed homeside. So, this is something that I'm worried about -- just worried about, because I -- we want to share our expertise. Our shipyard workers do a great job with this. And I know Admiral Hilarides has raised some issues about this, as well. So, I just wanted to say, Is this something that you can look at to make sure that these concerns are addressed?

Admiral Howard: Yes, ma'am, absolutely.

So, Admiral Hilarides' concerns have now reached the Department of Navy secretariat, and then we'll be looking more deeply into it and forwarding a recommendation to OSD. So, there's a couple more aspects I think we need to
think about. One, the policy was created to help save money --

Senator Ayotte: Right.

Admiral Howard: -- and to help all of us be good stewards of the taxpayers' money. In the end, unless we have volunteers, we can only compel shipyard workers to spend a certain amount of time TAD, so we may end up -- as they reach the end of that 4-week cycle, we may have more turnover than we like. And then we end up --

Senator Ayotte: Would cost us more money, right?

Admiral Howard: It ends up -- in the end, the policy may be costing us more money. So, we are working through to get those details with NAVSEA. And, obviously, a policy that had exactly the opposite effect is not one we should stay committed to.

But, there's another principle here that we need to think about. One is the commitment to these artisans and their skillsets --

Senator Ayotte: Right.

Admiral Howard: -- and that, as a government, we should be providing just compensation to our people. And if it's true that, based off the per diem rates and then the actuality of the functioning of how we have these people working, they are paying money out of their pocket, then that sort of violates many principles of --
Senator Ayotte: Right.

Admiral Howard: -- leadership and government. So, we are working with NAVSEA to get to the facts of what's going on, and then we can make a good recommendation to OSD.

Senator Ayotte: Well, we really appreciate your consideration and really careful view of this, because -- I just want to say, for the shipyard workers at the Portsmouth Naval Shipyard, I know they want to go and help the other shipyards. And so, we just want to make sure that they're treated fairly and are able to do that. So, I appreciate your looking at this policy. Thank you.

General Goldfein, I wanted to ask you, How are the A-10s performing in -- against ISIL? And the Secretary of Defense has said they've been performing superbly. How are they doing?

General Goldfein: Superbly, yes, ma'am. I would align with that.

Senator Ayotte: Okay, appreciate it.

I wanted to follow up -- I -- on the maintenance issue that was raised earlier. The Air Force told Congress that it had had to place A-10s on XJ or set-aside status to free up maintenance personnel moved to the F-35. And I think this may have been raised earlier in the hearing. And you've discussed the maintenance shortfall in your prepared testimony. Yet, my office has learned that at least five A-
10 crew chiefs from Davis-Monthan have -- were not moved to the F-35, but, rather, to the Azores to conduct basic aircraft transient alert activities that can be done by any maintenance personnel. Are you aware of this? And, if not, can you look into it for me?

General Goldfein: I'm not, and I will. Yes, ma'am.

Senator Ayotte: I appreciate it. Because I want to make sure that, if this is the claim on the maintenance personnel, that it is -- that we're maximizing and properly using the maintenance personnel. And I want to know, for the record, that the Air Force has told our office previously that it couldn't use contractors to solve a short-term maintenance shortfall. But, I know, in this budget request, it will -- the request will fund contractor maintenance personnel to fill gaps at select noncombat A-10, F-16, and C-130 units, following our Active-Duty maintainers to transition to the F-35. So, I've gotten different stories on the maintenance issue. And so, one thing I would appreciate, overall, is if you could provide my office -- since the claim is that we need the A-10s maintainers to assist the F-35, I'd like to know a -- what's happening with the A-10 maintenance personnel, and to have a list of the last 2 years of where they're moving and how they're performing.

[The information referred to follows:]
[SUBCOMMITTEE INSERT]
Senator Ayotte: My concern about the A-10 continues to -- and I think it's exemplified by the letter that I received from other TACP Association that represents roughly 1300 Active Duty, Air National Guard, and Reserve JTACs and 2,000 former JTACs who have written me and said, "We believe F-15s, F-16s, and B-1s cannot replicate the CAS capabilities of the A-10. And we know from combat experience that the elimination of the A-10 before a viable replacement achieves full operational capability will cost American lives." And that's been my focus from the beginning, and my concern about this particular platform.

I do also -- you and I have gone round and round about this -- but, I also want to follow up on the wing issue that you and I have talked about. As I understand it right now, that, under the current plan, if there's not a reprogramming request submitted for A-10 wings, that 13 A-10s will be grounded in 2018 due to the need for new enhanced wing assemblies. And part of it is, they're being used right now, right, a lot against the fight against ISIL? Is that -- is my understanding correct for that? And am I right to say that, for the record, without a reprogramming request for additional action, not only the 13 retired in FY18, the Air Force will -- also told me that 28 A-10s would be grounded in '19, 42 in 2020, and 47 in 2021. Is that true?

General Goldfein: Partially, ma'am. So, the aircraft
in '18 are actually going to be grounded, but the -- even if we were able to buy new wings, those wings won't show up until '19, so they actually will not affect the '18 numbers that will be grounded. Our plan right now is to take those out of the BAI aircraft so it won't affect, actually, those combat-coded aircrafts that we send forward to a combatant commander, so we'll manage those 10 in '18. The wings, if, in fact, we come forward and are approved for a above-threshold reprogramming by the committees that approve that, if that's approved and the Secretary comes through with that, those wings will start showing up in '19. And that's when they'll start being refitted.

Senator Ayotte: Well, I -- and I would -- as you and I have talked about, I would urge the Secretary to come forward, because obviously time is of the essence. We know that this platform is working well against ISIL. And I really would appreciate the Secretary -- and I know that Chairman McCain shares my concerns about this.

Thank you.

I would like to call on Senator Kaine.

Senator Kaine: Thank you.

Admiral Howard, we talked a bit in my office about an issue that's related to the workforce issue that Chairwoman Ayotte was discussing. We are going to have a shipyard workforce hearing in this subcommittee in early April, so I
don't need to go into it in depth, but I just wanted to
focus on it for a second.

The shipyard workforce is public shipyards who do
repairs, private shipyards who do construction and repairs,
and in many different locations around the country. And now
we also do some significant ship repairs in foreign
countries when our ships are posted there; in Spain, for
example, I know at Rota we do some repairs. And one of the
concerns that I'm hearing from my ship-repair community,
private ship-repair community in Hampton Roads, is kind of
the challenge they have sort of knowing what's coming down
the pike. Now, some of that is on us, Congress. Budgetary
certainty is a significant generator of uncertainties. But,
they also feel like they don't really know who to go to, to
try to find out what the likely future schedule is. And so,
if we -- if we're balancing work between public shipyards,
private shipyards, and some shipyards overseas, and some of
the way we balance it is, in the public shipyards, by moving
people around, then the private ship-repair community often
feels like they're the last ones to know, and it creates
challenges with them having to staff up, layoff, some people
move to other areas. Then there's a kind of a surge. We
need more, and it's more difficult to staff up.

So, one of the issues I'd kind of like to dig into, and
I would just like any general thoughts you have about, Are
there points of contact that would be better for the industry to be able to kind of reach out to, to get some sense of how this work will be apportioned and allocated down the road? And again, we have to own our portion of it on the budget-certainty side, but I'd love to have you talk about that for a bit, and then we'll dig into it more in early April.

Admiral Howard: Senator, thank you for the opportunity.

So, in particular, this last year, when the issue was brought up, NAVSEA and fleet went into dialogue with the private shipyards, and one of the things that -- we tend to look at the schedules in terms of producing operational ships, but then there generally is some fungibility in the schedule. So, they were able to work with the private yards and move the start of when some of those availabilities would be, and then that allows the private yards to get more long-term endurance, in terms of the number of workers they need to employ.

So, I think, one, we need to continue that dialogue with NAVSEA and the fleet and the private yards, not just in our fleet concentration areas, but, in some cases, in other areas where we more rarely use them. But, it's the same sort of thought process, allowing them to understand what our schedules are going to be and then working through so
that they can more optimally support us.

And then, for us, our type commander, Vice Admiral Rowden, has started to take this on, because there is a Navy portion to this, in terms of the planning and getting to a better definitized of what the repairs need to be before we even send a proposal out for everybody to bid on. So, I will, right now, commit to working with the fleet, NAVSEA, and Admiral Rowden in making sure that one of them says, "I want to be the integrator of all of this," and continue this dialogue and make sure that the folks who are helping us keep our ships going are also optimized. Because, in the end, that's probably going to cost us less money. If they're not having to hire and fire, then that means the continuity will help us get to the best return on investment.

Thank you, Senator.

Senator Kaine: Thank you all for your testimony.

Senator Ayotte: Senator Shaheen.

Senator Shaheen: Thank you.

I wanted to follow up on the discussion about the shipyards, because obviously, like Senator Ayotte, I share an interest in the Portsmouth Naval Shipyard. And I was very pleased, Admiral Howard, to hear your commitment to the Shipyard Modernization Program, and very pleased to be see that the President put in even more than the 6-percent
target in this budget. So, I hope that we can continue to ensure that we make the investment, the capital investment that we need to make in our shipyards, and appreciate your commitment to that.

I want to also follow up on the question that Senator Ayotte raised about the travel regulations. Because one of the things that I have heard from shipyard workers is that many of the people who are -- who have been there the longest, who have the highest skills, are some of the people who find the new regulations the most difficult. When I have people say to me that, on the per diem that they get under the new regulations, that they can't afford to go out for dinner, and they -- because they're working such long hours, it's really hard to cook in the facilities that they're in. I think that creates a real challenge for people. And I appreciate your willingness to look at this issue and also your recognition that it's really the skills of our employees who make such a difference, and that it could have the ironic impact of actually costing us more money than saving money. So, thank you. I hope you'll be willing to let us know soon what NAVSEA sees with respect to the information around what we're seeing with those travel regulations.

Admiral Howard: Yes, ma'am. I'll make sure we get you feedback.
Senator Shaheen: I wanted to ask one other question. And that has to do with the 2014 NDAA that we passed that says that it's DOD policy to eliminate the fielding of service-specific combat uniforms so that we adopt and field a common combat uniform for all members of the Armed Services. Can anyone tell me what the status is of the effort to have our military services working together on joint clothing and combat -- joint combat uniform? Because, as we think about where are areas that we can cooperate and save money, it seems to me that this is one.

And I appreciate everyone's interest in being identified as -- with their branch in the military, but it seems to me, when we're talking about combat uniforms, since, before 2002, everybody wore the same combat uniforms, that it's -- we should think about whether that policy should be changed. So, I don't know if anybody wants to comment on that.

General Goldfein: Ma'am, I'll jump on that one. We meet routinely on all issues relative to, really, personnel actions, whether force of the future or women in service, all those kind of things. And I won't speak for all of us, but I will tell you, this issue hasn't come up in the last 6 months, in terms of any of the dialogues we're having. However, you know, we have been operating in a single combat uniform deployed in the OCPs, and all of us tend to wear
that same uniform, and then we change the tape, you know, that actually has our service on it. We went to that, some years ago. And so, as far as any of the dialogues we've been in, I've not -- that has -- topic has not come up.

General Allyn: I'll just add one point to leverage on the -- continuing to use the OCP. That's the uniform we're going to as we transition away from the Army combat uniform. We're going to the combat variant that we're using so that we save resources and don't create a new requirement. So, we're trying to leverage all of the contingency stocks that we have purchased to ensure that, as we go forward, we're being good stewards of the resources you provide us.

Senator Shaheen: General Paxton?

General Paxton: Yeah, thanks, Senator Shaheen.

The question did come up. And I don't believe it was last year. I believe it was the year before, when we discussed it. Last --

Senator Shaheen: Yes. 2014.

General Paxton: And then last year, we did take it for a question in the House. And I know the concern of the committee and, rightfully so, the American taxpayer is not excess money. There is a commitment among the four of us and all four services to always share our RDT&E. So, if we figure out that, in a pixilated pattern, where if, in a uniform, itself, that there is a best practice there, we'll
share that with each other.

The way I recall this when we left it, 2 years ago, was that we had all -- we were freeze-framed in our current plan right now, and there was an obligation to continue to share that information, because I thought the sense of the committee and the sense of the Congress was not to invest further R&D money in that. I know, in the case of the -- particularly the Marine Corps, we had two uniforms that we developed, a woodland pattern and a desert pattern, that were actually developed pre-9/11, and that's what we've continued to use for the entirety of the last 14 years. And I know some of the pattern that we have, even though it is trademarked and patent-righted, and it was when we did this, we share it with Special Operations units, and they strip off the Marine things and put on -- as General Goldfein said, they put on their own identification and patches like that. So, there is a high degree of sharing, here. And I thought the commitment was not to expend R&D monies in the future without sharing best practices, ma'am.

Senator Shaheen: I don't know, Admiral, do you want to comment on this?

Admiral Howard: So, ma'am, the Navy and Marine Corps have been together a long time. And when we put our corpsmen in docks with the marines, as long as they pass the PFT test, they're allowed to wear the Marine Corps uniform.
So, we've been saving money that way. We do have our own camouflage, but we have not been looking at a new camouflage uniform, so this has not come up.

Senator Shaheen: So, you think things are progressing, then, in the way that the 2014 NDAA legislation envisioned? Is that what I'm hearing everybody say?

General Paxton: Yeah. I mean, again, Senator, it hasn't come up in 2 years. And I thought we understood the legislation. We were all compliant with the paths that we were taking, and it was just an issue of no further investments. But, you know, happy to take that for the record and go back and make sure we understand exactly what the obligations were in the language, Senator.

Senator Shaheen: I guess my understanding was a little bit different, so that would be helpful. And we can submit a question for the record, if that's helpful to everybody.

Admiral Howard: Yes, ma'am, it is. Thank you.

Senator Shaheen: Thank you all.

[The information referred to follows:]

[SUBCOMMITTEE INSERT]
Senator Ayotte: Thank you, Senator Shaheen.

I do have a couple of brief followups, and they relate to end strength.

I want to -- obviously, you all can weigh in on it, but particularly, General Allyn, General Paxton, as we think about our ground forces -- would like to ask you, General Allyn, where our Army size is right now. How many of those men and women in uniform who have served or deployed combat missions on our behalf are receiving involuntary separations? And what are -- as we look at the potential for -- if we were called to a major conflict, what our capacity is. And I would like to, obviously, get General Paxton to comment on the Marine Corps, as well, because I think it's important for people to understand where we are, vis-a-vis the size of our force, the force structure, versus what we really need for size of force.

General Allyn?

General Allyn: Thank you, Madam Chair.

The -- to your first point, the size of our Army today is about 1.03 million in the Total Force. We're headed in this program toward a --

Senator Ayotte: What's the Active Duty component of that?

General Allyn: We are at about 482 today, headed to 475,000 by the end of this fiscal year, and toward a program
force of 450,00 in the Active Force. And, as I mentioned, with 186,000 deployed on a daily basis in 140 countries, you understand my discomfort with trying to continue to meet emergent demands and current operations with a force that is getting smaller, and what that means, in terms of our ability to build surge capacity in a time when the contingencies are becoming ever more real as we face them.

So, we have done a number of things internally to try to address that risk. We've gone to a sustainable readiness model, a goal of which is to deliver two-thirds of our force ready at any moment in time for an unforeseen contingency. Frankly, at a 980,000-soldier Total Force, that's the only way that we can make the math work for a major contingency against a peer competitor. And we're sitting at about a third of the Total Force ready today sufficiently for combined-arms maneuver against a near-peer competitor.

And so, it's not where we need it to be, and I am absolutely uncomfortable with a force that gets smaller as the demands for our forces continue to grow and the contingency requirements escalate in multiple theaters around the globe.

Senator Ayotte: So, how many are -- I know this isn't of your desire to do this, so -- how many of our men and women who have deployed -- and I know -- understand many of them deployed more than once -- are receiving involuntary
separations as we downsize the force, even though it's not consistent with what we need to do to defend the Nation?

General Allyn: And I apologize, Senator Ayotte, for not answering that part of your question.

The bottom line is, if we continue on the path toward a program force, we will have to involuntarily separate another 14,000 soldiers, 10,000 of which are officers. And on this last round of involuntary reductions, over 50 percent of those that we were asking to separate involuntarily had two or more combat deployments. So, these are all soldiers that have answered the call of the Nation, they have served admirably, and, because of the program force structure, we must separate them. It's not something we want to do. And, frankly, we're doing everything that we can to ensure, through our Soldier for Life Program, that we're providing them a seamless transition. And we're also ensuring that our Army Reserve and our National Guard leadership have the first shot at accepting these seasoned soldiers into their ranks. And, frankly, it has really helped our Reserve component save dollars by taking experienced soldiers into the ranks and not having to retrain them. So, that has been a positive benefit of this unfortunate drawdown. But, it's still a situation that we should not find ourselves in.

Senator Ayotte: Right. I would say that this is one
where I really am concerned that we're not keeping faith
with them, if they have deployed multiple times and we're
going to give them an involuntary separation. And I hope
that's something we think about. But, also, the threats we
face, given what we need to do.

And, General Paxton, I wanted to get your thought on
this, as well. Because we've talked about it in prior
hearings. We used to build for two conflicts, right? And
then we went down to a one-and-a-half-conflict strategy.
And, as I understand where we are now, if we got called to
one major conflict, we're all-in. So, can you help us
understand that, from the ground perspective? And I know we
have naval and Air Force issues, as well, but in terms of
the first in for us.

General Paxton: Thank you, Madam Chair.

And I'll try and work in reverse, given your last
question. And we were originally, many years ago, a two-MCO
force, and then we reduced from there, and we are now at a
-- in a -- defeat-deny is the strategy. The DSG has not
changed since 2012. And I think the shared concern of the
members here in the committee is, if you're all-in on the
defeat piece, what is left for the deny somewhere else. And
if the deny grows exponentially, we may not have the
indications and warnings we need for lead time, we may not
have the strategic lift by sea or air. We may not have the
-- either the capability or the capacity to respond in time
to keep the other one in either deny or impose costs. So,
as we are commonly wont to say, capacity has a quality all
its own.

To your original questions, Senator Ayotte, if I may,
the Marine Corps at peak strength was 202K. We knew, when
we were asked for that authorization, that that was only
going to be a 3- or 4-year authorization. And this was pre-
sequestration. We are -- we have done three specific
studies on optimal end strength of the Marine Corps. All
three of those were completed before Senator Kaine's point
about -- this was pre-ISIL, pre-Ukraine, pre-South China
Sea, pre-cyber, pre-Snowden --

Senator Ayotte: So, pre-all of the obvious --

General Paxton: -- pre-all of that.

Senator Ayotte: -- threats we face.

General Paxton: So, as we came down from 202, Senator,
we knew that the optimal strength of the Marine Corps was
supposed to be 186-8. We are, today, en route to 182,000 by
the end of this fiscal year. So, we are below where we
would optimally like to be. And again, that study was based
on previous -- unknown previous conditions.

So, to your second point, we have not had to
involuntarily separate anyone. We would obviously prefer
not to break faith. And I know the challenges that the
larger and the other services have there. We continue to have, you know, 66 percent of the force on the first-term enlistment. It's a fairly young force. Most of them come in for 4 to 6 years, and then they separate. So, our challenges are a little different.

We do worry, as I said earlier, under question, about the -- some of the critical skills, Special Operations, cyber operations, pilots, and how we retain them.

And then, ma'am, just as an indicator, the combat capability that we have lost going below 186-8 -- when we went from 202 to 186-8 to 182 -- we have lost three infantry battalions, six towed artillery companies -- excuse me -- batteries. So, three battalions, six batteries, four tank companies, and five AAV companies. So, that's conventional capacity that we have offered up because we had to pay for cyber, for space, for nuke, for third offset strategy, and those things that we know are national priorities. But, that has been the trade space, in terms of conventional capability.

Thank you.

Senator Ayotte: I want to thank all of you for being here. I want to thank you for your leadership and important positions of defending our country and serving our country with such distinction. And I want to thank all of the men and women who serve underneath you for the incredible work
that they do making us proud every day and defending our Nation, and especially what we've learned today with the gaps in capabilities that we have. This is a real issue for us, and I really appreciate your coming forward and testifying. And thank you for being here.

[Whereupon, at 11:56 a.m., the hearing was adjourned.]